

ANNUAL REPORT 2020/21

DEPARTMENT OF EMPLOYMENT AND LABOUR



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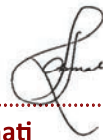
ANNUAL REPORT 2020/21

DEPARTMENT OF EMPLOYMENT AND LABOUR



THE DIRECTOR-GENERAL

I have the honour of submitting the Annual Report of the Department of Employment and Labour for the period 1 April 2020 to 31 March 2021.



Mr T Lamati

Director-General

Date: 25/10/2021

ORGANISATIONAL STRUCTURE

TOP LEADERSHIP




BE MOLOI

Deputy Minister of
Employment and Labour




TW NXESI

Minister of Employment
and Labour




T LAMATI

Director-General
Employment and Labour

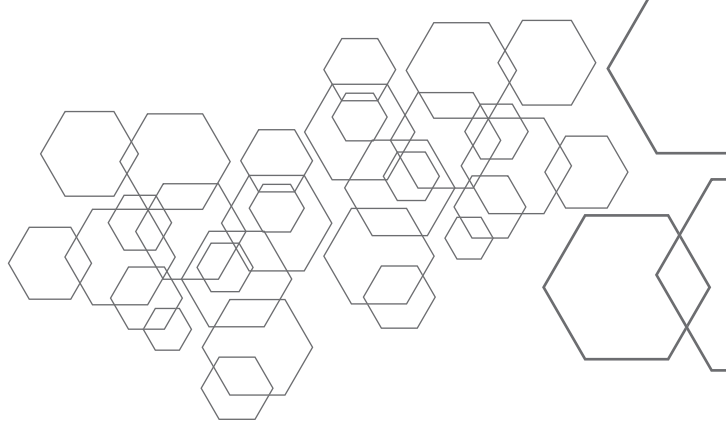
INSTITUTIONS REPORTING TO THE EXECUTIVE AUTHORITY

Advisory Council for Occupational Health and Safety > Commission for Conciliation Mediation and Arbitration (CCMA) > Commission for Employment Equity (CEE) > Compensation Board > Employment Conditions Commission (ECC) > National Economic Development and Labour Council (NEDLAC) > Productivity South Africa > Unemployment Insurance Board > Supported Employment Enterprises (SEE)



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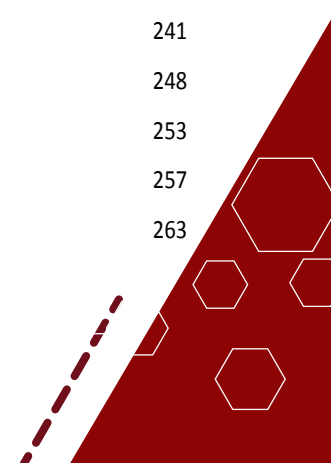
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PART A GENERAL INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

FOREWORD BY THE MINISTER

The year under review was marked by the outbreak and spread of the Covid-19 pandemic, subsequent lockdowns and resulting negative impacts on the health and well-being of people, economies and labour markets, nationally and internationally.

At the time of writing, September 2021, it is recorded that over 83 000 of our people have died of the virus, 2.8 million were infected. We are emerging from a third wave, whilst preparing for a fourth wave by the end of the year. Thankfully, with a recovery rate of over 92%, the vast majority have survived, and the vaccination programme is making progress. But, with 17.5% of the population having received at least one dose and 11.5% being fully vaccinated, the vaccination programme remains a priority to prepare for the fourth wave.

The pandemic and subsequent lockdowns had consequences for the economy and for jobs, in the financial year 2020/21, reducing GDP by 7%, losing over 1 million jobs and temporarily laying off many more. Although, at the time of writing, StatsSA indicates a rise in GDP for Quarter 2 of 2021, total GDP remains below that prior to the pandemic, and unemployment numbers have climbed to an unacceptable 34.4%.

Dial back to the Declaration of a State of Disaster by President Ramaphosa on 15 March 2020 and the subsequent level 5 lockdown from 26 March to curb the spread of the virus. It was immediately clear that it could not be business as usual for the Department of Employment and Labour and its entities. The Departmental family had to step up to address issues of health and safety in the workplace, support for struggling companies and laid-off workers, increased closures and retrenchment notices, and all of this in a period of reduced budgets. As Government got a grip on the pandemic, it also looked to develop strategies to rebuild the economy.

In the Department's response to Covid-19, Occupational Health and Safety (OHS) inspectors helped to craft Covid-19 OHS Directives. To enforce compliance, over 31 000 inspections were conducted for the period 1 April 2020 to 31 March 2021.

The Department appointed an additional 500 OHS inspectors, a welcome addition in the battle against Covid-19, making possible a four-fold increase in the number of inspections planned for 2021/22.

The UIF Covid-19 TERS benefit started paying out from April 2020. As at 31 March 2021, payments were made to 267 000 employers and to 5.4 million individual employees at a cost of R 58.7 billion – providing support to laid-off workers, their families and communities across the country. The UIF continued to provide income support to laid-off workers during subsequent lock-down.

MINISTERIAL FOREWORD

The necessary operational changes at the Fund came with challenges, and we were grateful to the Office of the Auditor-General for their assistance in analysing systemic weaknesses requiring strengthened controls, and to the SIU for investigating possible fraud and corruption.

We were also protected against fraud and corruption by the UIF's 'Follow the Money' strategy to audit all employers that received Covid-19 TERS funding. Up to 31 March 2021, 1 052 employers had been audited and the payments to 1.3 million workers verified. The auditors verified payments of R16 billion and traced R228 million that was fraudulently claimed by employers. Of the 121 employers that have already been handed to the Hawks via the Presidential Fusion Centre, 16 have appeared in court. The lesson was learnt, and subsequently every effort was made to pay income support directly to the workers concerned.

The Compensation Fund, and the licensed mutual assurance companies, have paid for medical treatment and replacement of lost income for 15 320 claims over financial year 2020/21. These bodies have also set aside R1.3 billion, in terms of the COID Act to contribute towards the funding for vaccines for some 3 million uninsured workers and COID pensioners.

NEDLAC (National Economic, Development and Labour Council) played a critical role in uniting social partners in a common response to the pandemic - shaping the income relief responses, and the health and safety directions for workplaces. The Council's role in promoting social solidarity at this time cannot be over-emphasised.

In the second half of 2020, Government increased its focus and resources towards national economic recovery. NEDLAC continued to facilitate social dialogue around issues of growth and jobs, monitoring implementation of the Presidential Job Summit Commitments, unblocking key structural reforms, now taken up by Operation Vulindlela, led by National Treasury and the Presidency.

NEDLAC also facilitated input by the social partners into Government's Economic Reconstruction and Recovery Plan (ERRP) announced by the President in October 2020, which included the successful expansion of public employment programmes, demand-led training and the identification of priority job-creating sectors for support, as well as strategies for job preservation. The focus for 2021/22 will be on expanding and implementing the ERRP.

As part of the reconfiguration of the Department to give effect to the additional employment mandate, the Labour Activation Programmes, funded by the UIF, were refocused to contribute directly to job creation and preservation. Despite the disruptions in 2020, 23 867 youths benefited from the LAPs against a target of 26 000, whilst 33 000 benefitted from LAPs opportunities against a target of 47 000.

The UIF will strengthen the normal Temporary Employer/Employee Relief Scheme (TERS) to give relief to struggling businesses to save jobs. Typically, businesses that have notified the CCMA of their intention to retrench, would then be invited to apply for support from the UIF normal TERS, and where approved, referred to Productivity SA to develop sustainable business strategies. From 2020/21, the UIF has invested R104 million to assist distressed businesses.

The CCMA has recorded an unprecedented number of referrals of Section 189A (retrenchment) matters. The processes facilitated by the CCMA in 2020/21 resulted in 42% of notified at-risk jobs being saved: some 58 000 jobs.

Despite the cost of Covid-19 TERS benefits in the last year, the UIF has set aside a total budget of R2.4 billion for the Labour Activation Programmes.

In 2020/21, under the normal TERS programme, Productivity SA supported 25 companies at a cost of R5.6 million, directly saving 3 000 jobs. Productivity SA's Business Turnaround and Recovery Programme capacity will be further enhanced in 2021/22. In the light of South Africa's recorded decline in productivity and competitiveness, Productivity SA is strategically positioned to deliver with focused support for formal and informal SMMEs, start-ups and cooperatives. This, in turn, supports the Economic Reconstruction and Recovery Plan.

Meanwhile, the Compensation Fund has committed 10% of its investment portfolio towards growth and job creation: some R8 billion.

During 2020/21, the Department's Public Employment Services (PES) worked with the Presidency to coordinate the Pathway Network Management programme which brings together nationally, work, learning and job opportunities for youth, made easily accessible on a digital platform. This requires the kind of 'joined up government' the President refers to. Relevant departments and agencies signed up to a Memorandum of Understanding. During 2020/21, 436 000 youths not in employment, education or training (NEET) were supported, with 170 000 placed into various work opportunities through the wider pathway management network.

Central to our employment strategy is the need to close the skills gaps. Part of this references the new demands of the Fourth Industrial Revolution.

So there will be a greater emphasis on digital literacy skills, demand-led skills training generally, as well as entrepreneurial skills. To this end, my Department is collaborating with the Departments of Higher Education, Science and Innovation, and Communication and Digital Technology.

Despite the pandemic, our Labour Centres continue to provide services, within the constraints of Covid-19 health protocols: 245 000 work-seekers were provided with employment counselling services, and 37 000 work-seekers were placed in employment. Budget constraints have affected our ability to roll-out youth centres, mobile units and self-service IT facilities. The two Funds are exploring ways to assist in this respect. The footprint of the Department and its entities remains strong in every province with 126 Labour Centres and over 500 satellite offices and visiting points in remote areas.

Reduced budgets and increased responsibilities emanating from the health and safety, income support requirements, and economic impacts of the pandemic and lockdowns, have forced the DEL family to rapidly reprioritise its use of resources and develop new ways of working. Savings on travel and accommodation, which were largely recouped by National Treasury, were matched by increasing costs of IT and related items. To meet pandemic protocols, services increasingly were provided on-line. As physical presence of employees in workplaces was reduced, the DEL family started to look at reducing office space, or sharing space, in order to make savings on rent.

The pandemic has exposed gaps in operations and the services we provide, e.g. in relation to informal and atypical workers. NEDLAC is currently seized with addressing these issues with social partners.

The Department of Labour's extension to include 'Employment' in 2019 has expanded its mandate beyond monitoring of the labour market regulatory framework to the preservation and creation of employment as well as coordination of employment efforts throughout Government and its agencies. The exigencies of the pandemic and the focus on economic recovery and jobs, has already hastened this transition. The roadmap is being finalised, but the reconfiguration of the Department is already well underway.

The traditional mandate of the Department of Labour is in no way diminished: to set the conditions for decent work through labour market regulation, collective bargaining, social security [through the Unemployment Insurance Fund (UIF) and the Compensation Fund (CF)], health and safety, employment equity, supported employment Enterprises, inspection and enforcement services to ensure compliance with labour legislation- including the BCEA, COIDA (Compensation for Occupational Injuries and Diseases Act), the Employment Equity Act, the Occupational Health and Safety Act, and the National Minimum Wage Act.

A comprehensive review on the impact of implementation of the NMWA was published in earlier this year, together with a review of the amount paid, including extending the current NMW to farmworkers, with a commitment to further extend this to domestic workers. Whilst this is not a Living Wage, it has already benefited millions of workers, and it provides a foundation for future improvements.

Several legislative amendments were drafted for presentation to Cabinet, NEDLAC and Parliament. These are being finalised by Parliament for enactment in the current year. These include: the COID Amendment Bill, which will be extended to cover domestic workers and introduce rehabilitation and return to work programme, as well as the Employment Equity Amendment Bill, which is being strengthened after years of minimal compliance. The amendments will allow us to set sector targets, and non-compliant businesses will be excluded from doing business with the State.

The draft Occupational Health and Safety Amendment Bill was finalised for presentation. ILO Convention 190: 'Eradication of Violence and Harassment in the Workplace' was presented to Parliament, and has now been ratified. My Department has developed an accompanying 'Draft Code of Good Practice' which has been published for public comment.

In line with the "Employment" mandate, we have drafted a National Employment Policy, which includes a National Migrant Labour Policy to be consulted for finalisation in the current financial year. This is all the more important in the present fast changing environment of climate change, energy challenges, labour migration and the onset of the Fourth Industrial Revolution (4IR).

The incorporation of the 'Employment' mandate, amongst others, includes a review of Departmental programmes e.g. normal TERS and LAP to shift focus from endless training schemes in the past, often unrelated to the demands of the labour market, towards support for actual existing jobs in distressed companies, and demand led training in partnership with employers in order to meet current and anticipated future skills requirements of the labour market.

All these initiatives, which are well articulated in our Annual Report, are intended to give effect to the Government's goal of stabilising our labour market, preserving and creating jobs, and ensuring a conducive environment for investment, economic growth and employment creation.

All these initiatives, which are well articulated in our Annual Report, are intended to give effect to the government's goal of stabilising our labour market, preserving and creating jobs, and ensuring a conducive environment for investment, economic growth and employment creation.

Despite difficult conditions, the Department and the majority of its entities received an unqualified report from the Auditor-General for 2020/21. There are however large challenges around the Compensation Fund which received a disclaimer in the previous financial years. We are committed to continued improvement of governance and an organisational review of the two Funds and SEE to move towards a clean audit.

I met with the Office of the Auditor-General which is providing guidance in addressing problems at the Compensation Fund.

Moreover, our performance against set targets during 2020/21 was uneven across the Departmental family. In mitigation, I would point to the difficult circumstances of 2020/21 the pandemic, the lockdown and Covid-19 protocols which meant that planned programmes necessarily had to be revised. Also, the Department and its entities were called upon, during this period, to provide new services on an expanded scale, particularly in regard to occupational health and safety and provision of UIF Covid-19 TERS benefits. So as we had to cut back on planned targets, we expanded in other areas which were not reflected in performance plans.

Going forward, challenges have been identified, particularly in relation to the AG's findings, action plans have been drafted and implementation will be monitored on a regular basis.

Finally, I wish to thank for all their support, in particular Deputy Minister, Ms. Boitumelo Moloi, and the Director-General, Mr. Thobile Lamati, as well as the management and staff of the Department and its entities: the CCMA, Productivity SA, NEDLAC, the CF, the UIF and SEE (Supported Employment Enterprises).



MR TW NXESI, MP

Minister of Employment and Labour

Date: 27/10/2021





FOREWORD BY THE DEPUTY MINISTER

Our immediate task towards a clean audit will require that we strive to find coherence with the Auditor-General with regard to the interpretations of audit findings and accounting standards.

We must be intentional with the Clean Audit Strategy. We said this since 2019, that our Clean Audit Strategy has to be crystallised.

This will ease the burden and clear our path towards clean audit. A clear alignment of our Indicators, Outcomes and Outputs as well as allocation of some resources should be maintained. We must demonstrate total commitment and hard-work with regard to the implementation of the audit action plans and remedial actions recommended by the Auditor-General.

As mentioned last year, we must always be purposeful with vigorous monitoring and evaluation of our Monthly and Quarterly Targets in line with the Audit Action Plans. We must be clearer with our priorities and targets and ensure alignment to SONA with Budget commitments. These priorities, targets and indicators should seek to achieve the planned indicators and outcomes in the Performance Agreement of the Executive Authority.

We can't talk about lack of resources when there are vacant posts. We must exhaust all the resources available at our disposal and, as the Executive Authority, we will be monitoring this development closely.

The internal audit must be capacitated because without a strong and functional internal audit there will be no accountability and this institution will collapse. We have to work in collaboration to realise the Department of Employment and Labour as a single business unit.

We encourage some drastic changes in organisational culture and environment, which must lead to a change in attitudes. Some of the most pertinent issues such as the ICT that we have thoroughly exhausted over the years must realise some significant progress.

Whilst we are planning for the years ahead, we must look carefully with more vigour and determination on the employment mandate. We are not creating the number of jobs we envisaged as the department and as a country. A high number of young people are unemployed and this may necessitate for the reset of our strategies and a more aggressive and robust approach in our programmes and policy shift.

FOREWORD BY THE DEPUTY MINISTER

The Department of Employment and Labour has become a permanent invitee to the select committee on public accounts (SCOPA). We are a permanent invitee for all the wrong reasons because we are summoned to answer questions and to account for almost every quarter since 2019/2020 to date on recurring matters that attract recurring audit findings. In the past few months, we have been to SCOPA to answer tough questions on the Compensation Fund and Unemployment Insurance Fund.

We firmly believe there's nothing wrong with reporting to SCOPA but to be a permanent invitee for the wrong reasons to this committee on matters that could have been avoided, catalogues some displeasure and discomfort for the Executive Authority. It will take some change of attitude, culture and tradition to address this phenomenon.

It remains a journey less travelled and we still have a long way to go and a lot still needs to be done to address our public image as the Department of Employment and Labour with regard to the audit outcomes in various Branches and entities of the Department.

The Minister and I have signed the performance agreement with President Cyril Matamela Ramaphosa, outlining clear indicators, the expected outcomes and our commitments to the President as the Executive Authority. In the mid-term of the 6th administration in office, these commitments must reflect meaningful progress and demonstrate some movement in the Annual Performance Plans and the Strategic Plans of the Department and Entities.

We are mindful that our Department was not spared from the resource challenges characterised by the reduced budgets. We were also not spared the devastation of the destructive pandemic which has been with us for almost 600 days to date. We have seen a pause in most sectors of our economy, jobs and infrastructure destroyed and society wreaked havoc by the pandemic and the increased burden on our various investment portfolios.

To date, after almost two years of battling with the mutating virus as the country and the whole world, we are encouraged by the positive vaccination drive messages towards reaching the herd immunity, the encouraging signs of community determination and encouraging efforts to going back to the new normal life again.

Many colleagues, friends and our neighbours succumbed to the deadly virus and many continue to die due to Covid-19. Our prayers are with the families of the departed, the orphaned children who lost their parents due to Covid-19 and the employees of the Department of Employment and Labour across the length and breadth of the country.

Thank you Minister for the clarity of purpose and the direction you continue to provide to this Department in these difficult times. The Director-General, the Deputy Directors-General and Heads of Entities, thank you for the support you continue to provide the Executive Authority.

Let us stay safe, remain calm and stay focused.

God bless you all.

I thank you. Kea Leboga.



MS BE MOLOZI, MP

Deputy Minister of Employment and Labour

Date: 25/10/2021

ACCOUNTING OFFICER STATEMENT

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2021.

Yours faithfully



MR T LAMATI

Director-General of Employment and Labour

Date: 25/10/2021

ACRONYMS

AG	Auditor-General	M and E	Monitoring and Evaluation
AR	Annual Report	MOA	Memorandum of Agreement
BCEA	Basic Conditions of Employment Act	MOU	Memorandum of Understanding
BRRR	Budgetary Review and Recommendations Report	MP	Mpumalanga
CAE	Chief Audit Executive	MTEF	Medium-Term Expenditure Framework
CCMA	Commission for Conciliation, Mediation and Arbitration	MTSF	Medium-Term Strategic Framework
CDPO	Chief Director: Provincial Operations	NACTU	National Council of Trade Unions
CF	Compensation Fund	NC	Northern Cape
CFO	Chief Financial Officer	NDP	National Development Plan
CIO	Chief Information Officer	NEDLAC	National Economic Development and Labour Council
COIDA	Compensation for Occupational Injuries and Diseases Act	NEET	Not in Employment, Education or Training
COO	Chief Operations Officer	NEP	National Employment Policy
CS	Corporate Services	NMW	National Minimum Wage
CSO	Client Service Officer	NT	National Treasury
DDG	Deputy Director General	NW	North West
DG	Director-General	OHS	Occupational Health and Safety
DPSA	Department of Public Service and Administration	OHSA	Occupational Health and Safety Act
EEA	Employment Equity Act	PEA	Private Employment Agencies
EEC	Employment Equity Commission	PES	Public Employment Services
ENE	Estimated National Expenditure	PFMA	Public Finance Management Act
EQAR	External Quality Assurance Review	PPP	Public Private Partnership
EPWP	Extended Public Works Programme	PSA	Productivity South Africa
ERRP	Economic Reconstruction and Recovery Plan	PwD	People with disabilities
ES	Employment Services	QLFS	Quarterly Labour Force Survey
ESA/B	Employment Services Act or Bill	QPR	Quarterly Performance Report
ESSA	Employment Services of South Africa	RAMP	Renovation and Maintenance Project
FEDUSA	Federation of Unions of South Africa	RME	Research Monitoring and Evaluation
FS	Free State	RTW	Return to work
GCIS	Government Communication and Information Services	SADC	Southern African Development Community
GP	Gauteng	SADC - ELS	Southern African Development Community- Employment and Labour Sector
HO	Head Office	SD	Sectoral determinations
HRM	Human Resource Management	SDIP	Service Delivery Improvement Plan
IAF	Internal Audit Function	SEE	Supported Employment Enterprises
ICD	Integrated Client Database	SIU	Special Investigation Unit
ICT	Information and Communication Technology	SMME	Small Medium Macro Enterprises
IES	Inspection and Enforcement Services	SMS	Senior Management Service
IFS	Interim Financial Statements	SP	Strategic Plan
ILO	International Labour Organisation	TERS	Temporary Employer/Employee Relief Scheme
KZN	KwaZulu-Natal	TES	Temporary Employment Services
LC	Labour Centre	UIA	Unemployment Insurance Act
LP	Limpopo	UIF	Unemployment Insurance Fund
LMIS	Labour Market Information and Statistics	WSP	Workplace Skills Plan
LP and IR	Labour Policy and Industrial Relations	WSS	Work-Seeker Services
LRA	Labour Relations Act		

REPORT OF THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

1. STRATEGIC OVERVIEW

1.1 OUR VISION

The Department of Employment and Labour will strive for a labour market which is conducive to investment, economic growth, employment creation and decent work.

1.2 OUR MISSION

Regulate the South African labour market for a sustainable economy through:

- Appropriate legislation and regulations
- Inspection, compliance monitoring and enforcement
- Protection of human rights
- Provision of Employment Services
- Promoting equity
- Social and income protection
- Social dialogue.

1.3 OUR VALUES

- We treat employees with care, dignity and respect
- We respect and promote:
 - Client centred services
 - Accountability
 - Integrity and ethical behaviour
 - Learning and development
- We live the Batho Pele Principles
- We live the principles of the Department's Service Charter
- We inculcate these values through our performance management system.



1.4 LEGISLATIVE AND OTHER MANDATES

The Department of Employment and Labour derives its mandate from the Constitution of the Republic of South Africa and gives effect thereto through a number of acts which regulate labour matters in South Africa.

The mandate of the Department is to regulate the labour market through policies and programmes developed in consultation with social partners, which are aimed at:

- Improving economic efficiency and productivity
- Creation of decent employment
- Promoting labour standards and fundamental rights at work
- Providing adequate social safety nets to protect vulnerable workers
- Promoting sound labour relations
- Eliminating inequality and discrimination in the workplace
- Enhancing occupational health and safety awareness and compliance in the workplace
- Giving value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market growth.

1.5 LEGISLATIVE MANDATE: KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Legislative Mandate

The Department of Employment and Labour Legislative framework is informed by the South African Constitution, Chapter 2, and the Bill of Rights:

- Section 9, to ensure equal access to opportunities
- Section 10, promotion of labour standards and fundamental rights at work
- Section 18, freedom of association
- Section 23, to ensure sound labour relations
- Section 24, to ensure an environment that is not harmful to the health and wellbeing of those in the workplace
- Section 27, to provide adequate social security nets to protect vulnerable workers
- Section 28, to ensure that children are protected from exploitative labour practices and not required or permitted to perform work or services that are inappropriate for a person of that child's age or their well-being, education, physical or mental health or spiritual, moral or social development is placed at risk, and
- Section 34, access to courts and access to fair and speedy labour justice.



THE DEPARTMENT ADMINISTERS THE FOLLOWING LEGISLATION:

LEGISLATION	PURPOSE
Labour Relations Act 66 of 1995 (LRA);	The Labour Relations Act (LRA), Act 66 of 1995 aims to promote economic development, social justice, labour peace and democracy in the workplace.
The Basic Conditions of Employment Act 75 of 1997 (BCEA);as amended	The purpose of this Act is to advance economic development and social justice by fulfilling the primary objects of this Act which are— (a) To give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution by— (i) establishing and enforcing basic conditions of employment; and (ii) regulating the variation of basic conditions of employment; (b) To give effect to obligations incurred by the Republic as a member state of the International Labour Organisation.
The Employment Equity Act 55 of 1998 (EEA);as amended	The purpose of the Act is to achieve equity in the workplace, by a) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and b) Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational levels in the workforce.
The Unemployment Insurance Act 30 of 2001, as amended (UIA);	The Act empowers the UIF to register all employers and employees in South Africa for unemployment insurance benefits.
The Occupational Health and Safety Act 85 of 1993 (OHSA);	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory council for occupational health and safety.
The Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA)	To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases; and to provide for matters connected therewith.
National Economic Development and Labour Council Act, 35 of 1994 (NEDLAC)	To provide for the establishment of a national economic, development and labour council; to repeal certain provisions of the Labour Relations Act, 1995; and to provide for matters connected therewith.
Employment Services Act 4 of 2014(ESA)	To provide for public employment services, their governance and functioning, including the registration of private employment agencies.
Skills Development Act 97 of 1998(SDA)	To provide for the establishment and functioning of Productivity South Africa and the Supported Employment Enterprises.
National Minimum Wage Act, Act 9 of 2018	The National Minimum Wage Act 9 of 2018 aims: <ul style="list-style-type: none"> • to provide for a national minimum wage • to establish the National Minimum Wage Commission • to provide for the composition and functions of the National Minimum Wage Commission • to provide for the review and annual adjustment of the national minimum wage • to provide for exemption from paying the national minimum wage and • to provide for matters connected therewith.

1.5.1. OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

The mandate of the Department is to regulate the labour market through policies and programmes developed in consultation with social partners, which are aimed at:

- Improved economic efficiency and productivity
- Facilitate decent employment creation
- Promoting labour standards and fundamental rights at work
- Providing adequate social safety nets to protect vulnerable workers
- Promoting sound labour relations
- Eliminating inequality and discrimination in the workplace
- Enhancing occupational health and safety awareness and compliance in the workplace



- Giving value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility for competitiveness of Enterprises which is balanced with the promotion of decent employment.

The Department is also responsible for the administration and effective functioning of the following labour market institutions:

- **Productivity South Africa.** Productivity SA aims to develop and enhance productive capacity in South Africa by continuously improving labour practices in South Africa. It works to build institutional capacity through sound project management skills, and through developing working relationships with other government agencies.
- **National Economic Development and Labour Council (NEDLAC).** A statutory social dialogue body, with its constituency comprising organised labour organizations, business organizations, government departments, and community groups. Social partners discuss and negotiate on public finance and monetary policy, labour market policy, trade and industrial policy, and development policy.
- **The Commission for Conciliation, Mediation and Arbitration (CCMA).** An independent body established by the Labour Relations Act, No. 66 of 1995. The CCMA promotes social justice and fairness in the workplace by providing high-quality, ethical, innovative and cost-effective dispute management as well as dispute resolution services.
- **Support Employment Enterprises (SEE).** This public entity facilitates supported employment and provides work opportunities for Persons with Disabilities. It develops and implement programmes that promote the employability of persons with disabilities, including persons with permanent disablement as defined in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993), in the light of their evolving needs in a changing economy, and performs any other function as may be prescribed by the Minister. The SEE has a factory network across eight of the nine provinces in the country. The entity invested around R52million in wood and metal machinery for all the factories, which is aimed at improving production efficiency and quality. The other investment includes the procurement of 13 delivery trucks to ensure that all manufactured products reach the customer on time and in a good state. The following SEE factories are also undergoing a revamp from Public Works; (i) Springfield; (ii) Port Elizabeth and (iii) Durban.

The following represents target clients and beneficiaries of the Department's services and labour market information:

- Employers
- Employees
- Unemployed and under-employed
- Private Employment Agencies
- Trade unions and trade union federations
- Employer organisations

1.5.1.1 OVERVIEW OF THE RESULTS AND CHALLENGES OF THE DEPARTMENT

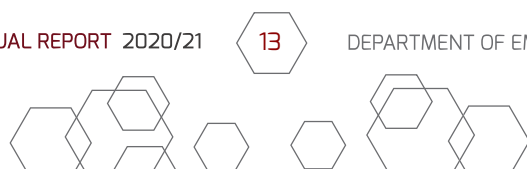
Results

The Annual Report represents the progress made in achieving the Key Performance Indicators and targets set out in the Annual Performance Plan for 2020/21. The total number of Key Performance Indicators for the Financial Year 2020/21 were twenty nine (29) and of these, nineteen (19) were Achieved at (66%) and ten (10) were Not Achieved (34%). The overall level of performance displays a decline as compared to the performance of the previous financial year (2019/20) whose performance was at 79%. More details are contained in Part B of this annual report.

Challenges

In the financial year 2020/21, for example, the impact of Covid-19 pandemic lockdown restrictions has been dramatically associated with the changes observed and reported in these annual reports. Our findings suggest amongst other suggest that Covid-19 pandemic lockdown restrictions increased the official unemployment rate, decreased hours of work and labour participation rate in the country. In other words, it still sustained inequalities and poverty as observed with a limited social protection, e.g. informal sector, decreased in the trade union membership etc. in the country over time.

While it is understood that line function is core to the Department. However, there needs to be a balance to prevent the resultant inability to meet the demands of line function. Irrespective of these challenges, the programme continued to perform at its optimal best. This was also demonstrated by other programmes during the financial year 2020/21.



The key contribution was noted from the Public Employment Services (PES) that continued to provide much needed support to unemployed work-seekers. The Public Employment Services (PES) data assisted to determine the transition from unemployment to employment (matching and placing registered work seekers) and in which industries this transition occurred most frequently, e.g., the nature of jobs they are absorbed into. This was in response to:

- The trends in employment levels in the formal and informal sectors were unsettled due to the impact of Covid-19 pandemic lockdown restrictions on the economy and labour market, through either decreased in earnings or working hours or complete job losses. Stats SA has published its latest Quarterly Labour Force Survey (QLFS) for the second quarter of 2021, showing the country's unemployment rate has risen to another record high. The number of employed persons decreased by 54 000 in the second quarter of 2021 to 14.9 million. The number of unemployed persons increased by 584 000 to 7.8 million in June 2021. These changes resulted in the increase of the official unemployment rate by 1.8 percentage points from 32.6% in the first quarter of 2021 to 34.4% in the second quarter of 2021 – the highest rate since the first publication of the QLFS in 2008, as explained by StatsSA.

The CCMA played an important role during the Covid-19 crisis. As observed, Covid-19 pandemic may have further rolled back employees' rights to protest amongst other reasons. While the CCMA was forced to limit their operations during the first phases of the lockdown restrictions in March/April 2020, it has also intervened in more than one occasions to prevent strikes by workers during the same period. In April 2020, the Mail & Guardian newspaper revealed that in the first month of the lockdown, the CCMA dealt with an average of 190 case referrals a day. This was down from an average of 775 new cases referred to the CCMA every working day in the 2018/19 financial year.

To mitigate the economic shock of certain household, the Department of Employment and Labour (DEL) through Unemployment Insurance Fund (UIF) implemented a Temporary Employment Relief Scheme (TERS) for employees who contributed towards the Unemployment Insurance Act (UIA) to cover the cost of income lost during the lockdown or reduction of working hours. This became very helpful to employers and workers with low income and limited social protection.

1.6 FUTURE PLANS OF THE DEPARTMENT

For the monitoring of the impact of labour legislation, the Department will continue to conduct priority research projects guided by trends in national and global economies.

The Branch Inspection and Enforcement Services (IES) will continue to consider ways to innovate the way in which its service offerings are presented to its clients. The inspectors are finding ways to use the 4IR to ensure decent work is well and truly entrenched at the level of the worker. This financial year the Branch will be introducing an updated 'new' case management system that will hopefully revolutionise the way in which IES conducts its business.

The addition of 500 new inspectors places a huge burden on our system to ensure that all new inspectors are adequately trained to meet the future needs of the client and to fulfil the mandate of the organisation. Training required by an OHS inspector is life-long and will have to be carefully planned. Current training focusses on foundational issues while future training of the new inspectors will focus on specialised training.

The Branch IES will also need to prepare for the 5IR which has already started to rear its head and research shows us areas that we need to prepare. A key project moving into the future for OHS will be to improve compliance rates for various sectors while formulating the right service offering for the informal and SMME sectors.

The Branch IES keeps contemplating the questions, "How will the future affect the day to day business of the Branch": How will we conduct inspections in future? How can we do things differently that will benefit our clients? The response to these questions and others like it will change year on year, decade on decade; and so on. Despite past pandemics, the memories of those pandemics lie deeply buried in the past for most of us. Covid-19, however, as with AIDS which eventually surfaced fully world-wide in the '90s and the like of what is coming out of the current research reports, show that the 5IR undoubtedly will take into account that which is happening now, radically changing the future in ways we cannot imagine. There will be an overlap going forward between the 4IR and 5IR. The Department will need to get the foundation for the future right, starting with a solid IT infrastructure.

The Branch Public Employment Services (PES) will further develop Draft Zero on the National Employment Policy that has a number of sub-themes such as Migration Management, Fourth Industrial Revolution, Informal Economy, Social Enterprises, Youth Employment etc. Sub-themes such as Labour Migration Management have been singled out for accelerated development given the huge impact of Covid-19 locally and in the neighbouring countries to address migration problems.

PES will play a strategic role in partnership with the Presidency Programme Management Office, the Unemployment Insurance Fund's Labour Activation Program, other governments and entities, the private sector and non-governmental organisations to coordinate and establish Employment Schemes that are to absorb the large number of work-seekers that cannot be absorbed in formal employment or learning opportunities.



PROJECTS FOR THE YEAR AND FUTURE YEARS

1. Diphetogo Project- SAP Roadmap Implementation across the Department and its entities
2. SAP Support and Maintenance, ICT Resource Augmentation
3. Managed Information Security Services
4. ICD Clean-up and Maintenance
5. Cloud Hosting for SAP Roadmap Implementation
6. Replacement of the Compensation Funds Claims System with SAP S/4 Hana System (CompEasy)
7. Establishment of Johannesburg Employment Centre and Rollout of 24 PES Mobile Units
8. Roll out of VOIP and Video Conferencing at all Offices and Labour Centres



1.7 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

DEPARTMENTAL RECEIPTS	2020/21			2019/20		
	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
Sale of goods and services other than capital assets	5 171	4 774	397	9 161	5 009	4 152
Fines, penalties and forfeits	1 300	100	1 200	1 700	853	847
Interest, dividends and rent on land	1 550	785	765	1 600	1 381	219
Sale of capital assets	70	138	(68)	500	723	(223)
Financial transactions in assets and liabilities	6 600	3 385	3 215	6 600	4 400	2 200
TOTAL	14 691	9 182	5 509	19 561	12 366	7 195

REASONS FOR OVER/UNDER COLLECTION OF REVENUE

TOTAL REVENUE RECEIVED	2020/21	2019/20	VARIANCE	VARIANCE	REASONS FOR VARIANCES
	R'000	R'000	R'000	%	
Sales of goods and services other than capital assets	4 774	5 009	(235)	(4.69%)	A decrease in the renewal of OHS licences and revenue received iro commission on insurances.
Fines, penalties and forfeits	100	853	(753)	(88.28%)	Less non-compliance fines were issued to companies.
Interest, dividends and rent on land	785	1 381	(596)	(43.16%)	Less interest bearing debts were recovered.
Sales of capital assets	138	723	(585)	(80.91%)	Less fleet vehicles were sold at public auctions.
Transactions in financial assets and liabilities	3 385	4 400	(1 015)	(23.07%)	Credit notes were received from Tourvest Travel Services and salary reversals were processed on PERSAL for the previous financial year.

Tariffs for services rendered according to the Occupational Health and Safety Act 1993 (Act 85 of 1993) and the Labour Relations Act (Act 66 of 1995) were approved and published in Government Gazette (Note 2: Departmental Revenue in the Annual Financial Statements).

The Department does not render any free services that would have yielded significant revenue had a tariff been levied.

The under collection on projected revenue can be attributed to the Pandemic and the fact that a lesser number of renewals in terms of OHS licences were processed.

PROGRAMME EXPENDITURE

PROGRAMME NAMES	2020/21			2019/20		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	926 814	854 004	72 810	952 859	871 069	81 790
Inspection and Enforcement Services	588 449	499 431	89 018	631 583	560 597	70 986
Public Employment Services	613 664	598 398	15 266	628 712	605 630	23 082
Labour Policy and Industrial Relations	1 170 378	1 151 257	19 121	1 220 045	1 178 581	41 464
TOTAL	3 299 305	3 103 090	196 215	3 433 199	3 215 877	217 322

The original allocation for Vote 31: Employment and Labour, as included in the Estimates of National Expenditure for 2020/2021, was reflected as R3 637 749 000, and included a provision in respect of transfer payments to the value of R1 391 364 000. During the 2020/2021 financial year, a number of reductions were communicated in response to the National efforts to address the Covid-19 pandemic. In the Adjustments Budget process, the allocation for Vote 31: Employment and Labour was decreased by R338 444 000 or 9,3%.

The final allocation for Vote 31: Employment and Labour therefore reflected in the Adjusted Estimates of National Expenditure as R3 299 305 000, and included R1 314 792 000 in respect of transfer payments.

As per the Appropriation Statement for the Department, in respect of the 2020/2021 financial year, the total expenditure defrayed against the Vote amounted to R3 103 090 000. This represents an expenditure level of 94.1%.

PROGRAMME 1: ADMINISTRATION

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Delays in filling vacancies, non-payment of performance bonuses and pay progressions due to Covid-19.

Goods and services: Traveling and accommodation both local and foreign was put on hold and attendance of workshops was drastically reduced due to Covid-19.

Transfers and Subsidies: N/A

Payments for Capital Assets: Delays in capital projects and procurement of ICT equipment.

Payments for Financial Assets: Spending is mainly due to bad debts written off.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Delays in filling vacancies, non-payment of performance bonuses and pay progressions.

Goods and services: Traveling and accommodation both local and foreign was put on hold and attendance of workshops was drastically reduced due to Covid-19.

Transfers and Subsidies: N/A

Payments for Capital Assets: Delays in the procurement of ICT equipment.

Payments for Financial Assets: N/A

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Delays in filling vacancies, non-payment of performance bonuses and pay progressions due to Covid-19.

Goods and services: Travelling and accommodation both local and foreign was put on hold and attendance of workshops was drastically reduced due to Covid-19.

Transfers and Subsidies: Underspending is mainly due to the fact that payments to the entities take place as per service level agreements.

Payments for Capital Assets: N/A

Payments for Financial Assets: N/A

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Delays in filling vacancies, non-payment of performance bonuses and pay progressions due to Covid-19.

Goods and services: Traveling and accommodation both local and foreign was put on hold and attendance of workshops was drastically reduced due to Covid-19.

Transfers and Subsidies: Exchange rate fluctuation and transfers to entities take place as per service level agreements.

Payments for Capital Assets: Delays in the procurement of ICT equipment.

Payments for Financial Assets: N/A



Virement

- Post the Adjusted Budget Process, a Virement to the value of R25 000 000 was applied between Programme 2: Inspection and Enforcement Services and Programme 3: Public Employment Services.
- Reason for the virement R25 000 000 was vired from Programme 2: Inspection and Enforcement Services under Goods and Services to Programme 3: Public Employment Services under Transfer Payments – Supported Employment Enterprises. The funding was required to assist Supported Employment Enterprises to fulfil its financial obligations in respect of staff salaries and benefits.

Unauthorised Expenditure, Irregular expenditure, Fruitless and Wasteful Expenditure

- No Unauthorised Expenditure was reported during the 2020/2021 financial year. Irregular Expenditure as well as Fruitless and Wasteful Expenditure incurred by the Department have been disclosed in Notes 24 and 25 of the Annual Financial Statements.

Public Private Partnerships

The Department did not enter into any Public Private Partnership (PPP) as at 31 March 2021.

Discontinued activities / activities to be discontinued

- The Department has not identified any activities to be discontinued.

New or proposed activities

No new activities have been proposed.

Supply Chain Management

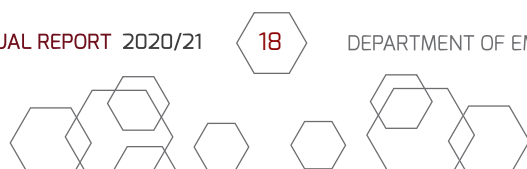
- No unsolicited bid proposals were concluded for the year under review.
- The following SCM processes and systems are in place to prevent Irregular Expenditure:
 - Checklists are in place to ensure accountability in respect of all officials involved. This enables officials to be vigilant when processing procurement transactions.
 - An irregular expenditure register is in place and possible irregular expenditure is investigated to either determine responsibility in order to recover the amount involved or, to follow the necessary procedures to condone.
 - Investigations into all irregular transactions are performed in order to, if required, initiate disciplinary steps against officials who transgress in this regard.
 - Procedure manuals are updated and communicated to all officials.
 - Training is provided to officials in order to inform them of the correct procedures to be followed during the procurement process.
 - Inspections are conducted at Provincial Offices to assist officials to avoid the reoccurrence of irregular expenditure.
- The main challenge remains understaffing at provincial level and delays in the implementation of the procurement plan.

Gifts and Donations received in kind from non-related parties

- The Department did not receive any gifts or donations in kind during the year under review.

Exemptions and deviations received from the National Treasury include:

- Appointment of Elliot Mobility to continue storing household effects for the Labour attached to Geneva for the period April 2020- June 2024 – goods will be stored in this address until the official is changed to another post by the president of the republic.
- Renewal of the SAP Support Agreement for a period of 1 year – an SLA has been revised and the new time lines are in place to ensure that the contract deliverables met.
- Appointment of Cheandle Thomson and Hyasom INC Attorneys legal firm to develop legislation to regulate employment of foreign nationals in South Africa – an SLA was entered into between the Department and the service provider with clear deliverables that are linked to payments to ensure that both parties deliver on their respective responsibilities.



Events after the reporting date

- There are no events after the reporting date.

Acknowledgement/s or Appreciation

- The Department acknowledges the contributions of our staff and Executive Management in the attainment of the goals contained in this Annual Report, this despite the challenges we experienced in the labour market, the global economy and as a result of the Covid-19 pandemic.

Conclusion

In conclusion, I hereby submit the Department's Annual Report for the period ended 31 March 2021.

Approval and sign off

The Annual Financial Statements for the 2020/2021 financial year are hereby approved by the Accounting Officer.

**MR T LAMATI**

DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

Date: 25/10/2021



ORGANOGRAM



BE MOLOI
Deputy Minister of
Employment and Labour



TW NXESI
Minister of Employment
and Labour



T LAMATI
Director-General
Employment and Labour

INSTITUTIONS REPORTING TO THE EXECUTIVE AUTHORITY

Advisory Council for Occupational Health and Safety > Commission for Conciliation Mediation and Arbitration (CCMA) > Commission for Employment Equity (CEE) > Compensation Board > Employment Conditions Commission (ECC) > National Economic Development and Labour Council (NEDLAC) > Productivity South Africa (PSA) > Unemployment Insurance Board > Supported Employment Enterprises (SEE)



V Seafield

DDG: Labour Policy and Industrial Relations



A Moiloa

DDG: Inspection and Enforcement Services



S Morotoba

DDG: Public Employment Service



B Matebesi

DDG: Corporate Services



M Bronkhorst

Acting Commissioner: Unemployment Insurance Fund



N Sigaba

Acting Chief Operations Officer



B Maduna

Chief Financial Officer



V Mafata

Commissioner: Compensation Fund



1.8 PUBLIC ENTITIES REPORTING TO THE MINISTER

NAME OF PUBLIC ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Unemployment Insurance Fund (UIF)	The Unemployment Insurance Fund contributes to the alleviation of poverty in South Africa by providing short-term unemployment insurance to all workers who qualify for unemployment related benefits. The Fund is financed by a dedicated tax on the wage bill	Transfer payment (if required)	Collection of unemployment insurance contributions and payment of benefits to qualifying contributors
Compensation Fund (CF)	The Compensation Fund's main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases	Transfer payment (for the covering of costs related to injuries sustained on duty of government employees)	Collection of contributions and payment of Medical, Compensation and Pension benefits
Productivity South Africa (Productivity SA)	Productivity SA is mandated by government, organised labour and organised business to improve the productive capacity of the economy and thus contribute to South Africa's socio-economic development and competitiveness	Transfer payment	<ul style="list-style-type: none"> • Products and services of assisted companies are world class and competitive • Productivity and competitiveness awareness is high and embraced in South Africa • Capacitated SMMEs contribute to sustainable employment creation • Jobs saved in distressed companies • Productivity research reports for selected sectors produced
Commission for Conciliation, Mediation and Arbitration (CCMA)	The Commission for Conciliation, Mediation and Arbitration (CCMA) was established in terms of the Labour Relations Act, 1995 as amended. It is mandated to promote social justice and fairness in the workplace by delivering ethical, qualitative, innovative and cost effective dispute management and resolution services, institution building services, education, training and development, and efficient administration	Transfer payment	<p>The CCMA's compulsory statutory functions are to:</p> <p>Consolidate workplace disputes</p> <ul style="list-style-type: none"> • Arbitrate certain categories of disputes that remain unresolved after conciliation, establish picketing rules • Facilitate the establishment of workplace forums and statutory councils • Compile and publish information and statistics about CCMA activities • Accredite and consider applications for subsidy by bargaining councils and private agencies, and • Provide support for the Essential Services Committee

NAME OF PUBLIC ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
National Economic Development and Labour Council (NEDLAC)	The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act, 1994. The Act requires organised labour, organised business, community based organisations and government, as a collective, to promote the goals of economic growth; participate in economic decision making and social equity; seek to reach consensus and conclude agreements on matters pertaining to social and economic policy; consider all proposed labour legislation relating to labour market policy and all significant changes to social and economic policy before these are introduced in Parliament; and encourage and promote the formulation of coordinated policy on social and economic matters	Transfer payment	The NEDLAC Act requires the institution to: <ul style="list-style-type: none"> • Strive to promote the goals of economic growth • Participation in economic decision –making and social equity • Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy • Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament • Encourage and promote the formulation of coordinated policy on social and economic matters • Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament and • Consider Social Economic Disputes in terms of Section 77 of the Labour Relations Act
Supported Employment Enterprises (SEE)	The SEE is established in terms of the Employment Services Act to provide employment for people with special disabilities in the various factories across provinces that manufacture wood, linen and steel products	Transfer payment	The Employment Services requires the entity to: <ul style="list-style-type: none"> • Facilitate supported employment • Provide work opportunities for persons with disabilities • Develop and implement programmes that promote employability of PwD including persons with permanent disabilities as defined in the Compensation Act • Perform other functions as prescribed by the Minister





REPO



PART B PERFORMANCE INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion for the selected programmes. The audit conclusion on the performance against predetermined objectives for the selected programmes is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements' section of the auditor's report.

Refer to pages 121 - 122 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

The Corporate Services Branch was operating under a highly restricted period of Covid-19 lockdown, which compelled the Department to adopt new ways of doing things. The use of ICT became even more critical as employees were expected to provide the much needed support services while working remotely. ICT was at the centre of delivery of services by having to accelerate the procurement and issuing of electronic gadgets while subjected to the fact that during lockdown, the passage of goods generally was highly restricted and accessing electronic goods from abroad became a huge challenge.

The Department adopted a mode of conducting meetings and workshops on virtual platforms. The recruitment and selection processes were also conducted virtually. Challenging as it was, it provided a great opportunity to save on time and consumption of paper that occurs when the normal processes are followed.

The Corporate Services Branch experienced a further budget cut which meant there needed to be innovative ways of doing things with limited resources. The budget cuts experienced further placed the Branch under pressure. This resulted in the projected ICT plans being reviewed and placed some of the initiatives on hold until there were resources available to carry these out.

The recruitment and selection process suffered a great deal in the first quarter of the year due to the lockdown period. The opening up of the economy meant that all the other processes had to be aligned with the whole aim of social distancing and remote working arrangements. The Department had to develop mechanisms to ensure that those officials working remotely are able to deliver on services and adhere to the set targets and meet their daily deliverables as operations. The Department adopted a shift based approach to limit the number of officials in the office at any point in time, in order to curb the spread of the virus and comply to the country's lock down regulations.

There has been an increase in the number of work-seekers that have registered with the Department on the ESSA system, compared to prior year. On the other side, the supply of labour has exceeded the demand for employment, resulting in higher levels of unemployment. There is a need for stimulating the demand side. One of the major challenges that is experienced by the Department (PES) is that even though the mandate has been changed to include Employment, no sustainable additional funding has been provided to assist work-seekers through the designing of employment schemes. This negatively impacts on the placement numbers.

The Covid-19 virus unleashed mayhem on the world of work. Millions of workers lost their jobs as a result of the dramatic economic downturn. At a subsequent briefing to Parliament, the National Treasury reported a R13 billion shortfall for the first month of the fiscal year which began on 1 April 2020. According to experts, the virus and the cumulative effect of the sovereign debt ratings down-grade, would result in the economy contracting by as much as 16%. This posed a significant challenge on the labour market and therefore, a significant threat on job retention and placement of work-seekers on work and learning opportunities.

Although the PES Annual Operational Plan (AOP) 2020-21, came into operation on 1 April 2020, minimum activities were performed as a result of the emergency lockdown to contain the spread of the virus. In the month of June 2020 the country was at lockdown level 4, until September 2020, after which the situation started moving slowly towards the re-opening of the economy, with all the caution, to ensure that the virus is not flared up again. At the pick of the pandemic, PES staff had to work from office at 30% rotational roster. The PES Branch was however fortuitous, in the sense that it rolled out mobility devices to the majority of the Career Counsellors and Employment Services Practitioners, enabling them to be able to work, even whilst away from the office. There were still challenges, nevertheless, that included inability to conduct Advocacy Campaigns like before, which in turn meant limited reach to both employers and work-seekers.



2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

PUBLIC EMPLOYMENT SERVICES

MAIN SERVICES AND STANDARDS

MAIN SERVICES	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Work-seekers placed in employment opportunities	Unemployed. Under-employed. Retrenched People with Disabilities Employers	15 000 registered employment opportunities filled by registered work-seekers per year The target was adjusted from 47 500 to 15 000 as per the revised APP	47 500 registered employment opportunities filled by registered work-seekers per year The target was adjusted from 47 500 to 15 000 as per the revised APP	37 193 of registered employment opportunities were filled by registered work-seekers against a target of 15 000. Variance: 22 193 Reason for Variance: Improved employer confirmation of placements

OFFICE	REGISTERED WORK-SEEKERS	PLACED AGAINST THE REGISTERED EMPLOYMENT OPPORTUNITIES	% PERFORMANCE
PES-online	22 710	0	0%
EC	34 052	4 979	15%
FS	16 184	2 906	18%
GP	47 638	4 548	10%
KZN	33 330	3 963	12%
LP	15 986	7 943	50%
MP	15 935	2 324	15%
NC	10 130	3 234	32%
NW	11 686	1 667	14%
WC	29 195	5 629	19%
TOTAL	236 846	37 193	16%

BATHO PELE ARRANGEMENTS WITH BENEFICIARIES (CONSULTATION, ACCESS ETC.)

CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Consultation	Conduct 287 advocacy campaigns per annum. The target was adjusted to 145 as per the current plan	270 advocacy campaigns were conducted Variance: 125 Reason for Variance: Additional campaigns were conducted to meet placement target
Courtesy	Adherence to the service charter at all offices.	Service Charter was approved on 2 July 2020. It was published on the website and circulated via Exchange Postmaster for the benefit of all stakeholders. Variance: None Reason for Variance: None

CURRENT/ ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Access	15% clients use online services by 31 March 2021	22 710 work-seekers were registered online, which is 10% of total registrations of 236 846. Variance: -5% Reason for Variance: Covid-19 lockdown had an impact on canvassing of PES services, including online registration of work-seekers. Labour Centre self-help registration facilities were also not available for clients.
	Self-help services (kiosk) available at 30 LCs	338 Self-help kiosks are installed in 62 Labour Centres Variance: 32 Labour Centres. Reason for Variance: Availability of budget to establish more kiosks as a result of increased needs from the first phase of the project.
Information	Update, publish and display relevant PES services information, services standards and waiting times and turnaround times on the website and all contact centres by 31 March 2021	Service Standards were reviewed and approved on 2 July 2020. They were published on the website and circulated via Exchange Postmaster for the benefit of all stakeholders
Openness and Transparency	Display and publish: <ul style="list-style-type: none"> • Know Your Rights leaflet • Service Charters • Service Standards • Batho Pele Principles • Annual Performance Report 	The Service Charter, Service Standards and BPP are displayed in all Departmental offices and published on the Departmental website. The Annual Report for the FY2020/21 was published. Variance: None Reason for Variance: None
Redress	Acknowledge all complaints received within 24 hours	2 complaints were received and 1 was acknowledged within 24 hours.
	Resolve 92% of complaints within 14 working days of receipt and offer an apology to a client who is dissatisfied	2 complaints were received and 1 was resolved within 14 working days. Variance: 1 Reason for Variance: no reason for variance mentioned
	Redress process at all contact centres, on the website and social media	Redress process is outlined in the Departmental approved policy on complaints, suggestions and compliments Variance: Redress for social media are still being developed. Reason for Variance: SAP roadmap will address the development of ESSA mobile app that will utilise the social media platform.

CURRENT/ ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Value for Money	15% clients use online services (15% of registered work-seekers)	22 710 work-seekers were registered online, which is 10% of total registrations of 236 845 Variance: -5% Reason for Variance: Covid-19 lockdown had an impact on canvassing of PES services, including online registration of work-seekers. Labour Centre self-help registration facilities were also not available for clients.

BATHO PELE ARRANGEMENTS WITH BENEFICIARIES

CURRENT/ ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Consultation	8 Compliance workshops with stakeholders by 31 March 2021. Compliance unit work plan has been amended to exclude stakeholder engagements.	There were no workshops held and Compliance unit work plan has been amended to exclude stakeholder engagements due to lockdown regulations. Variance: None Reason for Variance: None
	45 Provincial support visits conducted.	No visits were done due Covid-19 regulations and Provincial Support work plan has been amended to exclude visits due to lockdown regulations. Variance: -45 Reason for Variance: Could not travel and arrange meetings with large groups of people due to Covid-19 lockdown regulations.
	12 Provincial communication campaigns conducted	A total of 35 Provincial communication campaigns were conducted. Variance: None Reason for Variance: None
Courtesy	Prominently display the Service Charter and Service Standards	Service Charter and Service Standards were approved on 2 July 2020. They were published on the website and circulated via Exchange Postmaster for the benefit of all stakeholders. Variance: None Reason for Variance: None
	Procure name tags for all new UIF officials	A total of 360 name tags for new UIF officials were procured. The first batch has been distributed to officials. Purchasing order for 400 name tags was created. Due to lockdown restrictions, the printing of name tags was put on hold. Variance: No name tags were printed during this reporting period. Reason for Variance: Due to Covid-19 lockdown regulations, the name tags were not printed.



CURRENT/ ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
	Roll out the electronic queue management system, (inclusive of rating device for complaints, compliments and suggestions) to all Labour Centres in 9 provinces by 31 March 2021	119 sites out of 126 have been completed, as per the roll out plan. Variance: 7 Labour Centres Reason for Variance: accommodation challenges that need to be resolved before the installation.
	90% of UIF front line officials to be trained on Batho Pele standards, customer care service, sign language etc.)	332 Self-help kiosks are installed in 62 Labour Centres Variance: 32 Labour Centres Reason for Variance: Inavailability of budget to establish more kiosks as a results of increased needs from the first phase of the project.
Access	Roll out 126 Self-help services (kiosk) to 126 LCs by 31 March 2021	332 Self-help kiosks are installed in 62 Labour Centres Variance: 32 Labour Centres Reason for Variance: Inavailability of budget to establish more kiosks as a results of increased needs from the first phase of the project.
Information	Update, publish and display 100% of UIF services information, services standards and waiting times and turnaround times on the website and all contact centres by 31 March 2021	Service Charter and Service Standards were approved on 2 July 2020. They were published on the website and circulated via Exchange Postmaster for the benefit of all stakeholders. Variance: None Reason for Variance: None
Openness and Transparency	Display and publish on the website: <ul style="list-style-type: none"> • Know Your Rights leaflet • Service Charters and Service Standards • Batho Pele Principles • Annual Performance Report • Redress mechanisms on the website and displayed at all offices. 	Know Your Rights Leaflets and Batho Pele Principles posters were procured and displayed for the benefit of the stakeholders. Service Charter, Service Standards and Batho Pele reports were reviewed and approved on 2 July 2020. They were published on the website and circulated via Exchange Postmaster for the benefit of all stakeholders Annual Performance Report was distributed to Parliament and different structures. It was uploaded on the website for the benefit of all internal and external stakeholders. Redress mechanisms are on the website and displayed at all offices. Variance: None Reason for Variance: None



CURRENT/ ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Redress	Acknowledge all complaints received within 24 hours	187 complaints were received and 187 were acknowledged within 24 hours Variance: None Reason for Variance: None
	Resolve 92% of complaints within 14 days of receipt and offer an apology to a client who is dissatisfied. (as per approved service standards for the FY under review)	187 complaints were received and 187 were resolved within 14 working days. 100% resolution rate was achieved Variance: None Reason for Variance: None
	100% of contact centres with complaints, compliments and suggestion boxes	Help desk has complaints, compliments and suggestions box Variance: None Reason for Variance: None
Value for Money	Increase claims submitted online by 31 March 2021. Target: 180 000	290 352 claims were submitted online Variance: 110 352 Reason for Variance: None
	24 000 increase in the number of U-filing users by 31 March 2021. The target was adjusted to 24 000 as per the current plan. Q2 Target: 12 000	72 076 filing user employers registered against a target of 24 000 Variance: 48 076 Reason for Variance: None

SERVICE DELIVERY INFORMATION TOOL

CURRENT/ACTUAL INFORMATION TOOLS	DESIRED INFORMATION TOOLS	ACTUAL ACHIEVEMENTS
DPSA Operations Management Framework has been adopted and being implemented	Automated Performance Information System to monitor and report on the implementation	The SDIP for the new cycle was approved by the Minister.
Manual SDIP reporting tool (Ms Word)	QR and AR SDIP implementation report to be auto populated via the system	4 QR and 1 AR SDIP implementation reports were produced and approved within the set timelines Achieved



COMPLAINTS MECHANISM

CURRENT/ACTUAL INFORMATION TOOLS	DESIRED INFORMATION TOOLS	ACTUAL ACHIEVEMENTS
<p>DPSA Complaints Management Framework has been adopted</p> <ul style="list-style-type: none"> Policy and Procedure Manual is in place Various access channels/platforms are available to clients to lodge complaints Complaints received are recorded on the register <p>Periodic (4 QR and 1 AR) complaint resolution reports were produced and approved</p>	<p>Automated Customer Interaction Centre system to lodge, monitor and report on complaint resolutions</p>	<ul style="list-style-type: none"> Policy and Procedure Manual is in place Various platforms available to lodge complaints Complaints received are recorded on the register Periodic (4 QR and 1 AR) complaint resolution reports were produced and approved within the timeframes <p>Achieved</p>

2.3 ORGANISATIONAL ENVIRONMENT

The Department, as indicated above, went through a period of lockdown like any other organisation and in that period, the ability to deliver on support services suffered a great deal, like most of the services. The ICT systems down time was more prevalent because of the fact that the Department's ICT infrastructure is ageing and in the process of being refreshed.

The budget cuts on the administration budget did not assist the situation as the projects that were supposed to ensure renewal of ICT infrastructure got affected by the reduction on the available financial resources. The Department has trimmed down and prioritised those projects that should be undertaken irrespective. The Department succeeded in ensuring that services continued to be offered to the clients amid the limitations presented by the lockdown and financial resources, and redirected funds to areas that became needy.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

In its endeavours to promote equity in the labour market and expedite the pace of transformation, the Department tabled the Employment Equity Amendment Bill, 2020 in Parliament. This Bill was then published by Parliament for public comments in February 2021. The proposed amendments are primarily aimed at empowering the Minister of Employment and Labour to regulate Sector specific EE Targets, focusing on addressing the under-representation of the designated groups across all occupational levels of the workforce. In addition, the amendments deal with the promulgation of section 53 of the Employment Equity Act, 1998 (EEA) in relation to the issuing of Compliance EE Certificate as a prerequisite for access to State Contracts as a means to enhance compliance with the requirements of the Employment Equity Act. It is envisaged that the Parliamentary deliberations on the EE Amendment Bill would further unfold in the 2021/2022 financial year.

Public Employment Services took steps to develop the National Employment Policy, in order to facilitate translation of growth into sustainable jobs. The NEP is aimed at fostering a demand-led employment growth. Emphasis was put on implementation and institutional concerns that underscore demand-side policy that can promote full, productive and freely chosen employment. This intervention also aimed at confronting the reality that unemployment is extremely high, especially amongst women and youth. The policy framework and approach focused at the development of appropriate procedures and reforms that should be undertaken to ensure that investments lead to sustainable growth and decent jobs.

Progress on the National Employment Policy development at the end of the financial year is as follows:

- Draft situational analysis was presented to stakeholders: the Steering Committee, ILO, and ES Board Secretariat
- Preliminary scenarios for the econometric modelling of different policy options have been developed
- Broad areas in labour market and beyond, that the NEP will have to respond to, have been outlined
- The situational analysis and econometric modelling have been workshopped with representatives of social partners.

Plans were also put in place to develop the National Labour Migration Policy to address the inadequate policy provisions on the employment of foreign nationals. The plan for the year was focused on the following:

- Adoption of guiding principles aligned with constitutional values and international standards and commitments
- Identification of national strategic priorities
- Sustainable intervention methods, monitoring and effective implementation mechanisms.

This is work in progress.



3. STRATEGIC OUTCOME-ORIENTED GOALS: MTSF 2020 - 2025

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

IMPACT STATEMENT	A LABOUR MARKET WHICH IS CONDUCIVE TO DECENT EMPLOYMENT
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The Department is contributing towards the 7 Priorities of government as set out in the Medium Term Strategic Framework (MTSF), the National Development Plan (NDP) and the Department's Revised Strategic Plan 2020-25. The details of the outcomes, indicators, 5-year target and the achievements to date are highlighted in the tables below.

PRIORITY 1: CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENT YEAR 1	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
1. Functional, Efficient and Integrated Government	Strengthen the institutional capacity of the Department	1.1 Reduction in the vacancy rate	Funded Vacant positions filled within 4 months of becoming vacant	2020/21- 11.27% (1 126 vacancies out of 9 991 posts)	Slow in capturing because of the introduction of email applications	Corporate Services
		1.2 Acquisition, maintenance and improvement of ICT services	95% system availability	2020/21- 92% Systems availability Departmental Explore phase 98% complete and Realization Phase is 45% complete. SEE has been de-scoped. System not ready for Go Live.	Departmental Realization phase is 55% incomplete. System development and testing not complete. System not ready for Go Live. Delays from the service provider in developing the system due to various reasons related to Covid-19 and lockdown	Corporate Services

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Public Employment Services (PES) continued to provide much needed support to unemployed work-seekers. During the 2020/2021 financial year, the Department registered 938 505 work-seekers of which 71% were youth. This is an increase of 8 735 work-seekers from the previous year. The Department has the largest database of unemployed work-seekers in the country. Career Counsellors provided counselling to 246 454 of these work-seekers of which 174 075 were youth, to address a number of employment barriers and to bring them closer to employment. Given the large number of barriers that work-seekers have, which prevented many from entering the labour market, the counselling team were provided with mobility devices. A total of 37 193 work-seekers were placed in work and learning opportunities, of which 26 486 (71%) were youth, and 22 435 (60%), women.



PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENT YEAR 1	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
2. More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Contribute to decent employment creation	2.1 Number of jobs created per year through Job Summit agreement initiatives coordinated through the implementation of Job Summit framework agreements	Monitor and report on the target set by the Presidential Job Summit agreement (275 000 jobs created per year)	Using the official statistics (StatsSA), job creation in 2020/21 was relatively minimal. Not enough to reach the Presidential Job Summit agreement of 275 000 jobs in the year. Looking at Year- on-year changes on Employment creation, the stats are captured as follows: <ul style="list-style-type: none"> • Q1 2020: 91 000 jobs created; • Q2 2020:-2 164 000 job losses; • Q3 2020:- 1 684 000 job losses; • Q4 2020:- 1397 000 Job losses 	The structural nature of the SA economy and Covid-19 pandemic can probably have explained the deviation from Job Summit targets.	Labour Policy and Industrial Relations
				2020/21 37 193 PES	None	Public Employment Services
		2.2 Number of jobs created through the Presidential Comprehensive Youth Employment interventions	1 million youth jobs by 2024 <ul style="list-style-type: none"> • Departmental: 256 050 (contributors <ul style="list-style-type: none"> • PES: 190 000, • SEE and Designated Groups: 1 000; 	2020/21 26 486 PES*	None	Public Employment Services
		2.3 Number of youth NEET absorbed in employment	<ul style="list-style-type: none"> • UIF (LAP): 61 050; • CF: 4 000) 	2020/21 26 486 PES*	None	Public Employment Services
	2.4 Employment Policy developed, consulted, piloted and implemented	Employment policy implemented by 2024	The Situational Analysis Report developed and tabled at ES Board. The Employment Services workshop was conducted on the first draft.	None	Public Employment Services	

* The detailed information of the Public Entities progress on these indicators are included in the respective Public Entities annual report.

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENT YEAR 1	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
3. Investing for accelerated inclusive growth	Promote Equity in the labour market	3.1. Number of Employment Equity Act (EEA) inspections: which includes EE Procedural inspections, DG Reviews and Reassessments, workplaces (designated employers) conducted per year to determine compliance with Employment Equity legislation	The five year target is anticipated to be 18 420 workplaces inspected and transformed (inclusive of 1 812 DG Reviews)	2020/21- 1 988	The underachievement was due to the Government National lockdown as a result of the Covid-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect.	Inspection and Enforcement Services
4. Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities	Protect vulnerable workers Promote sound labour relations	4.1. Number of workplaces inspected per year to determine compliance with the National Minimum Wage Act and the Basic Conditions of Employment Act	The inspectors will visit 838 560 workplaces over the next five years	2020/21- 120 101	The underachievement was due to the Government National lockdown as a result of the Covid-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect.	Inspection and Enforcement Services

Strategic objectives, performance indicators, planned targets and actual achievements

Public Employment Services achieved 85% of its targets towards decent employment creation and placement of work-seekers in work and learning opportunities.

The inspectors over achieved their target by nearly 10 000 inspections for the financial year. The inspectors made a significant contribution in providing a safe and healthy environment at a critical time in their contribution to limiting the spread of the Covid-19 pandemic. The contribution of the Department in this regard, when compared against the figures of the Compensation Fund claims against the overall infection rate in the country means that the Department has contributed overwhelmingly in providing the protection it promised in relation to vulnerable workers in South Africa.

The Department was also involved in various advocacy events during this period while inspectors also contributed to strengthening the protection of workers. It should be said that at no other time has health and safety been on everyone's lips and neither has there been a wholesome move towards compliance as a country. This period has also exposed employers in relation to gaps in their health and safety systems and has made them more aware of their responsibility in those instances where employers failed to take health and safety seriously. The work in closing the gap has only just started but the wheels are turning. There are 500 additional inspectors added to the current cadre of OHS inspectors which means that the footprint for OHS nationally has now increased almost fourfold from where it was. This is against the support and funding of the Compensation Fund.

LMIS directorate had four annual outputs to be achieved by the end of March 2021. These outputs were in response to the key strategic objective of monitoring the impact of labour legislation. All four annual trend reports, e.g. Industrial Action report, Annual Administrative Statistics Report, Annual Labour Market Bulletin and Job Opportunities and Unemployment in the South African labour market have a clear purpose. They are meant to provide in depth analysis with the current statistical data indicators on the labour market environment. Therefore, some key critical indicators are monitored, presented and evaluated over time to determine the changes in the South African labour market. In this context, the main impact is on the type of information analysed that strategically provides policy makers with the basis for the development of evidence-based decision. Without proper and relevant information, it might be difficult to intervene on time to address other related issues on the labour market.



PRIORITY 3: EDUCATION, SKILLS AND HEALTH

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENT YEAR 1	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
5. Safe and healthy work environment	Promote Occupational health services Protect vulnerable workers Strengthen occupational safety protection Development of the Occupational Health and Safety policies	5.1 Number of Employer/User inspected per year to determine compliance with the Occupational Health and Safety legislation	Year 1 = 23 844 – this target is for existing inspectors in FY 2020/21 4 x Years = 397 776 (2021/22-2024/25) This is what will be achieved in the next 5 x Years = 421 620	2020/21 33 272	The overachievement for the period is due to the fact that OHS inspectors were deemed to be essential workers and for that purpose, they continued working during the lockdown period. They inspected those companies that remained open during lockdown. During this period, a number of new inspectors in OHS joined the Branch in the Provinces as part of the 500 new inspectors and after the initial training, they were equipped with PPE and sent out to conduct inspections	Inspection and Enforcement Services

Strategic objectives, performance indicators, planned targets and actual achievements

The inspectors over achieved their target by nearly 13 005 inspections for the financial year. The inspectors made a significant contribution in providing social benefits associated with Covid-19 claims at a critical time in their contribution to dealing with poverty due to employers not operating because of the pandemic. The contribution of the Department is matched against employers and employees lodging their claims against the Compensation Fund and Unemployment Insurance Fund. The Department has contributed overwhelmingly in providing the protection it promised in relation to vulnerable workers in South Africa.

PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND BASIC SERVICES

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENT YEAR 1	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
6. Comprehensive social security coverage	Strengthening social security	Number of Employer audits conducted per year to determine compliance with UIA, UICA and COIDA	Coverage for employees will improve with 131 580 employers visited over the next 5 years	2020/21 23 128	Deviation was as a result of Covid-19 restrictions where most companies were not operational.	Inspection and Enforcement Services

Strategic objectives, performance indicators, planned targets and actual achievements

The inspectors over achieved their target by nearly 759 inspections for the FY. The inspectors made a significant contribution in providing a safe and healthy environment at a critical time in their contribution to limiting the spread of the Covid-19 pandemic. The contribution of the Department in this regard, when compared against the figures of the Compensation Fund claims against the overall infection rate in the country, means that the Department has contributed overwhelmingly in providing the protection it promised in relation to vulnerable workers in South Africa.

PRIORITY 6: SOCIAL COHESION AND SAFER COMMUNITIES

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENT YEAR 1	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
7. Equal opportunities, inclusion and redress	Promote Equity in the labour market	7.1 Amendment of the Employment Equity Act	Employment Equity Act amended, enacted and enforced by 2024	EE Amendment Bill, 2020 tabled in Parliament through publication of the Bill in Government Gazette dated 20 July 2020	None	Labour Policy and Industrial Relations
		7.2 At least 2% annual increase in the representation of Africans in senior and middle management levels	Set sector targets and monitor to achieve at least 50% of middle and senior management are African by 2024	Africans increased by 1.2% (23.5% in 2019 to 24.7% in 2020) at senior management; and Africans increased by 3.5% (i.e. 43.2% in 2019 to 46.7% in 2020) at middle management as reported by designated employers in 2020 EE reporting period	EE targets for various race groups, women and persons with disabilities are self-regulated by designated employers as per section 20 of the Employment Equity Act (EEA)	Labour Policy and Industrial Relations
		7.3 Number of persons with disabilities employed increased annually with at least 1.5% of the total workforce reported by designated employers	Set sector targets and monitor to achieve at least 2.5% of employed adults between the age of 15 and 65 will be persons with disabilities by 2024	Persons with disabilities increased by 0.2% (i.e. 1.1% in 2019 to 1.3% in 2020) as reported by designated employers in 2020 EE reporting period.	EE targets for various race groups, women and persons with disabilities are self-regulated by designated employers as per section 20 of the Employment Equity Act (EEA)	Labour Policy and Industrial Relations
		7.4 Development of Income differential data collection tool (EEA4 form) for designated employers	Income differential data collection tool (EEA4 form) for designated employers developed and implemented by 2022	EEA4 form developed and implemented	None	Labour Policy and Industrial Relations

Strategic objectives, performance indicators, planned targets and actual achievements

In its endeavours to promote equity in the labour market and expedite the pace of transformation, the Department tabled the Employment Equity Amendment Bill in Parliament. This Bill was then published by Parliament for public comment in February 2021. The proposed amendments are primarily aimed at empowering the Minister of Employment and Labour to regulate Sector specific EE Targets, focusing on addressing the under-representation of the designated groups across all occupational levels of the workforce.

In addition, the amendments deal with the promulgation of section 53 of the Employment Equity Act, 1998 (EEA) in relation to the issuing of Compliance EE Certificate as a prerequisite for access to State Contracts, as a means to enhance compliance with the requirements of the Employment Equity Act. It is envisaged that the Parliamentary deliberations on the EE Amendment Bill would further unfold in the 2021/2022 financial year.

Furthermore, in pursuance to eliminate and prevent the scourge of violence and harassment in our various workplaces, a Draft Code of Good Practice on the elimination and prevention of violence and harassment in the world of work was developed and published for public comment in August 2020. Subsequently, this Draft Code was tabled at NEDLAC for Social Partners' deliberation and it is envisaged that the final Code would be finalised by NEDLAC and published in the 2021/2022 financial year.

The 2019-2020 Annual EE Report and Public Register were published on 21 August and 17 July 2020 respectively to provide the feedback on the 2019 EE status of the labour market. Subsequently, the 2020-2021 Annual EE Report and Public Register were successfully developed and submitted to the Minister for approval by 29 March 2021. This EE report and Public Register reflects the EE status of the labour as reported by employers in the 2020 EE Reports submitted to the Department as per section 21 of the Employment Equity Act, 1998 as amended.



PRIORITY 7: A BETTER AFRICA AND A BETTER WORLD

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENT YEAR 1	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
8. A Better South Africa	Strengthen multilateral and bilateral relations	8.1 Country obligation to SADC and AU fulfilled	90% of obligations fulfilled	Managed to coordinate and facilitate participation in SADC and AU Ministerial meetings and all sectoral meetings. At SADC the Department managed to push for a single African candidate as ILO DG. This was endorsed by the AU again	None	Labour Policy and Industrial Relations
		8.2 Payment of South African contributions to international organisations (in which the Department is a member) in full and on time	South Africa's participation in international organisations is secured to advance national interest	All relevant payments to both ILO and ARLAC was done timeously.	None	Labour Policy and Industrial Relations

Strategic objectives, performance indicators, planned targets and actual achievements

SADC was coordinated to ensure that a decision was taken to advance a single African candidate for the position of the ILO Director-General. The African candidate has also been endorsed by the African Union.

The Department contributed actively in all the multilateral fora in which it is a member. Key to this was to ensure ARLAC gravitates from face to face courses to virtual management, thus ensuring not only saving on costs of attending meetings but also effectively attending courses through the pandemic.



4. PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

Purpose: Provide strategic leadership, management and support services to the Department.

Sub-Programmes and purpose: The programme consists of the following sub-programmes:

- Ministry provides political oversight to ensure that the Department's mandate is achieved
- Management that includes:
 - The Office of the Director-General provides administrative oversight for effective implementation of the Department's mandate and overall accounting oversight
 - Office of the Chief Operations Officer manages and directs medium-term strategic planning processes, performance information reporting, monitoring and evaluation of performance against plan, service delivery improvement plans and provincial operations
- Corporate Services that includes:
 - Human Resource Management ensures optimum and efficient utilisation and development of human capital and to provide an advisory service on matters pertaining to organisational effectiveness and development, transformation management, individual performance management, sound employee relations, employee health and wellness, as well as effective and efficient recruitment, selection and placement services including research and development of human resources policies and practices
 - Internal Audit provides management and the Audit Committee with independent objective assurance with a view to improving effectiveness of governance, risk management and control processes
 - Risk Management pro-actively manages / addresses risks that have a negative impact on the Department's performance
 - Security Services renders security support aimed at protecting the Department's information, staff and assets
 - Communication disseminates and improves access to information about the Department.
 - Legal Services exists to provide Legal Support Services to the Department
 - Office of the Chief Information Officer caters for the Information and Communications Technology (ICT) needs and requirements of the Department
- Office of the Chief Financial Officer renders effective and efficient financial management and administrative support for the Department
- Office Accommodation for the Department's office requirements.

OUTCOMES

- 80% Vacant funded posts filled within 4 months of becoming vacant
- Review of the sexual harassment policy
- Acquisition, maintenance and improvement of ICT services to 90% Systems Availability
- Ensure functionality of Ethics structures and adequate capacity
- 90% resolution of reported incidents of corruption in the Department
- Annual Financial Statements submitted to the National Treasury by 31 May each year and IFS reports submitted to the National Treasury on due dates as determined by National Treasury
- Detection and reporting of Irregular and/or Unauthorised expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines
- Detection and reporting of Fruitless and Wasteful expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines.



PERFORMANCE INDICATORS

REVISED APP

The table below is reflecting the Departmental performance based on the Revised Annual Performance Plan 2020/21 tabled in July 2020. The Department gave effect to the impact of Covid-19 on its services and the impact on the budget.

PROGRAMME 1: ADMINISTRATION									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21				
MTSF Outcome Functional, efficient and integrated government	1. Reduction of vacancy rate	1.1 Vacant funded posts filled within 4 months of becoming vacant	9.23%	10%	80% Vacant funded posts filled within 4 months of becoming vacant	NOT ACHIEVED 28%	52%	Reason for variance, slow in capturing because of new introduction of email applications.	
	2. Outreach initiatives to change behaviour in relation to gender	2.1 Review of the sexual harassment policy	n/a	new	Sexual harassment policy approved	NOT ACHIEVED: The sexual harassment policy has been integrated with Gender based Violence and Workplace Bullying. The Policy has been reviewed with process owners. The draft document still needs further consultation with other stakeholders. The Sexual Harassment Policy was registered on the DBC Agenda of 26 February 2021 and a request for a date to workshop organised labour outside DBC was made	Sexual Harassment Policy not approved	Postponements of DBC meetings and non-availability of members	
Departmental Outcome Strengthen the institutional capacity of the Department									

PROGRAMME 1: ADMINISTRATION									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT		REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21	2020/21	2020/21		
	3. Modern Systems and ICT services	3.1 Acquisition, maintenance and improvement of ICT services	n/a	new	90% Systems Availability	ACHIEVED 92% Systems availability	2020/21	SAP Going live not achieved due to delays from the service provider in developing the system. This is due to various reasons related to Covid-19 and lockdown	Delays from the service provider in developing the system, due to various reasons related to Covid-19 and lockdown. Departmental Realization phase is 55% incomplete. System development and testing not complete. System not ready for Go Live
						NOT ACHIEVED Departmental Explore phase 98% complete and Realization Phase is 45% complete. SEE has been de-scoped. System not ready for Go Live			
	4. Programme to prevent and fight corruption in the Department	4.1 Ensure functionality of Ethics structures and adequate capacity	n/a	new	Ethics Governance Structures in place and Complete Roll Out of the Ethics Management Plan	NOT ACHIEVED The Ethics Strategy and Management Plan still in draft form. However, all ethics statutory/compliance obligations reflected in the draft Ethics Strategy and Management Plan have been carried through to the next financial year.	2020/21	The Ethics Strategy and Management Plan not completed by due date	The Ethics Strategy and Management Plan had to be redrafted and consulted due to new developments that have been brought by the new PAMA Act, 2014
						NOT ACHIEVED 63% cases completed 123 cases received and 78 finalised (78/123*100= 63%) 2 cases referred to ER 14 Cases referred to SAPS	27%		The cases tend to be complicated and need more time to conclude and non-availability of witnesses tends to delay the conclusion of cases
		4.2 % resolution of reported incidents of corruption in the Department	n/a	new	90% resolution of reported incidents by disciplinary and criminal interventions				

PROGRAMME 1: ADMINISTRATION									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21				
	Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) compiled per year that comply with guidelines issued by the National Treasury	5.1 Annual financial statements submitted to the National Treasury by 31 May each year 3 IFS reports submitted to the National Treasury on due dates as determined by National Treasury	Achieved Produced 1 AFS by 31 May, and 3 IFS 30 days after each quarter	Achieved Produced 1 AFS by 31 May, and 3 IFS 30 days after each quarter	1 AFS by 31 May, and 3 IFS 30 days after each quarter	ACHIEVED 1 AFS by 31 July, and 3 IFS 30 days after each quarter	None	None	
	Elimination of Irregular and/ or Unauthorised expenditure, detected per financial year, reported to the Accounting Officer and National Treasury	6.1 Detection and reporting of Irregular and/ or Unauthorised expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	Achieved Irregular expenditure R3 446 415.51 Unauthorised expenditure – None detected and reported	Achieved R1 367 000 Unauthorised expenditure – None detected and reported	25% reduction from base line	Not achieved Irregular expenditure R 32 703 000 Unauthorised expenditure - None detected and reported	22% increase from prior year	Irregular expenditure was restated after new discoveries during and the preparation of the annual financial statements and the audit process	

PROGRAMME 1: ADMINISTRATION									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT		DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS
			2018/19	2019/20		2020/21	2020/21		
	Elimination of Fruitless and Wasteful expenditure, detected per financial year, reported to the Accounting Officer and National Treasury	7.1 Detection and reporting of Fruitless and Wasteful expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	Achieved Fruitless and Wasteful expenditure – R4 450 475	Achieved Fruitless and Wasteful expenditure – R698 000	25% reduction from base line	Not achieved Fruitless and Wasteful expenditure- R727 000	4% increase from prior year	Irregular expenditure was restated after new discoveries during and the preparation of the annual financial statements and the audit process	

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The underperformance in the year under review, as indicated above, was largely due to the lockdown period. The Department made use of the virtual means of conducting recruitment and selection processes. There was a slight improvement in the middle of the year. However, as the volumes became larger due to the need to accelerate the recruitment process, the ability to deal with the demands to fill positions became somehow a challenge and this led to a decline in the numbers. It should be noted that the administrative capacity has stayed constant in terms of human capacity, while the core business experienced a lot of growth and currently, the pressures on the support function is mounting and this leads to pressure to deal with high demands by core business on support function. The issue under the corruption cases and misconduct was not dealt with within the stipulated timeframes due to, among other things, the unavailability of witnesses and resultant postponements of the hearings. The Department employed the use of virtual / online ways to conduct the hearings and will ensure that in future, where witnesses are expected to attend hearings, they are provided with electronic equipment within our local Labour Centres, closer to where the witnesses stay, to avoid travelling unnecessary long distances and the use of their own electronic devices. The system availability was affected by the delay in the roll out of the project by the service provider and the main reason being the lockdown period. There were several system downtimes due to the ageing infrastructure that is serviced and provided by SITA. On the delayed project roll out, the service provider has provided firm delivery times on the project to address the delays.

CHANGES TO PLANNED TARGETS

None.

LINKING PERFORMANCE WITH BUDGETS

After reductions effected during the Special Adjustments Budget as well as the 2nd Adjusted Budget, the Programme reflected a Final Allocation of R926.8 million for the 2020/21 financial year. Total expenditure of R854.0 million was recorded, an expenditure level of 92,1%. This is in comparison to the prior year Budget of R952.9 million and a total expenditure of R871.1 million or 91,4% for 2019/2020.

Major reasons for variances as recorded in the Notes to the Appropriation Statement are, delays in the finalisation of performance assessments and the concomitant non-payment of performance bonuses and pay progression, recruitment and selection processes being put on hold, reduced travelling expenses due to lockdown conditions and delays in capital projects and the procurement of ICT related equipment.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2020/21			2019/20		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
1. Ministry	33 368	32 176	1 192	45 366	43 547	1 819
2. Management	285 743	279 469	6 274	305 937	305 676	261
3. Corporate Services	267 642	222 737	44 905	258 899	231 232	27 667
4. Office of the Chief Financial Officer	138 291	117 852	20 439	129 312	113 261	16 051
5. Office Accommodation	201 770	201 770	-	213 345	177 353	35 992
TOTAL	926 814	854 004	72 810	952 859	871 069	81 790

The Programme utilised 92.1% of its allocated budget to carry out its mandated objective and deliverables and achieved 25% (2 of 8) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES (IES)

- **Programme purpose:** Realise decent work by regulating non-employment and employment conditions through inspection and enforcement, to achieve compliance with all labour market policies.
- **Sub-programmes**
- **Management and Support Services: Inspection and Enforcement Services** manages the delegated administrative and financial responsibilities of the office of the Deputy Director General, and provides corporate support to line function sub-programmes within the programme.
- **Occupational Health and Safety** promotes health and safety in the workplace by conducting inspections on compliance with the Occupational Health and Safety Act (1993), and regulating dangerous activities and the use of plant and machinery.
- **Registration: Inspection and Enforcement Services** registers incidents relating to labour relations and occupational health and safety, as reported by members of the public, and communicates these to the relevant structures within the Compliance, Monitoring and Enforcement Services sub programme for investigation.
- **Compliance, Monitoring and Enforcement Services** ensures that employers and employees comply with labour legislation by conducting regular inspections and following up on reported incidents.
- **Training of Staff: Inspection and Enforcement Services** defrays all expenditure relating to staff training within this programme.
- **Statutory and Advocacy Services** gives effect to the legislative enforcement requirements and educates stakeholders on labour legislation.

OBJECTIVES

Protect vulnerable workers through the inspection and enforcement of labour legislation by ensuring that decent work principles are adhered to by:

- Conducting 188 323 compliance inspections by March 2021
- Serving 90 per cent of non-compliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
- 50% of non-compliant employers received by Statutory Services referred for prosecution within 30 calendar days
- At least four Seminars and two Conferences (formal Advocacy) conducted per year to increase awareness of employment law by March 2021.



4.2.1 PERFORMANCE INDICATORS

REVISED APP

The table below is reflecting the Departmental performance, based on the Revised Annual Performance Plan 2020/21 tabled in July 2020. The Department gave effect to the impact of Covid-19 on its services and the impact on the budget.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES							
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS
			2018/2019	2019/2020			
MTSF Outcomes <ul style="list-style-type: none"> Investing for accelerated inclusive growth Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities Safe and healthy work environment Departmental Outcomes <ul style="list-style-type: none"> Promote Occupational health services Contribute to decent employment creation Protect vulnerable workers Strengthen occupational safety protection Promote sound labour relations Development of the Occupational Health and Safety Policies 	1. Workers protected through inspection and enforcement of employment law	1.1 Number of employers inspected per year to determine compliance with employment law	Achieved	Achieved	188 323	-9 834	The underachievement was due to the Government National lockdown as a result of the Covid-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect.
			218 919 Employers were inspected to determine compliance with employment law against a target of 218 732. The variance is 187. The total number of compliant employers was 177 209	227 990 Employers were inspected to determine compliance with employment law against a target of 220 692. The variance is 7 298. The total number of compliant employers was 185 612	Not achieved 178 489	Not achieved 178 489	
		1.2 Percentage of non-compliant employers of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection	Achieved	Achieved	90%	9%	The Branch encourages the issuing of notices to non-compliant employers as it benefits the vulnerable workers and improves enforcement.
			Of the 218 919 employers inspected 41 710 were non-compliant 100% (41 569 of the 41 710 non-compliant employers) were served with notices within 14 calendar days of the inspection	Of the 227 990 employers inspected 42 378 were non-compliant. 99.7% (42 249 of the 42 378 non-compliant employers) were served with notices within 14 calendar days of the inspection			

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES										
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE		AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT		REASONS FOR DEVIATIONS
			2018/2019	2019/2020				2020/2021	2020/2021	
		1.3 Percentage of non-compliant employers received by Statutory Services referred for prosecution within 30 calendar days	Achieved Of the 41 593 employers served with notices, 13 163 failed to comply with served notice and 60% (2 779 of 4 619) were referred for prosecution	Achieved Of the 42 249 employers served with notices, 9 939 failed to comply with the served notice and 72% (4 475) were referred for prosecution	50%	Achieved 75% (2 910 of 3 882)	25%		The Branch encourages the prosecution of employers who failed to comply with the served notice as it benefits the vulnerable workers and improves enforcement. Engagements with the CCMA has assisted the Branch in improving the work flow processes.	
		1.4 Number of formal Advocacy sessions conducted per year to increase awareness of employment law			4 x Seminars to be identified 2 x Conferences	Not achieved 3 x Hospitality Sector Seminars	- 2 x Conferences - 1 Seminar		The underachievement was due to the Government National lockdown as a result of the Covid-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect.	

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES ANNUAL ACHIEVEMENT FOR 2020/2021 PER LEGISLATION

ANNUAL TARGET	EE PROCEDURAL			EE: DG REVIEW			EE: RE-ASSESSMENT			BCEA		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
Eastern Cape	89	110	21	89	94	5	89	89	0	16 810	17 568	758
Free State	65	11	-54	65	56	-9	65	51	-14	11 383	11 512	129
Gauteng	360	15	-345	360	330	-30	360	256	-104	31 039	17 729	-13 310
Kwa-Zulu Natal	136	6	-130	136	131	-5	136	118	-18	29 336	26 284	-3 052
Limpopo	88	0	-88	88	87	-1	88	47	-41	13 903	11 615	-2 288
Mpumalanga	88	0	-88	88	90	2	88	30	-58	10 925	10 409	-516
Northern Cape	88	44	-44	88	80	-8	88	93	5	5 182	3 908	-1 274
North West	65	0	-65	65	87	22	65	23	-42	9 464	8 038	-1 426
Western Cape	65	31	-34	65	60	-5	65	49	-16	14 513	13 038	-1 475
HO	-	0	0	-	0	0	-	0	0	-	0	0
TOTAL	1 044	217	-827	1 044	1 015	-29	1 044	756	-288	142 555	120 101	-22 454

ANNUAL TARGET	OHS			EAS			COVID			TOTAL		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
Eastern Cape	1 295	3 029	1 734	1 380	1 548	168	995	1 091	96	20 747	23 529	2 782
Free State	2 253	6 150	3 897	1 387	1 448	61	704	664	-40	15 922	19 892	3 970
Gauteng	4 672	3 874	-798	2 612	2 424	-188	989	1 189	200	40 392	25 817	-14 575
Kwa-Zulu Natal	4 845	6 733	1 888	1 989	2 089	100	1 193	1 450	257	37 771	36 811	-960
Limpopo	1 520	1 983	463	1 377	1 150	-227	694	699	5	17 758	15 581	-2 177
Mpumalanga	1 030	2 036	1 006	1 377	1 486	109	694	795	101	14 290	14 846	556
Northern Cape	694	1 280	586	1 377	1 253	-124	694	565	-129	8 211	7 223	-988
North West	1 153	1 752	599	1 224	1 431	207	694	713	19	12 730	12 044	-686
Western Cape	2 560	6 094	3 534	1 989	2 117	128	1 000	1 016	16	20 257	22 405	2 148
HO	245	341	96	-	0	0	-	0	0	245	341	96
TOTAL	20 267	33 272	13 005	14 712	14 946	234	7 657	8 182	525	188 323	178 489	-9 834

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Announcement to alert level 1 will enable the inspectors to access work places or employers to ensure that targets are achieved. The Branch has developed the interim SOP and introduced administrative inspections to control the Covid-19 infections and ensure that those working from home can still perform their work.

CHANGES TO PLANNED TARGETS

A 15% reduction was effected on the planned number of inspections due to level 5 restrictions where other inspectors were not declared as essential workers. The OHS inspectors were declared as essential workers during Covid-19 lockdown level 5.

LINKING PERFORMANCE WITH BUDGETS

The current dilemma of reducing budget on CoE and Goods & Services will cripple the work of the Branch which is currently battling a low compliance rate of employers. This will impact directly on the Decent Work of the Department who is a signatory to the Decent Country Work Programme together with the ILO. This will further impact on the Programme that is working towards achieving the current instruction of Government to target OHS in the informal sector, which incidentally, is the target for Government over the next five years. Together with this, there will be a direct impact on the transformation agenda of the country as well as an influence on the changes that were required for women, youth and people with disabilities.

The programme spent R499.4 million of the Adjusted Appropriation of R588.4 million which amounts to an 84.9% expenditure rate. The Covid-19 lockdown periods had an impact on the historic spending patterns of the programme.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2020/21			2019/20		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
1. Management and Support Services: Inspection and Enforcement Services	6 473	4 473	2 000	6 653	6 224	429
2. Occupational Health and Safety	33 247	22 798	10 449	34 493	31 535	2 958
3. Registration: Inspection and Enforcement Services	75 251	73 479	1 772	72 626	66 527	6 099
4. Compliance, Monitoring and Enforcement	461 144	391 272	69 872	500 958	440 945	60 013
5. Training of Staff: Inspection and Enforcement Services	3 268	1 459	1 809	6 947	6 947	-
6. Statutory and Advocacy Services	9 066	5 950	3 116	9 906	8 419	1 487
TOTAL	588 449	499 431	89 018	631 583	560 597	70 986

The Programme utilised 84.9% of its allocated budget to carry out its mandated objective and deliverables and achieved 50% (2 of 4) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

4.3 PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES (PES)

Purpose: Assist companies and workers to adjust to changing labour market conditions.

SUB-PROGRAMMES

- **Management and Support Services: Public Employment Services** manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function sub-programmes.
- **Employer Services** registers work opportunities, facilitates the employment of foreign nationals where such skills do not exist in South Africa, oversees placements, responds to companies in distress, provides a social plan and regulates private employment agencies.
- **Work-seeker Services** registers work-seekers, retrenched workers, work and learning opportunities, training and income-generating opportunities on the Employment Services of South Africa system, and facilitates access to employment and income-generating opportunities for the unemployed and underemployed.
- **Designated Groups Special Services** facilitates the transfer of subsidies to national organisations to promote the employment of Persons with Disabilities.
- **Supported Employment Enterprises** transfers promote supported employment for persons with long-term physical, mental or sensory impairment disabilities
- **Productivity South Africa** transfers funds to Productivity South Africa, which promotes workplace productivity, competitiveness and social plan interventions.
- **Unemployment Insurance Fund** provides for the possible future funding of the Unemployment Insurance Fund.
- **Compensation Fund** provides for costs incurred through claims from civil servants for injuries sustained on duty or occupation- related illnesses and diseases, and provides for the funding of claims from the Compensation Fund.
- **Training of Staff: Public Employment Services** defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes.

OBJECTIVES

- Provide public employment services by:
- Registering 750 000 work-seekers on ESSA by 31 March 2021
- Registering 50 000 work opportunities on the Employment Services of South Africa database system by 31 March 2021
- Providing employment counselling to 220 000 work-seekers by 31 March 2021
- Filling 15 000 registered employment opportunities by 31 March 2021
- Conclude 15 partnership agreements with various stakeholders
- Develop Employment Policies to be tabled to the ES Board
- Increasing employment for Persons with Disabilities by providing quarterly funding over the medium term, and monitoring disability organisations on an on-going basis.



PERFORMANCE INDICATORS

REVISED APP

The table below is reflecting the Departmental performance, based on the Revised Annual Performance Plan 2020/21 tabled in July 2020. The Department gave effect to the impact of Covid-19 on its services and the impact on the budget.

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	
			2018/19	2019/20					2020/21
MTSF Outcome More decent jobs created and sustained, with youth, women and persons with disabilities prioritised Departmental Outcome Contribute to decent employment creation	1. Work-seekers registered	1.1 Number of work-seekers registered on Employment Services of South Africa per year	Achieved 888 553 work-seekers were registered on ESSA per year with a variance of 238 553	Achieved 929 770 Work-seekers were registered on ESSA per year with a variance of 229 770	750 000	Achieved 938 505	188 505	More people lost their jobs as companies closed due to Covid-19	
	2. Work and learning opportunities registered	2.1 Number of employment opportunities registered on the Employment Services South Africa per year	Achieved 142 804 work and learning opportunities were registered on ESSA system, with a variance of 57 804	Achieved 153 973 work and learning opportunities were registered on ESSA system, with a variance of 63 973	50 000	Achieved 83 782	33 782	Increase in registered employment opportunities	

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	
			2018/19	2019/20					2020/21
	3. Employment counselling provided	3.1 Number of registered work-seekers provided with employment counselling per year	Achieved 240 675 registered work-seekers were provided with employment counselling with a variance of 40 675	Achieved 264 044 registered work-seekers were provided with employment counselling with a variance of 54 044	220 000	Achieved 246 454	26 454	The departments counsellors group conducts group counselling verses individual counselling and as a result we are able to target more work-seekers	
	4. Work-seekers placed in work and learning opportunities	4.1 Number of registered employment opportunities filled by registered work-seekers per year	Achieved 49 968 of registered work and learning opportunities filled by registered work-seekers; with a variance of 7 468	Achieved 62 213 of registered work and learning opportunities filled by registered work-seekers; with a variance of 17 213	15 000	Achieved 37 193	22 193	Improved employer confirmation of placements	
	5. Partnership agreements concluded	5.1 Number of partnership agreements concluded with various stakeholders	n/a	n/a	15	Achieved 15	0	None	
	6. Policies developed and approved	6.1 Number of policies developed and approved	n/a	n/a	1	Not Achieved 0	-1	Further consultation required	

Reasons for deviations

- (i) Appointment of an independent Service Provider – Assessment World (Pty) Ltd, that provides the updates based and maintenance to the Situation Specific Evaluation Expert (SPEEX) electronic psychometric assessment system.

This proved to be a sole provider of the required services at the time.

- (ii) Appointment of Cheadle Thompson and Hyson Legal Firm to assist the Department of Employment and Labour in the drafting of a legislation that will regulate the employment of foreign nationals in South Africa. The reasons are:
- Their extensive knowledge and involvement in the development and drafting of labour laws
 - Their knowledge of International Labour Organization Conventions and legislation in other countries
 - Their involvement in the Drafting of the current Employment Services Act, No.04 of 2014 would result in reduced cost and they already conducted extensive research on other international legislations and regulations of labour migration.

Given the urgency of the project, the legal firm would work closely with government reference committee comprising the Department of Employment and Labour, Department of Home Affairs (DHA), Department of Trade, Industry & Competition (DTCI), Department of International Relations & Cooperation (DIRCO), Department of Higher Education & Training and Science and Technology (DHET & ST).

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES: ANNUAL ACHIEVEMENT FOR 2020/2021 PER PROVINCE

INDICATOR	1.1 NUMBER OF WORK-SEEKERS REGISTERED			2.1 NUMBER OF EMPLOYMENT OPPORTUNITIES REGISTERED		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
Eastern Cape	90 000	106 925	16 925	6 841	13 012	6 171
Free State	52 500	55 901	3 401	3 948	8 458	4 510
Gauteng	195 000	259 721	64 721	9 579	11 628	2 049
Kwa-Zulu Natal	127 500	122 786	-4 714	7 895	8 940	1 045
Limpopo	52 500	61 207	8 707	5 263	11 640	6 377
Mpumalanga	60 000	76 615	16 615	4 211	5 669	1 458
Northern Cape	30 000	36 177	6 177	3 053	6 515	3 462
North West	45 000	47 934	2 934	3 421	4 629	1 208
Western Cape	97 500	90 648	-6 852	5 789	12 260	6 471
*Online	0	80 591	80 591	0	1 031	1 031
TOTAL	750 000	938 505	188 505	50 000	83 782	33 782

* Online refers to work-seekers self-registration through kiosk stations and internet. Statistics will be allocated to provinces as soon as enhancements are completed.

* Online refers to work-seekers self-registration through kiosk stations and internet. Statistics will be allocated to provinces as soon as enhancements are completed.

INDICATOR	3.1 NUMBER THAT RECEIVED EMPLOYMENT COUNSELLING			4.1 NUMBER OF EMPLOYMENT OPPORTUNITIES FILLED		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
	R'000	R'000	R'000	R'000	R'000	R'000
Eastern Cape	27 938	30 632	2 694	2 050	4 979	2 929
Free State	19 206	17 322	-1 884	1 184	2 906	1 722
Gauteng	45 396	55 313	9 917	2 874	4 548	1 674
Kwa-Zulu Natal	27 938	36 373	8 435	2 367	3 963	1 596
Limpopo	22 698	26 017	3 319	1 580	7 943	6 363
Mpumalanga	26 190	28 844	2 654	1 264	2 324	1 060
Northern Cape	12 222	13 746	1 524	917	3 234	2 317
North West	17 460	18 420	960	1 026	1 667	641
Western Cape	20 952	18 776	-2 176	1 738	5 629	3 891
*Online	0	1 011	1 011	0	0	0
TOTAL	220 000	246 454	26 454	15 000	37 193	22 193

*Online refers to registered work-seekers who received counselling services and modified their profiles through kiosk stations and internet

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Policies developed and approved:

Development of 'mandated' Zero Draft of the National Employment Policy (NEP), and revision based on the phase 1 validation workshop inputs.

Formal NEDLAC validation process:

Tabling of the NEP Zero Draft to NEDLAC constituencies. Forwarding of agreed draft to formal policy adoption processes in accordance with relevant legislation.

Final Draft NEP:

Further stakeholder consultation is required, to develop final Draft.

CHANGES TO PLANNED TARGETS

The target on work and learning opportunities registered was revised from 95 000 to 50 000. The economic activities were impacted during lockdown levels 5 and 4. Most businesses were closed and some had to retrench workers. Collaboration with business to identify new employment opportunities was intensified.

The target on registered work and learning opportunities filled by registered work-seekers per year was revised from 47 500 to 15 000. Most companies were not operational during the lockdown and resulted in low economic growth. The Branch had partnered with business to explore the creation of new work opportunities, exploring self-employment opportunities, developing and consulting on Employment Schemes Framework.

LINKING PERFORMANCE WITH BUDGETS

PES had an adjusted appropriation of R588.7 million with an increase of additional funding for the Supported Employment Enterprises, thereby increasing the final appropriation for the financial year to R613.7 million.

The PES expenditure as at end of March 2021 is R598.4 million which constitutes (97.5%) of the allocation for 2020-2021. Underspending was mostly due to activities that were affected by the Covid-19 regulations.

(In the previous year, the budget allocation was R628.7 million and expenditure as at 31 March 2020 was R605.6 million, which constitutes 96.3% of the allocation).

Public Employment Services achieved 83% of its targets towards decent employment creation and placement of work-seekers in work and learning opportunities.



SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2020/21			2019/20		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
1. Management and Support Services: Public Employment Services	49 745	47 507	2 238	54 714	49 645	5 069
2. Employer Services	106 307	97 926	8 381	116 800	102 425	14 375
3. Work Seeker Services	174 326	174 298	28	174 798	174 778	20
4. Designated Groups Special Services	22 709	21 996	713	21 525	19 255	2 270
5. Sheltered Employment Factories and Subsidies to Designated Workshops	202 848	199 272	3 576	155 375	154 028	1 347
6. Productivity South Africa	56 309	56 309	-	63 710	63 710	-
7. Unemployment Insurance Fund	1	-	1	1	-	1
8. Compensation Fund	305	-	305	40 107	40 107	-
9. Training of Staff: Public Employment Services	1 114	1 090	24	1 682	1 682	-
TOTAL	613 664	598 398	15 266	628 712	605 630	23 082

The Programme utilised 97.5% of its allocated budget to carry out its mandated objective and deliverables and achieved 83% of the predetermined targets. The allocation was sufficient for all operations of the Programme.

4.4 PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS (LP&IR)

Purpose: Facilitate the establishment of an equitable and sound labour relations environment, support institutions that promote social dialogue; promote South Africa's interests in international labour matters, conduct research, analysis and evaluation of labour policy and provide statistical data on the labour market.

SUB-PROGRAMMES

- **Management and Support Services: Labour Policy and Industrial Relations** manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes
- **Strengthen Civil Society** transfers funds to various civil society organisations that protect vulnerable workers by providing resources, support and expertise to improve the independence and self-reliance of workers, in order to contribute to a stable and well-functioning labour market
- **Collective Bargaining** manages the implementation of the Labour Relations Act (1995) through policies and practices that promote sound labour relations by: registering labour organisations and deregistering those that are noncompliant, publishing and extending collective agreements; supporting and advancing participation in collective bargaining structures, and participating in relevant National Economic Development and Labour Council activities
- **Employment Equity** promotes equity in the labour market through the elimination of unfair discrimination and the promotion of equitable representation in the workplace
- **Employment Standards** protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997)
- **Commission for Conciliation, Mediation and Arbitration** transfers funds to the Commission for Conciliation, Mediation and Arbitration, which promotes social justice and fairness in the workplace through dispute prevention and dispute resolution services
- **Research, Policy and Planning** monitors and evaluates the impact of labour legislation and policies that affect the South African labour market
- **Labour Market Information and Statistics** collects, collates, analyses and disseminates internal and external labour market statistics regarding changes in the South African labour market as a result of the implementation of labour legislation
- **International Labour Matters** contributes to global policy formulation and facilitates compliance with international obligations through multilateral and bilateral relations
- **National Economic Development and Labour Council** transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision making and social equity through social dialogue.

OBJECTIVES

Improve employment equity implementation and compliance monitoring mechanisms in the labour market by:

- Publicising the 2020/21 employment equity annual report and public register by 30 June 2020
- Developing the 2020/2021 employment equity annual report and public register by 31 March 2021
- Extend protection to vulnerable workers by publishing national minimum wages for all sectors
- Promote sound labour relations and centralised collective bargaining through the extension of collective agreements and 100 per cent registration of qualifying labour and employer organisations by 31 March 2021
- Monitor and evaluate the impact of labour legislation to promote an evidence-based labour policy framework through the production of research and labour market trend reports by 31 March 2021.



PERFORMANCE INDICATORS

REVISED APP

The table below is reflecting the Departmental performance, based on the Revised Annual Performance Plan 2020/21 tabled in July 2020. The Department gave effect to the impact of Covid-19 on its services and the impact on the budget.

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2018/19	AUDITED ACTUAL PERFORMANCE 2019/20	PLANNED ANNUAL TARGET 2020/21	ACTUAL ACHIEVEMENT		DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS
						2020/21	2020/21		
MTSF OUTCOME: Equal opportunities, inclusion and redress	1. Amend the Employment Equity Act to enable the regulation of Sector EE Targets by 2023	1.1 Amendments to the Employment Equity Act promulgated and implemented by 31 March 2021	n/a	n/a	EEA amendments tabled in Parliament by 31 March 2021	Achieved EE Amendment Bill, 2020 tabled in Parliament through publication of the Bill in Government Gazette dated 20 July 2020	None	None	
DEPARTMENTAL OUTCOME: <ul style="list-style-type: none"> Promote Equity in the Labour Market Protect vulnerable workers 	2. A number of policy instruments developed and promoted to enhance the implementation of EEA per annum	2.1 2019-2020 Annual EE Report and Public Register published by 30 September 2020	Achieved 2017-2018 Annual Employment Equity Report and Public Register published by 30 June 2018	Achieved • 2018-2019 Annual Employment Equity Report and Public Register published by 30 June 2019	2019-2020 Annual Employment Equity Report and Public Register published by 30 September 2020	Achieved 2019-2020 Annual EE Report published on 19 August 2020 and Public Register published in Government Gazette dated 17 July 2020	None	None	

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	
			2018/19	2019/20	2020/21	2020/21			
		2.2 2020-2021 Annual EE report and Public Register developed by 31 March 2021	Achieved Annual Employment Equity Report and Public Register developed by 26 March 2020	Achieved • 2019-2020 Annual Employment Equity Report and Public Register developed by 31 March 2021	2020-2021 Annual Employment Equity Report and Public Register developed by 31 March 2021	Achieved 2020-2021 Annual EE Report (21st CEE Annual Report) and Public Register developed on 29 March 2021 and 17 March 2021 respectively	None	None	
		2.3 Development of Income differential data collection tool (EEA4 form) for designated employers	n/a	n/a	Income differential data collection tool (EEA4 form) for designated employers developed and implemented	Achieved EEA4 form developed and implemented	None	None	
		2.4 Law and policy interventions developed to protect specific groups of workers who are particularly vulnerable to specific forms of gender-based violence	n/a	n/a	Draft Code of good practice on elimination of harassment and violence in the world of work developed by 31 March 2021	Achieved Draft Code of Good Practice on the Prevention and Elimination of violence and harassment in the world of work developed on 24 June 2020 and published for public comment on 20 August 2020	None	None	

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21				
	3. Annually review the national minimum wage level	3.1 Review of the National Minimum Wage level per annum	Not Achieved Implementation of the National Minimum Wage by 1 May 2018 not achieved. Only completed by 1 January 2019	Not Achieved Review of the national minimum wage not achieved by 1st January 2020. Only reviewed on the 1st March 2020	2020/21	Review of the National Minimum Wage level by 31 March 2021	2020/21 Achieved The National Minimum Wage level reviewed and amended on the 1 March 2021 on government gazette number 44136 published on the 8th February 2021	None	None
	4. % of collective agreements assessed and verified within 180 working days of receipt per annum	4.1 100% of collective agreements assessed and verified within 180 working days of receipt per annum	Not Achieved 20 (Twenty) collective agreements were received • 16 (Sixteen) Extended within 90 calendar days of receipt = 80% • 4 (four) extended in longer than 90 calendar days of receipt = 20%	Not Achieved 88% of collective agreements extended within 90 calendar days of receipt ; 34 were received; 30 extended within 90 days and 4 outside 90 days	2020/21	100% of collective agreements assessed and verified within 180 working days of receipt by 31 March 2021	2020/21 Achieved 31 collective agreements were received within the financial year. All 100% (31) collective agreements were assessed and verified within 180 working days of receipt	None	None

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT		REASONS FOR DEVIATIONS
			2018/19	2019/20			2020/21	2020/21	
	5. % of labour organisations' applications for registration approved or refused within 90 working days of receipt per annum	5.1 100% of labour organisations' applications for registration approved or refused within 90 working days of receipt per annum	Achieved 133 (One hundred and thirty-three) application received • 114 (One hundred and fourteen) refused within 90 calendar days of receipt • 19 (Nineteen) approved within 90 calendar days of receipt	Not Achieved 99% of labour organisation applications for registration approved or refused within 90 calendar days of receipt. 145 (One hundred and forty five) application received • 130 (One hundred and thirty) refused within 90 calendar days of receipt • 14 (Fourteen) approved within 90 calendar days of receipt • 1(One) approved outside 90 calendar days of receipt	100% of labour organisations' applications for registration approved or refused within 90 working days of receipt by 31 March 2021	Achieved 122 applications for registration of labour organisations were received with the financial years. 1 was approved and 121 refused. All 100% (1 was approved and 121 refused) were approved or refused within 90 working days of receipt	2020/21	None	None



PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	
			2018/19	2019/20	2020/21	2020/21			
	6. Number of progress reports on bilateral cooperation and multilateral obligations signed off by the Minister annually	6.1 Progress reports on bilateral cooperation and multilateral obligations signed off by the Minister annually	Achieved 2017/18 1 Annual implementation report signed off by the Minister by 30 April 2018 1 Mid-term implementation report signed off by the Minister by 31 October 2018	Achieved 2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually • 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2020 • 1 Mid-term implementation report submitted to the Minister by 31 October 2020 for sign-off	Achieved 1 Annual implementation report was submitted to the Minister for sign-off by 30 April 2020 VS: Ministerial Submission – DMS: 36752/1 1 Mid-term implementation report was submitted to the Minister by 31 October 2020 for sign-off VS: Ministerial Submission- DMS: 73895/1	None	None	

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS							
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
			2018/19	2019/20	2020/21	2020/21	
<p>MTSF OUTCOME</p> <p>More decent jobs created and sustained, with youth, women and persons with disabilities prioritised</p> <p>Departmental OUTCOME:</p> <p>Monitor the impact of legislation</p>	<p>7. Analyse and report on the labour market trends annually</p>	<p>7.1 Number of labour market trend reports produced per annum</p>	<p>Achieved:</p> <p>4 Annual labour market trend reports produced by 31st March 2019.</p> <p>These reports include: Industrial Action report 2018; Annual Administrative Statistics for Dol. 2018; Job Opportunity and Unemployment in the SA Labour market 2017/18 and Annual Labour Market Bulletin 2017/18</p>	<p>Achieved</p> <p>All (4) four annual labour market trend reports were produced:</p> <p>(2) Two Annual Labour Market trend reports were produced and submitted to the CD: LMP. These reports include Annual Labour Market Bulletin and Job Opportunity and Unemployment in the South African labour market for 2019/20</p> <p>(2) Two Annual Labour Market trend reports were produced and submitted before 30 March 2020 to the CD: LMP. These reports include Annual Administrative report 2019 and Annual Industrial Action report 2019</p>	<p>4 Annual labour market trend reports produced</p>	<p>Not Achieved</p> <p>Only 1 out of 4 annual labour market trend report was not produced by end of March 2021. This refers to AAS 2020 Report which was three weeks after the due date</p>	<p>Inputs on the revision of the annual targets were made but were not updated in time into the APP.</p> <p>With Covid-19 pandemic associated with the lockdown restrictions, it was beyond the Branch means to complete all reports within the deadline. The final AAS 2020 report was produced on the 20 April 2021</p>
						<p>The production of AAS 2020 report was delayed because of unavailability of data resources to verify and submit data on time.</p> <p>The Covid-19 pandemic lockdown restrictions led to the disruption of working time and publication of critical information that form part of the AAS report. By end of March 2021, almost 95% data was verified and analysis commenced towards the final production of the report beyond the deadline</p>	

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT		DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS
			2018/19	2019/20		2020/21	2020/21		
	8. Research reports developed on the impact of labour legislation to the labour market	8.1 Number of Research reports on the impact of labour legislation to the labour market produced and submitted to the Deputy Director General: LP&IR per annum	Achieved 4 Research Reports produced	Not Achieved Only 4 evaluation packs out of 5 were finalised and submitted to SCM in preparation for panel meeting that is aimed at taking decision for recommendation of two service providers to DBAC Achieved Data collection tool developed and submitted electronically via email to DD Forum members on 23 March 2020. This was because the DD Forum meeting was cancelled	3 Research service providers to conduct research identified and recommended to DBAC by 31 March 2021	Achieved • Research service provider recommended to DBAC • Draft literature review submitted	None	None	

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Only one of the eleven indicators was not achieved. This was in the strategic objective “Monitor the impact of legislation”. This target was: The production of Annual Administrative Statistics (AAS) 2020 report which was delayed because of unavailability of data resources by end of March 2021. The Covid-19 pandemic lockdown restrictions led to the disruption of working time and publication of critical information that formed part of the AAS 2020 report. By the end of March 2021, almost 95% data was verified and analysed. However, the LMIS directorate was not able to finalise the production and submission of the final report. This was done about 2 weeks after end of March 2021.

To overcome areas of underperformance, it is about postponing the targets in order to allow enough time for the data to be accessed, analysed and reported. Furthermore, it is also critical that all employees be afforded the opportunity to telework when the working environment is not conducive by providing the necessary tools of trade to employees.

CHANGES TO PLANNED TARGETS

Most of the indicators tabled initially were not changed. The only performance target that changed in July 2020, following the impact of Covid-19 pandemic as lockdown regulations were effected, was the objective “Monitoring the impact of Labour Legislation on labour markets”. Specifically, the research report development aimed to be achieved by 31 March 2021 was changed as the research process had already been impacted by the pandemic at the end of quarter 1. Budget cuts also necessitated change of this indicator as there was one research study that was supposed to be conducted by Departmental staff and all travel related budget was removed as travelling during data collection was not going to be possible.

Furthermore, the production of one of the four annual labour market trend reports, e.g., Annual Administrative Statistics report for the calendar year 2020 was produced two weeks after the end of March 2021 as per the Annual Performance Plan. The change of target was due to two main reasons: (i) delay in extracting external data for analysis due to changes of production schedule by external statistical agencies and (ii) delay in internal data verification due to change of staff rotation schedule. Both of these reasons were associated with the Covid-19 pandemic lockdown restrictions in the country, which disrupted the achievement of critical outputs and affected budget expenditure in the directorate.

LINKING PERFORMANCE WITH BUDGETS

The Programme achievements in 2020-21 are in line with the expenditure of the appropriated funds as 91% of planned annual targets were achieved. Specifically, the following were achieved:

- Annual EE Report and EE Public Register were published
- EE Amendment Act tabled in Parliament
- 2020-2021 Annual Employment Equity Report and Public Register were also developed
- Income differential data collection tool (EEA4 form) for designated employers was also developed and implemented
- Draft Code of Good Practice on elimination of violence and harassment in the world of work was developed
- All Collective Agreements received were assessed and verified within 180 working days of receipt
- All requests for registration of labour organisations received were processed within 90 days of receipt
- National Minimum Wage level was reviewed
- Annual report on International Labour Matters was prepared and submitted
- Research projects commenced with service providers appointed and one research conducted by Departmental staff was also started.
- Three annual labour market trend reports were produced by 31 March 2021 and one annual report was produced two weeks after the end of March 2021.

Government printing, Communication and advisory services were the budget items that contributed higher expenditure because of some of the main achievements of the programme such as tabling of the EE Amendment Bill. Communication expenditure is also associated with working from home. Furthermore, comparison of appropriation versus expenditure in the table above reflects that the programme’s under expenditure in 2020-2021 was mainly in International Labour Matters (R8.5 million) followed by Employment standards (R2.2 million) and Labour Market Information and Statistics (R1.9 million) respectively. The under expenditure is associated with the impact of Covid-19 pandemic lockdown restrictions for the latter two sub-programmes while the former sub-programme could not finalise the filling of vacancies and conducting the qualitative research aimed at informing the setting of the National Minimum Wage.



SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2020/21			2019/20		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
1. Management and Support Services: Labour Policy and Industrial Relations	14 123	13 035	1 088	17 077	16 171	906
2. Strengthen Civil Society	13 500	13 500	-	22 147	22 147	-
3. Collective Bargaining	17 082	15 853	1 229	16 199	16 137	62
4. Employment Equity	9 249	8 218	1 031	14 721	11 803	2 918
5. Employment Standards	24 251	21 963	2 288	35 655	6 826	28 829
6. Commission for Conciliation, Mediation and Arbitration	935 810	935 810	-	976 810	976 810	-
7. Research, Policy and Planning	10 895	7 874	3 021	8 536	6 478	2 058
8. Labour Market Information and Statistics	43 394	41 476	1 918	46 693	43 494	3 199
9. International Labour Matters	46 596	38 050	8 546	41 466	37 974	3 492
10. National Economic Development and Labour Council	55 478	55 478	-	40 741	40 741	-
TOTAL	1 170 378	1 151 257	19 121	1 220 045	1 178 581	41 464

The Programme utilised 98.4% of its allocated budget to carry out its mandated objective and deliverables and achieved 91% (10 of 11) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

PERFORMANCE IN RELATION TO STANDARDISED OUTPUTS AND OUTPUT INDICATORS FOR SECTORS WITH CONCURRENT FUNCTIONS

Not applicable to the Department of Employment and Labour.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The Department had to re-allocate its resources to the procurement of Personal Protective Equipment (PPE) that was required during the onset of the pandemic. This was to allocate these and equip the working environment with items like sanitisers and protective masks to all officials of the Department while they were at work. The Department had to allocate the resources for procurement of laptops and other electronic gadgets to allow some officials to work remotely so as to allow for social distancing. The use of virtual platforms to carry out work became the norm.

The Department also developed the Return-to-Work plan that addressed all aspects that needed to be attended to during the pandemic. As the different levels of lockdown were implemented, the document had to be revised to provide a broad guideline on the order of work during any particular lockdown stage, mainly indicating the number of staff that should be allowed to go to the office while ensuring that the spread of Covid-19 is prevented.

The OHS committees were re-awakened to be fully functional to deal with the workplace safety and hygiene. The Employee Health and Wellness team played a pivotal role in ensuring that there is emotional support offered to staff that got infected and those that got affected by Covid-19. The Department set up a Crisis Management Committee and held regular meetings to address any emerging issues that needed crisis management response.

PUBLIC EMPLOYMENT SERVICES (PES) RESPONSE TO COVID-19 WAS MAINLY AT PROGRAMME IMPLEMENTATION LEVEL, AS OUTLINED BELOW:

1.1. Number of work-seekers registered on ESSA system per year	<ul style="list-style-type: none"> Drop down boxes were made available at Labour Centres so that members of the public could deposit their registration applications. Staff from the back office would capture them daily. They would also be requested to drop off a copy of their ID with their telephone/cell numbers and email addresses, if they wished to register as a work seeker. The Copy of the ID would be forwarded to PES staff in the provinces and Labour Centres to process the registration. This was meant to avoid queues from building up and also to enable social distancing. It meant that staff would have to call clients to update the missing information When offices were opened, registration could also be done using the kiosks The ESSA online system could also be used When Section 17 UIF claims were captured, the details of the work-seekers would be automatically imported into the ESSA database
2.1. Number of work and learning opportunities registered on ESSA system per year	<ul style="list-style-type: none"> ESP's working from home could make telephone calls to canvas for vacancies. In this regard, a request was made to increase the cell phone data and calls limits Those that could not make calls from home, would on rotational basis, report to the office to make calls Employers could also make use of the online ESSA system ESP's were also allowed to visit employers that had re-opened, in cases where this was feasible Interns that were assisting with opportunities and placements could also be utilised for this purpose When considering the registering of opportunities and referrals, due care was taken to ensure proper verification, to avoid a number of people standing in queues at once, at all costs.
3.1 Number of registered work-seekers provided with employment counselling per year	<ul style="list-style-type: none"> A number of workers that were affected by Covid-19, required employment counselling. Counsellors arranged and attended sessions at various employers in the region that was retrenching staff. These group sessions could be used to reach out to work-seekers ESP's would refer cases that were referred, to the Career Counsellors for telephonic counselling as per the amended Covid-19 provisions of the Health Professions Council of South Africa (HPCSA) Counsellors were requested to identify topics that they could present online. Many identified areas that they wished to contribute to. Arrangements were made for Counsellors to host webinars to interact with work-seekers. Those that could not connect online could go to Labour Centres that had screens, where the webinar would also be displayed, in a controlled manner
4.1 Number of registered work and learning opportunities filled by registered work-seekers per year	Given the shrinkage that occurred in the formal economy, ESP's needed to find creative ways to get work-seekers into employment. They continued to canvas for job opportunities
5.1 Number of partnership agreements concluded with various stakeholders	All PES staff were urged to actively seek partnership agreements, especially those that lead to placement
6.1 Number of policies developed and approved	There were two major policies targeted for finalisation, the National Employment policy and the Labour Migration policy
8.1 Maximum Number of PES advocacy campaigns conducted per year – unless there is additional special need	PES continued with its advocacy campaigns during this period, with the additional use of mass media
9.1 Percentage of complete (verified) applications from Private Employment Agencies and Temporary Employment Services processed within 60 calendar days of receipt	<ul style="list-style-type: none"> There were a few applications that were received, and these were finalised The existing system was utilised for processing
10.1. Percentage of complete applications for foreign nationals, corporate and individual work visas; processed within 30 working days of receipt	<ul style="list-style-type: none"> The processing of work visa applications was suspended due to the closure of the borders, to contain Covid-19 from spreading Due to the lockdown regulations, almost no applications were received. A service provider was appointed for the purpose of amending the PES Act to ensure that there was better control and the prevention of displacing local labour



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

BUDGET 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	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
None								

The Department responded to the Covid-19 pandemic through the normal day-to-day workload and budgets. The Department did cater for some expenditure such as facemasks for employees, hand sanitisers, desk shields for the frontline officials in order to perform daily tasks. The Department did not carry any expenses for non-officials. Therefore, the table above could not be completed.

However, some of the Department's Public Entities had a much closer response to the Covid-19 pandemic and details of that are available in their Annual Reports. An example of this is the UIF-TERS payments.

5. TRANSFER PAYMENTS

5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS MADE FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY R'000	AMOUNT SPENT BY THE PUBLIC ENTITY R'000	ACHIEVEMENTS OF THE PUBLIC ENTITY
Unemployment Insurance Fund (UIF)	<p>More decent jobs created and sustained, with youth, women and persons with disabilities prioritised</p> <p>Expanded access to PSET opportunities</p> <p>Comprehensive social security system</p>	-	-	Details in UIF Annual Report
Compensation Fund (CF)	<p>More decent jobs created and sustained, with youth, women and persons with disabilities prioritised</p> <p>Comprehensive social security system</p>	-	-	Details in CF Annual Report
Productivity South Africa (Productivity SA)	<p>Promote a culture of productivity in the workplace.</p> <p>Facilitate and evaluate productivity improvement and competencies in workplaces.</p> <p>Support initiatives aimed at preventing job losses.</p> <p>Measure and evaluate productivity in the workplace.</p> <p>Maintain a database of productivity and competitiveness systems and publicise same; and to undertake productivity-related research.</p>	R56 309	R56 309	<p>1440 SMME and other Enterprises supported through Productivity interventions to improve their competitiveness and sustainability.</p> <p>927 Entrepreneurs/ business owners capacitated to promote the culture of productivity and entrepreneurship.</p> <p>429 Productivity Champions capacitated to build awareness and promote a stronger culture of productivity.</p> <p>2 Research reports and publications published on priority sectors.</p> <p>2 Statistical reports on productivity and competitiveness published.</p> <p>10 Productivity awards and regional milestone workshops hosted.</p>



NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY R'000	AMOUNT SPENT BY THE PUBLIC ENTITY R'000	ACHIEVEMENTS OF THE PUBLIC ENTITY
Commission for Conciliation, Mediation and Arbitration	<ol style="list-style-type: none"> 1. Implement the legislated mandate of the CCMA effectively and efficiently; 2. Enhance and expand the Employment Security mechanisms to save jobs and alleviate business distress; 3. Facilitate improved Collective Bargaining to promote orderly and healthy labour relations; 4. Intensify Dispute Management and Prevention interventions to reduce conflict in the workplace and transform workplace relations; and 5. Improve organizational and governance processes, strive for maximum compliance and mitigate risks in order to ensure maximum organizational performance. 	R 935 810	R 950 820 (Preliminary and unaudited results)	<ul style="list-style-type: none"> • During the 2020/21 financial year, the CCMA heard 99.5% (84 671/85 104) of conciliable cases within 30 days at first event (excluding agreed extensions, where certificates were issued, out of jurisdiction cases/ withdrawn/settled by parties' cases prior to the matter being scheduled, no process cases and cases which are not conciliable or where conciliation is not first process). • 99.9% (13 236/13 245) arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (excludes extensions granted and heads of arguments filed). • CCMA saved 42% (58 165/138 816) of jobs compared to employees likely to be retrenched (as per cases referred to the CCMA). • A total of eight (8) Collective Bargaining support processes were conducted for strategically identified users. • CCMA conducted three (3) Collective Bargaining Conferences for strategically identified users. • CCMA identified and engaged 12 workplaces across the eight (8) provinces regarded as high referring users from various sectors of the labour market with a view to conceptualise the respective Transformation of Workplace Relations project. A total of 130 capacity building interventions were delivered in order to address the prevalent challenges in their respective workplaces. • A total of 13 vulnerable sector projects were conceptualised and delivered to targeted sectors: Agriculture, Domestic, Retail, private Security and Mining. In its quest to achieve intended impact, a total of 134 capacity building interventions were delivered in order to support the implementation of the projects. • During the 2020/21 financial year, the CCMA implemented 123% (69/56) of the Risk Management Plan to sustain level 5.00 risk maturity level. In addition, CCMA has implemented 110% (44/40) of Compliance Management Plan to maintain an optimum compliance maturity level 5.



NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY R'000	AMOUNT SPENT BY THE PUBLIC ENTITY R'000	ACHIEVEMENTS OF THE PUBLIC ENTITY
National Economic Development and Labour Council (NEDLAC)	<p>Promote economic growth, participation in economic decision making and social equity through social dialogue.</p> <p>Provide for the establishment of a national economic, development and labour council; to repeal certain provisions of the Labour Relations Act, 1956; and to provide for matters connected therewith.</p> <p>Considers all proposed labour legislation relating to labour market policy before it is introduced in Parliament</p> <p>Considers all significant changes to social and economic policy before it is implemented or introduced in Parliament</p> <p>Encourages and promotes the formulation of coordinated policy on social and economic matters.</p>	R 55 478	R46 337	<p>THE FOLLOWING ACHIEVEMENTS FOR 2020/21 WERE OBTAINED BY NEDLAC.</p> <p>Achievements by the Chambers NEDLAC Reports were finalised on the following legislative and policy matters:</p> <ul style="list-style-type: none"> • Conservation Agriculture Policy • National Policy on Comprehensive Producer Development Support (NPCPDS) • Draft National Freshwater (Inland) Wild Capture Fisheries Policy • Climate Change Bill • Upgrading of Land Tenure Rights Amendment (ULTRA) Bill • Basic Education Laws Amendment Bill • Expropriation Bill <p>A number of special sessions were held. The most important sessions included President Ramaphosa. The discussions were on the following::</p> <ul style="list-style-type: none"> • Deepening cooperation as part of the national effort to combat the coronavirus (Covid-19) • Economic Recovery. <p>MANCO Task Teams and the Covid-19 Rapid Response Task Team</p> <p>Engagements were undertaken through the following MANCO and Rapid Response Task Teams:</p> <ul style="list-style-type: none"> • Comprehensive Social Security and Retirement Reforms Task Team (CSSRR) which seeks to ensure that there is social security coverage for those who are currently not covered through the current social protection floor. • NEDLAC Covid-19 Rapid Response Task Team coordinated the response of social partners on measures to address the negative impact of Covid-19. Key focus areas included: Covid-19 TERS, relief measures, health and safety in the workplace, local production of PPEs and medical supplies, communication and behavioural change and vaccine roll out. <p>SECTION 77 STANDING COMMITTEE MATTERS IN 2020/21</p> <p>The following Section 77 notices were concluded at NEDLAC:</p> <ul style="list-style-type: none"> • Economic crisis – tabled by COSATU • Public Transport issues – tabled by COSATU, FEDUSA and NACTU.

NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY R'000	AMOUNT SPENT BY THE PUBLIC ENTITY R'000	ACHIEVEMENTS OF THE PUBLIC ENTITY
				<p>PRESIDENTIAL JOBS SUMMIT AND ECONOMIC RECOVERY</p> <ul style="list-style-type: none"> • The monitoring of the Presidential Job Summit Commitments took place under the auspices of NEDLAC and many of these commitments have subsequently been institutionalised in government, including the issue of Pathway Management in the Department of Employment and Labour. • The work initiated by social partners through the Jobs Summit in unblocking key structural reform has been taken up by Operation Vulindlela led by National Treasury and the Presidency. • The Framework Agreement for a Social Compact on Supporting Eskom and Revised Implementation Plan was signed in December 2020. This is one of the outcomes arising from the Jobs Summit engagement process. • The Joint Technical Committee (JTC) of the Job Summit embarked on a process to review the 77 Jobs Summit commitments with the view to refocus and pivot them towards the imperatives of economic reconstruction and recovery. • NEDLAC social partners contributed to the development of an Economic Restructuring and Recovery Plan (ERRP) which the President, Mr Cyril Ramaphosa announced in October 2020. By the end of 2020/21 financial year, NEDLAC had commenced the process of tracking the progress of commitments made by all social partners in this plan as well as co-ordinating work streams focusing on localisation, SMME development, energy security and improving public transport and freight. • Due to the Covid-19 pandemic and lockdown which was not anticipated when the budget was approved, various business activities were lower than anticipated and thus expenditure incurred on goods and services was significantly lower than budgeted for. These expenditure activities included meetings, conferences, travel and subsistence which form a large part of the goods and services expenditure. Consultant fees were also lower than anticipated due to a shift in the activities of NEDLAC as a result of the Covid-19 pandemic.



5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT. COMPLY WITH S 38 (1) (I) OF THE PFMA	AMOUNT TRANSFERRED (R'000)	AMOUNT SPENT BY THE ENTITY (R'000)	REASONS FOR THE FUNDS NOT PAID OVER
Supported Employment Enterprises (SEE)	Trading Entity	<p>Functions of the SEE as per the Employment Services Act 4 of 2014:</p> <p>(a) Facilitate supported employment;</p> <p>(b) Provide work opportunities for persons with disabilities;</p> <p>(c) Develop and implement programmes that promote the employability of persons with disabilities, including persons with permanent disablement as defined in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993), in the light of their evolving needs in a changing economy; and</p> <p>(d) Perform any other function as may be prescribed by the Minister.</p>	Yes	R195 549	R175 413	The remaining funds are earmarked for procurement of ICT infrastructure (R17 500 000) as well as 2019/2020 salary scale adjustments (R2 636 352)

*This section provides information on transfer payments made to provinces, municipalities, Departmental agencies (excl. public entities), higher education institutions, public corporations, private Enterprises, foreign governments, non-profit institutions and households. This excludes payments to public entities as it is included in the previous section. In this section, also provide information on where funds were budgeted to be transferred but transfers were not made and the reasons for not transferring funds.

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS MADE FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021.

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT. COMPLY WITH S 38 (1) (J) OF THE PFMA	AMOUNT BUDGETED (R'000)	AMOUNT TRANSFERRED (R'000)	REASONS FOR THE FUNDS WERE NOT TRANSFERRED
DITSELA Workers Education Institute	Non profit	<p>*DITSELA delivered successfully the New Law labour Skills programme which is accredited with 20 credits. The Training programme was delivered in two provinces (i.e. North West and Mpumalanga)</p> <p>WC Trade Union Practice Qualification Module 1-8</p> <p>During the period under review, the programme was completed with all modules delivered</p> <p>National Educators Forum x3</p> <p>Siyakhuluma x 2 (dialogue)</p> <p>Labour Law Skills Programmes x2</p> <p>Online zoom seminar x2</p>	Yes	10 500	10 500	None
Workers College	Non profit	<p>The programmes that were implemented:</p> <p>Higher Certificate in Labour Economics (HCLE),</p> <p>Higher Certificate in Labour Studies (HCLS)</p> <p>Participatory Action Research (PAR)</p> <p>Industrial Working Life Programme (IWLP). Moreover, two entry tests were conducted to select participants for the academic year 2021</p>	Yes	3 000	3 000	None

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS WHICH WERE BUDGETED FOR IN THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021, BUT NO TRANSFER PAYMENTS WERE MADE.

NAME OF TRANSFEREE	PURPOSE FOR WHICH THE FUNDS WERE USED	AMOUNT BUDGETED (R'000)	AMOUNT TRANSFERRED (R'000)	REASONS FOR THE FUNDS WERE NOT TRANSFERRED
Designated Groups Special Services		22 709	21 996	Due to non-compliance of some designated group organisations, the budget was not fully utilised

TRANSFERS

NAME OF INSTITUTION	AMOUNT TRANSFERRED (R'000)	ESTIMATE EXPENDITURE (R'000)
Transfers To Municipalities	770	776
Municipal Vehicle Licences	770	776
Departmental Agencies & Accounts	1 047 734	1 048 040
Licences (Radio & TV)	137	137
Compensation Fund	-	305
Unemployment Insurance Fund	-	1
Commission for Conciliation, Mediation and Arbitration	935 810	935 810
Productivity SA	56 309	56 309
National Economic Development and Labour Council	55 478	55 478
Foreign Government/International Organisation	19 557	28 095
International Labour Organisation (ILO)	18 471	26 720
African Regional Labour Administration Centre (ARLAC)	1 086	1 375
Non-Profit Institutions	231 045	231 758
Supported Employment Enterprises	195 549	195 549
Designated Groups Special Services	21 996	22 709
Strengthening Civil Society Fund	13 500	13 500
Households	6 115	6 122
Leave Gratuity	5 274	5 281
Ex-gratia payments	841	841
TOTAL TRANSFERS & SUBSIDIES	1 305 221	1 314 791

6. CONDITIONAL GRANTS**6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID**

The Department had no conditional grants and earmarked funds for the financial year.

7. DONOR FUNDS

Donor Funds Received:

The Department had no donor funds for the financial year.

8. CAPITAL INVESTMENT

8.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The Department has four main capital projects, namely Taung Labour Centre, Ulundi Labour Centre, Ermelo labour Centre and Carolina Labour Centre. These projects are currently at different stages respectively, which is detailed in the table here below. The Department has also undertaken maintenance project, such as the installation of water tanks, at various Labour Centres. These are detailed under item number five (5) here below.

ITEM	PROJECT LIST	STATUS QUO	EXPECTED COMPLETION DATE
1	Taung Labour Centre	Currently under construction	April 2022
2	Ulundi Labour Centre	Currently under designs	December 2024
3	Ermelo Labour Centre	At sketch plan stage	December 2023
4	Carolina Labour Centre	At sketch plan stage	December 2024
5.	Standerton Labour Centre	Construction site hand over	June 2023
6.	Installation of water tanks Atlantis; Roodepoort; Krugersdorp; Carletonville; Sandton; Atteridgeville; Soshanguve; and Phalaborwa	Under designs and construction	March 2022

There are no infrastructure projects completed in the financial year in question. The five (5) projects, as indicated above indicates the respective anticipated completion date for each. The Department has no plans to down-grade or close any of its facilities and there are no known developments which would impact the progress of the projects currently under construction or the Department's current expenditure on capital infrastructure.

Furthermore, The Department's asset holdings over the period in question has not changed, and there was no adverse impact on its assets holding. No assets were scrapped or disposed, as all assets were recorded in an Asset Register of the custodian (DPWI), in accordance with the GIAMA Act, 19 of 2007 and the National Treasury requirements.

As far as maintenance is concerned in relations to the immovable assets, there are still challenges which prompted the establishment of a joint Task Team on immovable assets in order to plan all capital, refurbishment and maintenance challenges on all infrastructure projects. The task team was initiated by the Director-General of NDPWI and Employment and Labour. Regular meetings with all project managers took place regularly to track progress.

The assets under the Department management can be summarised as follows:

- 28% Good
- 33% Fair
- 39% Poor.

INFRASTRUCTURE PROJECTS	2020/21			2019/20		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	17 663	17 662	1	12 387	10 247	2 140
PO: EC- Lusikisiki	15	15	0	0	52	-52
PO: EC- Mount Ayliff	0	0	0	0	5 368	-5 368
PO: GT- Temba	0	0	0	375	0	375
PO: GT- Soshanguve	0	0	0	1 000	0	1 000
PO: KZN- Ulundi	306	306	0	0	264	-264
PO: KZN- Prospecton	0	0	0	1 075	0	1 075
PO: LP- Seshego	10	10	0	200	372	-172
PO: MP- Mashishing	0	0	0	296	47	249
PO: MP- Bethal	0	0	0	160	0	160
PO: MP- eMalahleni	0	0	0	287	0	287
PO: MP- Ermelo	902	902	0	1 662	1 405	257
PO: MP- Mkondo	0	0	0	380	0	380
PO: MP- Standerton	1 575	1 575	0	2 107	1 198	909
PO: NC- Upington	10	10	0	0	228	-228
PO: NW- Brits	0	0	0	450	0	450
PO: NW- Taung	13 707	13 707	0	1 252	710	542
PO: NW- Vryburg	349	349	0	470	0	470
PO: NW- Rustenburg	0	0	0	0	295	-295
PO: WC- Atlantis	218	218	0	0	0	0
PO: WC- Swellendam	535	535	0	2 673	83	2 590
No Projects*	36	36	0	0	224	-224
Existing infrastructure assets	3 247	556	2 691	4 154	2 976	1 178
Maintenance and repairs	3 247	556	2 691	4 154	2 976	1 178
TOTAL	20 910	18 218	2 692	16 541	13 223	3 318

*No Project used for purchasing a Wendy Houses





REPO



PART C GOVERNANCE

DEPARTMENT OF EMPLOYMENT AND LABOUR

PART C: GOVERNANCE

1. INTRODUCTION

The Department is committed to maintain the highest standards of governance which is fundamental to the management of public finances and resources. To assure that this is in place, the Department has put good governance structures in place to effectively, efficiently and economically utilise the state resources, which is funded by the tax payers.

2. RISK MANAGEMENT

The Department has a fully established National Risk Management Committee; chaired by an Independent Chairperson. The Committee plays an oversight role and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. During the year under review the committee met three (3) times.

The first Risk Management Committee meeting was scheduled for 15 June 2020, however due to a positive Covid-19 case in the office, the building was shut-down for sanitisation. The meeting was rescheduled due to connectivity challenges. The meetings were held on 4 August 2020, 16 November 2020 and 18 March 2021, hence 3 meetings in 2020/2021.

The Department has an approved Risk Management Framework, Risk Management Policy and Risk Management Implementation Plan.

Risk Management conducted annual risk assessments in line with the Department's strategic and operational objectives ensuring the effectiveness of its Risk Management Frameworks and identified new and emerging risks as and when they emerged and thereafter monitored on quarterly basis.

The Department has noted progress in the management of risks as confirmed through Risk Maturity Assessment that was conducted during the year under review. The Department's performance has regressed due to the Covid-19 pandemic, however since the development of Business Continuity Plan and Combined Assurance Model; some improvements in the Department's performance will be seen.

The Audit Committee advises the Department on risk management and independently monitors the effectiveness of the system of risk management processes.

3. FRAUD AND CORRUPTION

The Department is mandated by the Public Service Regulation, 2016 Chapter 3 Part 3 Anti-Corruption and Ethics Management 22(a)-(e) wherein the Department subscribes to a culture of zero tolerance to fraud and corruption and emphasises a high level of awareness against any form of fraud, corruption, theft, or irregularities.

As part of fraud and corruption detection mechanism, the Department has and maintained a whistle blowing policy. The reporting mechanisms utilised in the Department are Fraud Hotlines, Fraud Email, Fax Line, Anonymous letters and Personal visits.

Any fraud or corruption reported was pursued through investigation including; amongst others:

- Disciplinary steps/action were taken in terms of Resolution 1 of 2003, Disciplinary Code and Procedure for the Public Service.
- Instituted civil action in terms of the PFMA and the Public Service Act/Regulations.
- Initiated criminal prosecution by reporting the matter to the South African Police Services or any other relevant law enforcement agency.

4. MINIMISING CONFLICT OF INTEREST

The Constitution envisions a public administration that maintains a high standard of professional ethics, that is developmentally orientated and treats citizens in a fair and equitable way, without bias. The Department has ensured that the officials of the Department display the highest possible standards of ethical conduct, maintain high levels of professionalism and integrity, ensure they minimise conflict of interest that may arise in representing their interests in the performance of their official duties.

The processes of minimising conflict of interest entails disclosing financial interests, applying for permission to perform other remunerative work, not to receive or accept any gift from any person in the course and scope of employment. These are as a result of legislative requirements and best practices that we intend to enrich as a Department.



All members of the Senior Management Service are required to disclose financially, their interests annually. All other categories of officials are required to follow the prescribed disclosure mechanisms on different timeframes. Guides on managing remunerative work outside the public sector and acceptance of gifts are in place and are communicated through circulars and advocacy sessions.

Critical to strengthening organisational integrity, and in addition to the above, pre-employment screening, vetting processes of both employees and service providers, declarations during recruitment processes, supply chain practitioners signing the Code of Conduct and the signing of declaration by the oversight committee members, are amongst others, initiatives implemented to manage possible conflict of interest.

5. CODE OF CONDUCT

The Code of Conduct sets standards of integrity for public servants and operationalise the legal framework put in place to promote integrity conflicts of interests. The Code of Conduct exemplifies the spirit in which officials of the Department should perform their duties, points out how to avoid conflicts of interest and indicates what is expected of public officials in terms of their personal conduct and in serving the public.

The Code of Conduct also describes the duty of employees to report corruption, fraud and nepotism, maladministration and any act that violates any law which is prejudicial to the interest of the public service.

The Department is administering the Code of Conduct by ensuring that all employees sign the Code of Conduct on boarding, orientation programs. Ethics advocacy sessions include training on Code of Conduct.

A breach of the Code of Conduct is dealt with through the disciplinary processes. Any reported matter of alleged misconduct is investigated to gather all the facts before a decision can be taken on how to proceed. Depending on the severity of the breach, disciplinary measures can be instituted through a process of progressive discipline (less serious cases) or a formal disciplinary hearing.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Provinces, including entities, have established Health and Safety Committees in terms of Section 19 of the Occupational Health and Safety Act. OHS Representatives were appointed in all offices as per OHS Terms of Reference that were circulated to the Provinces. OHS Chairpersons were trained by IES in November 2020. Compliance Officers were appointed in all the provinces including HQ and entities. So far, only 50% of employees are reporting for duty and other officials are working from home on a rotational basis.

All officials and frontline staff have been provided with PPE's, namely cloth masks, hand sanitisers, as well as surface disinfectants for offices. Regular cleaning and sanitising of office entrances is done. Social distancing marks are visible at all offices. Screening App/Questionnaires are being used and monitored by security personnel.

CHALLENGES

- Social distancing not adhered to in some of the Labour Centres due to the volume of people standing in the long queues and therefore risk their health
- Managing queues remains a challenge as there is an influx of clients, especially in medium to big offices
- Ventilation issues in the following provinces: NW, MP, NC, UIF and FS: Some of the offices do not have mechanical and natural ventilation. Some Provincial Offices do not have ventilation because central air conditioner is not working
- OHS meetings not held as per OHS Act and Collective Agreement
- Shortage of laptops in order to conduct virtual meetings.



7. PORTFOLIO COMMITTEES

THE DEPARTMENT ATTENDED THE PORTFOLIO MEETINGS AS LISTED BELOW.

NATURE OF MEETING	DATE
Briefing by the Department of Employment and Labour on the fraudulent claims allegedly submitted to UIF	3 July 2020
Department of Employment and Labour to brief the Portfolio Committee on Budget Adjustments following the Supplementary Budget	8 July 2020
Briefing on the 3rd and 4th Quarterly Performance of the Department of Employment and Labour and the following entities: <ul style="list-style-type: none"> • CCMA • PSA • NEDLAC 	19 August 2020
Briefing on the Third and Fourth Quarterly Reports for the previous financial year of the following entities; <ul style="list-style-type: none"> • Compensation Fund (CF) • Unemployment Insurance Fund (UIF) 	26 August 2020
Briefing on the Third and Fourth Quarterly Reports of the Department of Employment and Labour and the SEE	2 September 2020
Engagement with the Department of Employment and Labour on Covid-19 related matters	4 September 2020
Engagement with the Department of Employment and Labour on Covid-19 related matters – Oversight Visit	30 October 2020
Briefing on the Annual Report of Department of Employment and Labour and SEE	13 November 2020
Committee orientation workshop with the Department of Employment and Labour on operational matters	12 February 2021
Committee orientation workshop with the Department of Employment and Labour on operational matters	13 February 2021
Special Investigating Unit (SIU) will brief the Committee on the outcomes of their investigations against the UIF	16 February 2021
Update by the Department of Employment and Labour on the UIF suspensions in 2020, as well as overdue CF reports relating to claims, payments and injuries per sector	19 February 2021
Briefing by the Department of Employment and Labour on the regulations and other developments with regards to the National Minimum Wage	24 February 2021
Briefing summary on submissions received up until the closing date.	10 March 2021

8. SCOPA RESOLUTIONS

SCOPA RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
None	The Department of Employment and Labour did not appear before SCOPA during the 2020 / 2021 reporting period.			

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING / RESOLVING THE MATTER
Qualification	Unqualified opinion	Unqualified opinion
Emphasis of matter		
Report on the audit of the annual performance report –		
The material findings in respect of the usefulness and reliability of the selected programmes were as follows:		
Programme 2: Inspection and Enforcement Services		
<p>Various indicators</p> <p>The Auditor-General was unable to obtain sufficient appropriate audit evidence for the reported achievements of all the indicators relating to Programme 2. This was due to the lack of accurate and complete records. The Auditor-General was unable to confirm the reported achievements ab alternative means. Consequently, the Auditor-General was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators.</p>	2019/20	<ul style="list-style-type: none"> • Ensure that all reports, including registers from Provinces are signed off by the Provincial Chief Inspector. • Set up teams to collect, collate and verify provincial registers. • Set up verification workshops/meetings to consolidate provincial registers. • Conduct verification to quality assure information. • Develop and implement a project plan to ensure transition from manual reporting to full utilisation of the case management system. • Principal Inspectors verify all files referred to Statutory Services. • The measure of Performance Indicator 1.3 in relation to the value chain has been corrected in the 2020/21 financial year – it now measures the competent cases received by Statutory Services in the Province which is then divided into the cases that Statutory Services submits to the Courts within 30 days as per the SOP. However, there was still material misstatement on the indicator 1.3 reported in the audit report. The control deficiencies identified has been addressed in the Audit Action Plan. • Monthly monitoring tool to track notices that were issued is in place. • IES HQ has been systematically visiting the provinces to address these shortcomings. • There was an improvement from the previous year as only one indicator had a material misstatement when compared to 4 indicators in prior year.



NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING / RESOLVING THE MATTER
Report on the audit of compliance with legislation		
<p>Expenditure Management</p> <p>Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in the financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the irregular expenditure was caused by non-adherence to procurement and contract management regulations.</p> <p>Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in the financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by damages to Departmental vehicles.</p>	2019/20	<p>Cases identified as irregular expenditure have been recorded in the Department's registers and control measures have been included in the audit action plan to address the internal control deficiencies and report on such incidences.</p> <p>Cases identified as fruitless and wasteful expenditure have been recorded in the Department's registers and control measures have been included in the audit action plan to address the internal control deficiencies and report on such incidences.</p>
Annual financial statement		
<p>The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (b) of the PFMA.</p>	2019/20	<p>All matters resulting in material misstatements identified by the auditors in the submitted financial statements have been recorded in the audit action plan and additional controls will be implemented to ensure that such recurrence is prevented.</p>
Consequence management		
<p>Disciplinary steps were not taken against some of the officials who had incurred and/or permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA</p> <p>Disciplinary steps were not taken against some of the officials who had incurred and/or permitted fruitless and wasteful expenditure as required by section 36(1)(h)(iii) of the PFMA</p>	2019/20	<ul style="list-style-type: none"> During 2019/20 a loss control committee was established to manage cases of financial misconduct. The functioning of this committee was hampered by lockdown conditions and will however be prioritised.

10. INTERNAL CONTROL UNIT

The following tasks were performed by the Internal Control (Financial Control) Unit:

- Audit debriefing sessions held with Provincial Offices to discuss audit communications issued by the Auditor-General. The objective of the session is to develop audit action plans from Auditor-General's management reports
- Financial Inspections were performed at all Provincial Offices. Problematic offices were visited twice and where appropriate, training was provided in respect of compliance to prescripts
- Ensure compliance with revenue, payments and BAS system
- BAS, SafetyWeb and SafetyNet system training provided to the respective system users during inspections
- Annual review of procedure manuals to ensure compliance to amended financial prescripts as issued by National Treasury and to incorporate new procedures developed to address the Auditor-General's audit communications
- Document control management in respect of financial transactions to detect duplicate and fraudulent transactions
- During the 2020/21 financial year, a Loss Control Committee was established. The committees' core function is to manage cases of financial mismanagement and financial misconduct in the Department.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Department's Accounting Officer has established an Internal Audit Activity under the control and direction of an Audit Committee; complying with and operating in accordance with the Public Finance Management Act, section 77 and Treasury Regulation 3.1.

The key objective of the Internal Audit Activity is to add value and improve the Department's operations by providing objective assurance and consulting services. This is done by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of internal controls, risk management and governance processes.

The Internal Audit Directorate performed the audits for both the Department of Employment and Labour and Supported Employment Enterprise (SEE).

The Internal Audit (IA) activity reviews are the following:

- Risk Management;
- Governance; and
- Controls within the following
 - The reliability and integrity of financial, operational and performance information
 - Compliance with laws, regulations, policies and contracts (i.e. Supply Chain Management)
 - Safeguarding of assets
 - The economical and efficient use of resources
 - Establishment of operational goals and objectives
 - Assessment of the adequacy and effectiveness of controls around Information Technology processes.

Key activities

- Development of a three-year internal audit plans and annual plans approved by the Audit Committee and the Accounting Officer
- Implementation of the approved internal audit plans
- Quarterly reporting to the Audit Committee
- Perform secretarial functions to the Audit Committee
- Review the Audit Charters (Internal Audit and Audit Committee)
- Tracking of the implementation of the management action plans to improve on the control environment.



Summary of work done

The Internal Audit provided both assurance and consulting services during the 2020/21 financial year, with the highlight of providing advisory services during the review of the Annual Plans, Procurement processes prior to conclusion of the process.

THE FOLLOWING AUDIT TYPES WERE PERFORMED:

AUDIT TYPE	DEPARTMENT OF EMPLOYMENT & LABOUR		SUPPORTED EMPLOYMENT ENTERPRISE	
	NUMBER OF AUDITS	PERCENTAGE	NUMBER OF AUDITS	PERCENTAGE
Compliance/ Regularity	7	24%	2	18%
Financial Audits	2	7%	2	18%
Risk Management / Governance	2	7%	1	9%
Strategic plan & Annual Performance plans Performance Information (Pre-determined objectives)	9	31%	2	18%
IT Audits	0	0%	0	0%
Follow up reviews	2	7%	2	18%
TOTAL	22	76%	9	82%

The overall completion of the Internal Audit plans which consists of **76% (22/29)** of the Department of Employment and Labour Internal Audit reports and **82% (9/11)** of the Supported Employment Enterprise Internal Audit reports completed.

The Internal Audit Function did not perform all the planned audits, due to lack of structured and dedicated resources (human and financial) to conduct ICT audits internally and through procurement of IT audit services. The structures inadequacies had an impact on the delivery of services in other forms of audits.

DEPARTMENT OF EMPLOYMENT AND LABOUR

ASSESSMENT OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE PROCESSES

Internal Controls

Overall internal control assessment

The reviews performed were in terms of the 2020/21 approved Quarter 1 to Quarter 4 Internal Audit Plan's and were designed to review the adequacy and effectiveness of the controls for the risks that could hinder the organisation's ability to achieve its strategic objectives. These controls were designed and implemented by management and the following were some of the conclusion drawn from the Internal Audit reviews.

Internal Controls

The opinion is based on an accumulative view of audits performed as allocated during the 2020/21 financial year. In our opinion, the overall internal control environment of the Department of Employment and Labour is adequately designed, however not effectively implemented. The following key controls deficiencies were identified during the audit engagements in the areas listed below were reported to management for their attention:

- Lack of effective implementation of controls to ensure compliance with the policies and procedure
- Poor implementation of controls to prevent the project procurement and implementation before approval of the business case
- Lack of due diligence to ensure that projects scope is not in contravention with the prescripts.
- Lack of timely identification of strategic projects leading to the implementation of project not included in the Procurement plans
- Reported performance information not adequately supported by valid and reliable information. The control weakness is limited to some Programme's performance indicators within the Department
- Ineffective controls to ensure the monitoring of daily implementation and monitoring of controls
- Lack of timely approval, implementation and implementation of the action plan.

Risk Management and Governance

In terms of 38(d) of the Public Finance Management Act 1999, (Act No. 1 of 1999) (as amended) (PFMA), the Officer must develop and maintain effective, efficient and transparent systems of financial and risk management and internal control. The Department has the Risk Management unit and the Risk Committee to oversee and advice on the Department Risk Management processes.

The opinion is based on the 2020/21 follow-up risk management audit conducted. In our opinion, risk management strategies and frameworks are adequately design, however needs to be effectively implemented to reduce the risks acceptable and improvement of the overall Departments control environment. The following key controls deficiencies in relation to risk management were reported to management for their attention:

- Misalignment of strategic risks with the risks identified in the Department strategic risk plan
- Lack of identification of projects risks .

Governance Processes

- Lack of an approved disaster recovery plan (DRP)
- Minutes of the Occupational Health and Safety Committee not approved
- OHS risk assessment not conducted.
- Lack of follow-up's or tracking of the implementation of the OHS Committee decisions.

Overall Conclusion of the Control Environment

- The overall conclusion of the DEL indicates that the design of the controls is adequate, however ineffectively implemented due to poor implementation and ineffective monitoring of the controls.

SUPPORTED EMPLOYMENT ENTERPRISES

Internal Control

- Inadequacies on the Supply Chain Management Policies
- Inadequate capacity within the SEE to allow proper segregation of duties
- Lack of approval of Asset Management and Payroll policies.

Risk Management Governance

- Lack of timely identification of strategic risks
- Lack of maintenance and monitoring of the Fraud risks register.

Governance

- The delays in the finalisation of the SEE Legal identity continues to impact on the overall improvement of the SEE governance, operations and key control areas.

Overall Conclusion of the Control Environment

- The overall conclusion of the SEE indicates that there are inadequacies in the control environment as a result of lack of legal identity, outdated, long outstanding draft policies and the inadequacies within the SEE financial management (SCM).



DETAILS PERTINENT TO THE COMMITTEE ARE CONTAINED IN THE TABLE BELOW, WHICH DISCLOSES RELEVANT INFORMATION ON THE AUDIT COMMITTEE MEMBERS:

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL MEMBER	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED/ CONTRACT ENDED	NUMBER OF MEETINGS ATTENDED
Mr. Sikhuthali Nyangintsimbi	<ul style="list-style-type: none"> • Masters in Philosophy. (Internal Auditing) • MBL; • B.Com. • CIA; • CRMA; • CGAP; • CCSA 	Member (External)		October 2017	31 March 2021	5/5
Ms. Lorraine Francois	<ul style="list-style-type: none"> • MBA (ERM-focused Dissertation) • B.Com.; • PG Certificate in Accounting; • CRMA; • GIA. 	Member (External)		October 2017	31 December 2020	4/5
Dr Prittish Dala	<ul style="list-style-type: none"> • Doctor in Philosophy in Information (PhD: IT) • Masters of Information Technology • BSc Computer Science, Bachelor of Information Technology. • CISA, • CRISC, • CISM • CGEIT, • CISSP • CEH • CHFI • LA 27001 	Member (External)		December 2018	N/A	5/5
Jane Masite	<ul style="list-style-type: none"> • B. Com • CMIIA • QIAL • CIA • CFE 	Member (External)		December 2020	N/A	4/5



12. AUDIT COMMITTEE REPORT

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

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

THE EFFECTIVENESS OF INTERNAL CONTROL

The strength of a control environment, within an organisation, contributes significantly towards the realisation of enhanced operational efficiencies, in its pursuit of strategic priorities. The internal audit function (IAF) plays a critical role in that regard. During the year under review, the Department's IAF, guided by an audit committee approved risk-based internal audit plan, continued assessing the Department's control environment. This was done through providing assurance, to both the audit committee and management, on the adequacy and effectiveness of internal controls, governance and risk management. The audit committee's review of the findings identified by the internal and external auditors reveals that the control environment generally requires improvement. We hold the same view with regards to the Supported Employment Enterprises (SEE), which is served by the same IAF too. Compounding its situation is the constrained skills and competencies, particularly in relation to the Finance function.

Whilst the audit opinion, as expressed by the AGSA has not regressed during this year under review, the audit committee remains concerned on some aspects, which we believe link directly with the control environment within the Department and SEE. These include:

- The lower implementation rate of audit recommendations, which applies both to those emanating from the internal audit function as well as those by the AGSA. Compounding this challenge is the seeming late start in working on these, once an audit has been concluded; in other instances, it is the inadequacy of detail contained in the audit action plan, leading to difficulty in substantively tracking the actual progress.
- The inadequate capacitation of the internal audit function, particularly in relation to skills required in order to audit some of the priority areas within the Department. For instance:
 - Information technology and communication, particularly given the significant investment in SAP on the one hand, and the continued escalation of cybersecurity risk within organisations (in the market)
 - Performance auditing, which is an area that talks directly, not only to the nature of the Department's business, but presents a missed opportunity in terms of value-add.
 - The skeletal nature of organisational structure, punctuated by lack of a solid supervisory layer just below the CAE role, potentially deters the CAE from spending adequate time at a strategic level. Relatedly, constrained opportunity for the IAF to undertake consulting projects, instead of mainly the assurance ones does not bode well for its stature in the eyes of its stakeholders within the Department
- Delayed implementation of recommendations that emanated from the 2015 External Quality Assurance Review (EQAR), to a point that the next five-year review had to be undertaken nonetheless, in accordance with the International Standards for the Professional Practice of Internal Auditing.



In-Year Management and Monthly/Quarterly Report

The Supported Employment Enterprises (SEE) and the Department have reported quarterly to the National Treasury and the Executive Authority as is required by the PFMA. The Audit Committee as well as assurance providers provided management with recommendations, which were implemented, to improve the quality of financial and performance information during the year under review. The Audit Committee was satisfied with the content and quality of the monthly and quarterly reports formulated during the year under review.

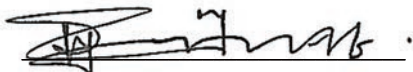
Evaluation of Financial Statements

In relation to both the Supported Employment Enterprises (SEE) and the Department, the audit committee has undertaken the following responsibilities, as part of its mandate:

- Reviewed the unaudited financial statements with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by management;
- Reviewed changes in accounting policies and practices;
- Reviewed compliance with legal and regulatory provisions;
- Reviewed the basis for the going concern assumption, including any financial sustainability risks and issues;
- Reviewed the unaudited information on predetermined objectives with due consideration of the independent assurance provided by IA as well as the assurance provided by management;
- Reviewed the Auditor-General South Africa (AGSA) audit and management reports, with due consideration of the responses provided by management and with due consideration of an audit action plan that needs to be formulated and monitored to ensure the internal control deficiencies are adequately and effectively addressed; and
- Reviewed the audited financial statements as well as the information on predetermined objectives to be included in the annual report for any significant adjustments resulting from the audit and reported to the Accounting Officer.

Auditor General's Report

The stagnancy of an audit opinion, as expressed by the AGSA, certainly is of concern to the audit committee, especially when basics such as proactive implementation of audit recommendations seem not adequately prioritised. Compounding this is the continuation of a concerned view by the AGSA with regards to three areas, viz. IT governance as well quality of submitted financial statements, and quality of submitted performance information.



Mr Sikhuthali Nyangintsimbi

Chairperson of the Audit Committee

Department of Employment and Labour

7 September 2021



13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

THE FOLLOWING TABLE HAS BEEN COMPLETED IN ACCORDANCE WITH THE COMPLIANCE TO THE BBEE REQUIREMENTS OF THE BBEE ACT OF 2013 AND AS DETERMINED BY THE DEPARTMENT OF TRADE AND INDUSTRY

HAS THE DEPARTMENT APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1 – 8) WITH REGARDS TO THE FOLLOWING:		
CRITERIA	RESPONSE YES / NO	DISCUSSION (INCLUDE A DISCUSSION ON YOUR RESPONSE AND INDICATE WHAT MEASURES HAVE BEEN TAKEN TO COMPLY)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The Department to source the service of a consulting firm to assist with the B-BBEE grading
Developing and implementing a preferential procurement policy?	No	
Determining qualification criteria for the sale of state-owned Enterprises?	No	
Developing criteria for entering into partnerships with the private sector?	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	



REPORT



PART D HUMAN RESOURCE MANAGEMENT

DEPARTMENT OF EMPLOYMENT AND LABOUR

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all Departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The Department implemented automation of some Human Resource Management systems and processes with the aim of addressing administrative challenges and to improve efficiencies. The following, with improved access to relevant tools of trade, are the benefits and achievements, despite the impact of Covid-19 to staff:

- The implementation of the electronic Performance Management system has created a paperless environment, improved and standardised reporting and monitoring of performance management information
- Training in critical areas which are aimed at improving service delivery include, amongst others, UI Filing, Sign Language, Ethics, Leadership Development for Women, Advanced Project Management, etc
- Virtual recruitment and selection processes to fill critical posts and making provision for applicants to email applications
- No interruptions in administration of benefits as officials that are responsible for critical areas are able to access systems like PERSAL remotely
- Increase in usage of Employee Health and Wellness services offered by an external service provider, particularly with regard to counselling

In spite of the achievements listed above, some officials who were classified to be at highest risk of Covid-19 were required to work from home. This calls for a need to assess the impact of Covid-19 on jobs and auditing of skills across the Department. Together with acceleration of training to address potential critical skills gaps, the stated interventions will have positive spin offs on service delivery

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 PERSONNEL RELATED EXPENDITURE

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

TABLE 3.1.1 PERSONNEL EXPENDITURE BY PROGRAMME FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	PROFESSIONAL AND SPECIAL SERVICES EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Administration	854 004	393 519	724	7 356	46.08	395
Inspection and Enforcement Services	499 431	445 349	712	272	89.17	405
Public Employment Services	598 398	289 216	1 058	723	48.33	519
Labour Policy and Industrial Relations	1 151 257	96 189	297	3 168	8.36	621
TOTAL	3 103 090	1 224 273	2 791	11 519	39.45	436

TABLE 3.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SALARY BAND	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management (Levels 15-16)	17 989	1.47	10	1 799
Senior Management (Levels 13- 14)	78 031	6.37	63	1 239
Professional Qualified (Levels 9- 12)	367 643	30.03	474	776
Skilled (Levels 7- 8)	390 365	31.89	869	449
Semi-skilled (Levels 4- 6)	350 154	28.60	1 169	300
Unskilled (Levels 1- 3)	20 091	1.64	222	90
TOTAL	1 224 273	100.00	2 807	436

* Footnote: the value of 2 807 recorded in Table 3.1.2 is the average number of employees as disclosure in AFS Note 3. This was determined as an average of the total number of employees at the end of each month from April 2020 to March 2021. Unlike the value provide by HRM in Table 3.2.1 (page 102) from PERSAL reports at 31 March 2021, the average value on page 101 is required to reflect that the total Compensation of Employees paid during the whole financial year was on average for 2 807 and not for 2 823 (which is the total number of employees at the end of March 2021).

TABLE 3.1.3 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

PROGRAMME	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	MEDICAL AID AS A % OF PERSONNEL COSTS
Administration	277 990	22.71	4 362	0.36	12 761	1.04	23 709	1.94
Inspection & Enforcement Services	321 415	26.25	884	0.07	15 907	1.30	29 610	2.42
Public Employment Services	207 278	16.93	1 959	0.16	7 363	0.60	13 172	1.08
Labour Policy & Industrial Relations	67 384	5.50	6	0.00	2 281	0.19	4 231	0.34
TOTAL	874 067	71.39	7 211	0.59	38 312	3.13	70 722	5.78

TABLE 3.1.4 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SALARY BAND	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	MEDICAL AID AS A % OF PERSONNEL COSTS
Top Management (Levels 15-16)	11 053	0.90	0	0.00	0	0.00	155	0.01
Senior Management (Levels 13- 14)	51 268	4.19	0	0.00	0	0.00	619	0.05
Professional Qualified (Levels 9- 12)	267 252	21.83	724	0.06	4 252	0.35	10 321	0.85
Skilled (Levels 7- 8)	284 714	23.25	2 571	0.21	15 368	1.25	25 730	2.10
Semi-skilled (Levels 4- 6)	246 078	20.10	3 894	0.32	17 489	1.43	31 706	2.59
Unskilled (Levels 1- 3)	13 702	1.12	22	0.00	1 203	0.10	2 191	0.18
TOTAL	874 067	71.39	7 211	0.59	38 312	3.13	70 722	5.78



3.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

The Department had identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.2.1 EMPLOYMENT AND VACANCIES BY PROGRAMME AS ON 31 MARCH 2021

PROGRAMME	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Administration	970	866	10.72%	85
PES*	773	698	9.70%	3
LP & IR	157	148	5.73%	0
IES	1 245	1 111	10.76%	3
UIF	3 795	3 492	7.98%	88
CF	3 051	2 550	16.42%	81
TOTAL	9 991	8 865	11.27%	260

* including 159 SEE Administrative staff.

TABLE 3.2.2 EMPLOYMENT AND VACANCIES BY SALARY BAND AS ON 31 MARCH 2021

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Lower skilled (1-2)	0	0	0%	206
Skilled(3-5)	1 239	1 093	11.78%	17
Highly skilled production (6-8)	7 128	6 369	10.65%	14
Highly skilled supervision (9-12)	1 460	1 263	13.49%	12
Senior management (13-16)	164	140	14.63%	11
TOTAL*	9 991	8 865	11.27%	260

*Inclusive of Department of Employment and Labour, UIF, CF and SEE. Posts filled for the Department is 2 807 as per Table 3.1.2

TABLE 3.2.3 EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS ON 31 MARCH 2021

CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Inspectors	1 867	1 632	12.59%	0
Employment Service Practitioners and Counsellors	337	321	4.75%	0
Medical Practitioners	94	75	20.21%	0
TOTAL	2 298	2 028	11.75%	0

3.3 FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

TABLE 3.3.1 SMS POST INFORMATION AS ON 31 MARCH 2021

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0	0	0%
Salary Level 15	8	8	100%	0	0%
Salary Level 14	33	32	96.96%	1	3.03%
Salary Level 13	122	99	81.14%	23	18.85%
TOTAL*	164	140	85.35%	24	14.63%

*Inclusive of Department of Employment and Labour, UIF, CF and SEE. Posts filled for the Department is 2 807 as per Table 3.1.2

TABLE 3.3.2 SMS POST INFORMATION AS ON 30 SEPTEMBER 2020

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	8	8	100%	0	0%
Salary Level 14	33	30	90.90%	3	9.09%
Salary Level 13	122	100	81.96%	22	18.03%
TOTAL	164	139	84.75%	25	15.24%

TABLE 3.3.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SMS LEVEL	ADVERTISING	FILLING OF POSTS	
	NUMBER OF VACANCIES PER LEVEL ADVERTISED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL FILLED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL NOT FILLED IN 6 MONTHS BUT FILLED IN 12 MONTHS
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	3
Salary Level 13	5	0	5
TOTAL*	5	0	8

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

TABLE 3.3.4 REASONS FOR NOT HAVING COMPLIED WITH THE FILLING OF FUNDED VACANT SMS - ADVERTISED WITHIN 6 MONTHS AND FILLED WITHIN 12 MONTHS AFTER BECOMING VACANT FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021**REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS**

Reviewing of job descriptions and re-advertisements of Director: PES posts.

UIF: Director: Beneficiary Services posts (FS, NW, NC, Mpumalanga, KZN) were not advertised within six months. Job Profiles were not finalised due to challenges with reporting structure of these posts in the provincial establishments.

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS

- National lockdown, serving of notice from externally recommended candidates and first recommended candidate declining the offer and had to go for runner-up candidate.
- CF: There were challenges of filling posts within a short space of time due to Covid-19 restrictions
- UIF: Director: Beneficiary Services posts (FS, NW, NC, Mpumalanga, KZN) were not filled within twelve months. Job Profiles were not finalised due to challenges with reporting structures of these posts in the provincial establishments
- UIF: Director: Beneficiary Services post (WC) were not filled within twelve months. The position was advertised twice, which delayed the process of filling of the post

TABLE 3.3.5 DISCIPLINARY STEPS TAKEN FOR NOT COMPLYING WITH THE PRESCRIBED TIMEFRAMES FOR FILLING SMS POSTS WITHIN 12 MONTHS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021**REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS AND COVID-19 RESTRICTIONS**

- Posts were re-advertised due to review of job profiles and Covid-19 restrictions, thus delaying the process.

RE-ADVERTISEMENTS AND COVID-19 RESTRICTIONS

- None as the matter was beyond the Department's control due to Covid-19 restrictions.

3.4 JOB EVALUATION

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. During the year under review, there were no job evaluations performed.

TABLE 3.4.1 JOB EVALUATION BY SALARY BAND FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF JOBS EVALUATED	% OF POSTS EVALUATED BY SALARY BANDS	POSTS UPGRADED		POSTS DOWNGRADED	
				NUMBER	% OF POSTS EVALUATED	NUMBER	% OF POSTS EVALUATED
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	1 239	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	7 128	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	1 460	0	0	0	0	0	0
Senior Management Service Band A	122	0	0	0	0	0	0
Senior Management Service Band B	33	0	0	0	0	0	0
Senior Management Service Band C	8	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
TOTAL	9 991	0	0	0	0	0	0



3.5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

TABLE 3.5.1 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-1 APRIL 2020	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Lower skilled (Levels 1-2)	0	0	0	0%
Skilled (Levels3-5)	1 105	57	35	3.17%
Highly skilled production (Levels 6-8)	6 086	533	198	3.25%
Highly skilled supervision (Levels 9-12)	1 189	64	70	5.89%
Senior Management Service Bands A	101	6	6	5.94%
Senior Management Service Bands B	29	2	0	0%
Senior Management Service Bands C	8	0	0	0%
Senior Management Service Bands D	1	0	0	0%
Contracts	257	171	179	69.65%
TOTAL*	8 776	833	488	5.56%

* The table includes the Department, UIF, CF, SEE as well as the contract workers and therefore the numbers differ from table 3.5.5

TABLE 3.5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD - APRIL 2019	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Inspectors	1 289	395	54	4.19%
Employment Service Practitioners and Counsellors	322	4	5	1.55%
Medical Practitioners	74	11	8	10.81%
TOTAL*	1 685	410	67	3.98%

The table below identifies the major reasons why staff left the Department.

TABLE 3.5.3 REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

TERMINATION TYPE	NUMBER	% OF TOTAL RESIGNATIONS
Death	57	11.68%
Resignation	149	30.53%
Expiry of contract	146	29.92%
Dismissal – operational changes	0	0%
Dismissal – misconduct	11	2.25%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	6	1.23%
Retirement	90	18.44%
Transfer to other Public Service Departments	29	5.95%
Other		
TOTAL*	488	
Total number of employees who left as a % of total employment (8 865)	488	5.50%

TABLE 3.5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

OCCUPATION	EMPLOYEES 1 APRIL 2020	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSION AS A % OF EMPLOYEES BY OCCUPATION
Inspectors	1 289	132	10.24%	0	0%
Employment Service Practitioners and Counsellors	322	4	1.24%	12	3.73%
Medical Practitioners	74	1	1.35%	0	0%
TOTAL*	1 685	137	8.13%	12	0.71%

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

TABLE 3.5.5 PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SALARY BAND	EMPLOYEES 1 APRIL 2020	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY BANDS PROMOTIONS AS A % OF EMPLOYEES BY SALARY LEVEL	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSION AS A % OF EMPLOYEES BY SALARY BANDS
Lower skilled (Levels 1-2)	0	0	0%	0	0%
Skilled (Levels 3-5)	1 105	3	0.27%	0	0%
Highly skilled production (Levels 6-8)	6 086	169	2.78%	0	0%
Highly skilled supervision (Levels 9-12)	1 189	83	6.98%	12	1.0%
Senior Management (Level 13-16)	139	2	1.44%	0	0%
TOTAL*	8 519	257	3.02%	12	0.14%

*Inclusive of Department of Employment and Labour, UIF, CF and SEE. The total number excludes the contract workers as mentioned in Table 3.5.1.

3.6 EMPLOYMENT EQUITY

TABLE 3.6.1 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS ON 31 MARCH 2021

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers (13-16)	56	3	8	6	55	2	3	7	140
Professionals (11-12)	233	13	10	18	220	14	2	22	532
Technicians and (associate professionals (7-10)	1 504	107	43	74	1 547	137	44	208	3 664
Clerks (4-6)	1 673	190	52	52	1 945	242	53	113	4 320
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations (3)	79	10	1	2	106	10	0	1	209
TOTAL*	3 545	323	114	152	3 873	405	102	351	8 865
Employees with disabilities	94	10	4	16	69	9	4	25	231

TABLE 3.6.2 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2021

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management (15-16)	5	1	0	0	2	0	0	1	9
Senior Management (13 - 14)	51	2	8	6	53	2	3	6	131
Professionally qualified and experienced specialists and mid-management (10 - 12)	421	25	23	36	396	30	9	47	987
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6 - 9)	2 655	254	72	98	2 991	329	82	271	6 752
Semi-skilled and discretionary decision making (3 - 5)	413	41	11	12	431	44	8	26	986
Unskilled and defined decision making (1-2)	0	0	0	0	0	0	0	0	0
TOTAL*	3 545	323	114	152	3 873	405	102	351	8 865

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

TABLE 3.6.3 RECRUITMENT FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	2	0	4	0	0	1	8
Professionally qualified and experienced specialists and mid-management	34	1	1	0	24	4	0	0	64
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	203	8	0	0	173	4	1	0	389
Semi-skilled and discretionary decision making	90	10	0	0	84	10	2	0	196
Unskilled and defined decision making	1	1	0	0	2	1	0	0	5
TOTAL*	329	20	3	0	287	19	3	1	662
Employees with disabilities	4	0	0	0	0	0	0	0	4

*Inclusive of Department of Employment and Labour, UIF, CF and SEE. This table excludes Contract workers.

TABLE 3.6.4 PROMOTIONS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	1	0	1	0	2
Professionally qualified and experienced specialists and mid-management	46	1	3	1	29	1	1	1	83
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	75	5	1	0	55	6	2	1	145
Semi-skilled and discretionary decision making	15	1	0	1	8	1	1	0	27
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL*	136	7	4	2	93	8	5	2	257
Employees with disabilities	4	0	0	0	1	0	0	0	5

TABLE 3.6.5 TERMINATIONS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	5	1	0	0	0	0	0	0	6
Professionally qualified and experienced specialists and mid-management	33	4	2	1	25	3	0	3	71
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	45	3	0	3	43	5	2	11	112
Semi-skilled and discretionary decision making	58	2	1	3	37	4	0	5	110
Unskilled and defined decision making	1	0	0	0	8	1	0	0	10
TOTAL*	142	10	3	7	113	13	2	19	309
Employees with disabilities	2	0	0	1	4	2	0	1	10

*This table excludes Contract Workers.

TABLE 3.6.6 DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

DISCIPLINARY ACTION	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOTAL*	213	16	2	4	131	7	1	10	384

*Inclusive of Department of Employment and Labour, UIF, CF and SEE. Out of the 384 cases, 321 cases are inclusive of the Department of Labour, UIF and CF officials working at Provincial Offices and Labour Centres.

TABLE 3.6.7 SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	21	1	0	1	26	1	1	2	53
Professionals	46	1	0	0	78	0	0	0	125
Technicians and associate professionals	67	3	0	3	123	3	2	2	203
Clerks	162	21	1	2	197	12	2	4	401
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	7	1	0	0	7	0	0	0	15
TOTAL*	303	27	1	6	431	16	5	8	797
Employees with disabilities	0	0	0	0	0	0	0	0	0

*Inclusive of Department of Employment and Labour, UIF, CF and SEE.

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

TABLE 3.7.1 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 31 MAY 2020

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS MEMBERS	TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS	SIGNED PERFORMANCE AGREEMENTS AS % OF TOTAL NUMBER OF SMS MEMBERS
Director-General/Head of Department	1	1	1	0%
Salary Level 16	0	0	0	0%
Salary Level 15	8	8	8	75.0%
Salary Level 14	33	29	28	69.0%
Salary Level 13	121	101	90	92.1%
TOTAL*	163	139	127	85.6%

*Inclusive of Department of Employment and Labour, UIF, CF and SEE. 10 Departmental SMS members did not comply.

TABLE 3.7.2 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MAY 2020

REASONS

- A submission to DPSA for condonation was done regarding the late a submission of the Performance Agreement by HOD.
- Other reasons for non-submission of performance agreement relates to 5 non-compliance, 3 long sick leave and suspension, and 12 Senior Managers not conversant with the online system.

TABLE 3.7.3 DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 31 MAY 2020

REASONS

Consequence management implemented to non-complying SMS members.

3.8. PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

TABLE 3.8.1 PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

RACE AND GENDER	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE
African					
Male	33	3 297	1%	1 687	51
Female	39	3 676	1%	1 259	94
Asian					
Male	2	109	1.8%	68	32
Female	0	99	0	0	0
Coloured					
Male	0	308	0	0	0
Female	3	377	0.7%	110	37
White					
Male	0	153	0	0	0
Female	4	364	1%	206	52
TOTAL*	81	8 383	0,9%	3 330	41

NB: Calculations are based on filled posts as at 1/4/2020 and excludes SMS Members And Contract Workers.

*Inclusive of Department of Employment and Labour, UIF, CF and SEE and relates to the outstanding assessments prior to 2019/20 the total performance rewards paid in respect of the Department of Employment and Labour was R1 595 000.

TABLE 3.8.2 PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SALARY BAND	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	5	1 032	0.4%	126	25	8.4%
Highly skilled production (level 6-8)	59	6 449	0.9%	2 118	35	7.8%
Highly skilled supervision (level 9-12)	17	902	1.8%	1 084	63	72.3%
TOTAL*	81	8 383	0.9%	3 330	41	88.6%

NB: Calculations are based on filled posts as at 1/4/2020 and excludes SMS Members And Contract Workers

TABLE 3.8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE (R'000)
Inspectors	0	1 632	0	0	0
Employment Service Practitioners & Counsellors	2	321	0.6%	300	150
Medical Practitioners	7	75	9.3%	324	46
TOTAL	9	2 028	0.4%	624	69

Note: Performance incentives for the 2019/2020 performance have not been implemented.

TABLE 3.8.4 PERFORMANCE RELATED REWARDS (CASH BONUS), BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SALARY BAND	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	
Band A	0	0	0	0	0	0
Band B	0	0	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Note: There were no SMS members paid performance bonus for this period.



3.9 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

TABLE 3.9.1 FOREIGN WORKERS BY SALARY BAND FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SALARY BAND	01 APRIL 2020		31 MARCH 2021		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	1	50	1	50	0	0
Highly skilled supervision (Lev. 9-12)	1	50	1	50	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
TOTAL*	2	100	2	100	0	0

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

TABLE 3.9.2 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

MAJOR OCCUPATION	01 APRIL 2020		31 MARCH 2021		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Professional and managers	1	50	1	50	0	0
Technicians and associated professionals	1	50	1	50	0	0
TOTAL*	2	100	2	100	0	0

*Inclusive of Department of Employment and Labour, UIF, CF and SEE



3.10 LEAVE UTILISATION

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

TABLE 3.10.1 SICK LEAVE FOR THE PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	4 261	75.12	751	11.97	6	3 807
Highly skilled production (levels 6-8)	27 479	74.49	4 553	72.58	6	37 635
Highly skilled supervision (levels 9-12)	5 281	74.85	892	14.22	6	14 675
Top and Senior management (levels 13-16)	429	77.86	77	1.23	6	1 876
TOTAL*	37 914	74.65	6 273	100	6	57 993

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

TABLE 3.10.2 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING DISABILITY LEAVE	% OF TOTAL EMPLOYEES USING DISABILITY LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	391	100	17	18.28	23	363
Highly skilled production (Levels 6-8)	3 059	100	64	68.82	48	3 963
Highly skilled supervision (Levels 9-12)	241	100	10	10.75	24	639
Senior management (Levels 13-16)	54	100	2	2.15	27	222
TOTAL*	3 745	100	93	100	40	5 187

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 3.10.3 ANNUAL LEAVE FOR THE PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

SALARY BAND	TOTAL DAYS TAKEN	NUMBER OF EMPLOYEES USING ANNUAL LEAVE	AVERAGE DAYS PER EMPLOYEE
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	18 818	1 044	18
Highly skilled production (Levels 6-8)	121 454	6 307	19
Highly skilled supervision(Levels 9-12)	26 824	1 336	20
Senior management (Levels 13-16)	2 783	142	20
TOTAL*	169 879	8 829	19

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

TABLE 3.10.4 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

SALARY BAND	TOTAL DAYS OF CAPPED LEAVE TAKEN	NUMBER OF EMPLOYEES USING CAPPED LEAVE	AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE	AVERAGE CAPPED LEAVE PER EMPLOYEE AS ON 31 MARCH 2019
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	31
Highly skilled production (Levels 6-8)	36	7	5	24
Highly skilled supervision(Levels 9-12)	0	0	0	33
Senior management (Levels 13-16)	0	0	0	31
TOTAL*	36	7	5	27

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

The following table summarise payments made to employees as a result of leave that was not taken.

TABLE 3.10.5 LEAVE PAYOUTS (ESTIMATED) FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

REASON	TOTAL ESTIMATED AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE ESTIMATED PER EMPLOYEE (R'000)
Annual – Discounting with Resignation (Work Days)	1 848	66	28
Annual – Gratuity: Death/Retirement/Medical Retirement (Work Days)	3 692	87	42
Capped – Gratuity: Death/Retirement/Medical Retirement (Work Days)	6 949	66	105
TOTAL*	12 489	-	-

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

TABLE 3.11.1 STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV & RELATED DISEASES (IF ANY)	KEY STEPS TAKEN TO REDUCE THE RISK
Persons with Disabilities	<ol style="list-style-type: none"> 1. HIV/AIDS awareness 2. HIV/AIDS Screening and Testing 3. Male and Female Condom Distributions
Youth	<ol style="list-style-type: none"> 1. HIV/AIDS awareness 2. HIV/AIDS Screening and Testing 3. Male and Female Condom Distributions
Employees with high level of stress	<ol style="list-style-type: none"> 1. HIV/AIDS awareness 2. HIV/AIDS Screening and Testing 3. Male and Female Condom Distributions
Employees abusing substances and alcohol	<ol style="list-style-type: none"> 1. HIV/AIDS awareness 2. HIV/AIDS Screening and Testing 3. Male and Female Condom Distributions
Uncircumcised males	<ol style="list-style-type: none"> 1. HIV/AIDS awareness 2. HIV/AIDS Screening and Testing 3. Male and Female Condom Distributions

TABLE 3.11.2 DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES (TICK THE APPLICABLE BOXES AND PROVIDE THE REQUIRED INFORMATION)

QUESTION	YES	NO	DETAILS, IF YES
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Director HRM: Ms Philisiwe Mthethwa
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		<p>Head Office: 3 EHWP staff = 2 Registered counsellors and 1 Social worker based in Head office and responsible for 9 provinces including SEE offices in the provinces.</p> <p>Head Office Budget: R 2 165 769.70</p> <p>CF Budget: R 1 923 000.00</p> <p>UIF: 3 EHWP staff = 2 Social Workers, 1 vacant.</p> <p>CF: 3 EHWP staff = 3 Social workers.</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Implementation of the employee's Health and wellness programme in order to reduce absenteeism/ presentism and to improve employee's productivity and performance.

QUESTION	YES	NO	DETAILS, IF YES
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The committee consists of EHWP practitioners from Head Office, UIF and CF. their names are as follows: Head Office: Ms Hellen Letsoalo, Ms Mmaphuti Nkoana, Ms Samkelisiwe Ndla, Noko Mailula. Director HRM Ms Philisiwe Mthethwa. UIF: Ms Lungelwa Noxeke, Mr Semakaleng Makwela, Mr. Masilo Mokoena, Mr. Mukhethwa Netshivhumbe, Ms. Bella Setshedi, Ms Mpho Mosupye, Cawekazi Diaho. Director: HRM Ms Petro Roux. CF: Mr Isaac Makala, Nzama Shirinda, Glory Thenga, Khathu Tshikalaha, Thabo Nyezi, Director: HRM: Phindile Makhubu Skakeholder: Noxolo Qumana from Careways
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV/AIDS policy reviewed and is on the process of finalisation.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		We created an understanding environment towards HIV/AIDS positive employees as well as to those who are not positive through awareness programmes. Disciplinary actions are taken to employees who stigmatise and discriminate employees who are HIV positive.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Due to Covid-19 lockdown restrictions, the Department was unable to conduct HIV/AIDS testing and screening onsite. However, employees were encouraged to do VCT at their nearest health care facilities.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		Health promotion programmes are monitored monthly, quarterly and annually through the system monitoring tool.

3.12 LABOUR RELATIONS

TABLE 3.12.1 COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SUBJECT MATTER	DATE
Total number of Collective agreements	0

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

TABLE 3.12.2 MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	1	0.7
Verbal warning	2	1.3
Written warning	53	34.4
Final written warning	22	14.3
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	7	4.5
Case withdrawn	69	44.8
TOTAL*	154	100%

*Inclusive of Department of Employment and Labour, UIF, CF and SEE. Out of the 154 cases, 82 cases are inclusive of the Department, UIF and CF officials working at Provincial Offices and Labour Centres.

TABLE 3.12.3 TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Abscondment	5	1.3
Absenteeism	30	7.8
Abuse of sick leave	2	0.5
Damage of State Vehicle	102	5.7
Fraud	22	6
Improper conduct	12	3.1
Bribery	1	0.3
Conflict of interest	1	0.3
Contravention of Departmental policy	8	2.1
Dereliction of duty	14	3.6
Doing business with the state	2	0.5
Doing remunerative work without authorization	1	0.3
Negligence	45	11.7
None disclosure of financial interests	57	14.8
Insubordination	15	3.9
Irregular Appointment	1	0.3
Fruitless and Wasteful expenditure	3	0.8
Irregular Expenditure	11	2.9
Loss of State Asset	7	1.8
Misrepresentation	3	0.8
Misuse of email	1	0.3
Misuse of state vehicle	14	3.6
No Show	24	6.2
Failure to sign performance agreement	1	0.3
Sexual harassment	1	0.3
Poor Performance	1	0.3
TOTAL*	384	100%

*Inclusive of Department of Employment and Labour, UIF, CF and SEE. Out of the 384 cases, 321 cases are inclusive of DEL, UIF and CF officials working at Provincial Offices and Labour Centres.

TABLE 3.12.4 GRIEVANCES LOGGED FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	58	43.3
Number of grievances not resolved	76	56.7
Total number of grievances lodged*	134	100%

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

TABLE 3.12.5 DISPUTES LOGGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

DISPUTES	NUMBER	% OF TOTAL
Number of disputes upheld	6	7.5
Number of disputes dismissed	12	15.0
Not yet finalised	62	77.5
Total number of disputes lodged*	80	100%

*Inclusive of Department of Employment and Labour, UIF, CF and SEE



TABLE 3.12.6 STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

	R'000
Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

TABLE 3.12.7 PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

	R'000
Number of people suspended	12
Number of people whose suspension exceeded 30 days	12
Average number of days suspended	182
Cost of suspension(R'000)*	R 2 458

3.13 SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development.

TABLE 3.13.1 TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2020	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	62	0	40	0	40
	Male	76	0	45	0	45
Professionals	Female	275	0	49	0	49
	Male	287	0	38	0	38
Technicians and associate professionals	Female	1 809	0	260	0	260
	Male	1 506	0	266	0	266
Clerks	Female	2 303	0	378	0	378
	Male	1 989	0	403	0	403
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	121	0	28	0	28
	Male	91	0	24	0	24
Sub Total	Female	4 570	0	755	0	755
	Male	3 949	0	776	0	776
TOTAL*		8 519	0	1 531	0	1 531

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

TABLE 3.13.2 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2020	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	62	0	30	0	30
	Male	76	0	23	0	23
Professionals	Female	275	0	78	0	78
	Male	287	0	47	0	47
Technicians and associate professionals	Female	1 809	0	130	0	130
	Male	1 506	0	73	0	73
Clerks	Female	2 303	0	215	0	215
	Male	1 989	0	186	0	186
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	121	0	7	0	7
	Male	91	0	8	0	8
Sub Total	Female	4 570	0	460	0	460
	Male	3 949	0	337	0	337
TOTAL*		8 519	0	797	0	797

*Inclusive of Department of Employment and Labour, UIF, CF and SEE

3.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 3.14.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	8	47.1
Temporary Total Disablement	6	35.3
Permanent Disablement	0	0.0
Fatal	3	17.6
TOTAL*	17	100

3.15 UTILISATION OF CONSULTANTS

- The following tables relate to information on the utilisation of consultants in the Department. In terms of the Public Service Regulations, “consultant” means a natural or juristic person or a partnership who or which provides, in terms of a specific contract, on an ad hoc basis, any of the following professional services to a Department against remuneration received from any source:

- The rendering of expert advice
- The drafting of proposals for the execution of specific tasks and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a Department.

TABLE 3.15.1 REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	CONTRACT VALUE IN RAND
Benchmark research on the reduction of silicosis in the non-mining sector.	16	24 months	R5 500 577.93
To investigate the different policy solutions adopted by the South African Government to facilitate the entry of young people into employment and assess how successful they have been.	13	18 months	R2 286 371.19
Skills Demand and Supply in the Changing World of Work in South Africa.	4	4 months	R3 271 075.62
Health risk management.	N/A	24 months	R2 375 481.60
Assessing employee wellness.	N/A	36 months	R7 642 463.10

TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION WORK DAYS	TOTAL CONTRACT VALUE IN RAND
5	33	106 months	R21 075 968.82

TABLE 3.15.2 ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS) FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	DONOR AND CONTRACT VALUE IN RAND
N/A			

TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION WORK DAYS	TOTAL CONTRACT VALUE IN RAND
N/A			

TABLE 3.15.3 ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI) FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Benchmark research on the reduction of silicosis in the non-mining sector.	0.0	0.0	16
To investigate the different policy solutions adopted by the South African Government to facilitate the entry of young people into employment and assess how successful they have been.	0.0	0.0	13
Skills Demand and Supply in the Changing World of Work in South Africa.	0.0	0.0	4

3.16 SEVERANCE PACKAGES

TABLE 3.16.1 GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

SALARY BAND	NUMBER OF APPLICATIONS RECEIVED	NUMBER OF APPLICATIONS REFERRED TO THE MPSA	NUMBER OF APPLICATIONS SUPPORTED BY MPSA	NUMBER OF PACKAGES APPROVED BY DEPARTMENT
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
TOTAL*	0	0	0	0



OP.



PART E FINANCIAL INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 31: DEPARTMENT OF EMPLOYMENT AND LABOUR

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Department of Employment and Labour set out on pages 125 to 207, which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, and cash flow statement 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 Department of Employment and Labour as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury 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 department 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 MATTERS

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

Restatement of corresponding figures

7. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2021.

Underspending of the vote

8. As disclosed in the appropriation statement, the Department materially underspent the budget by R89 million on Programme 2 – Inspection and Enforcement Services.

OTHER MATTER

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 208 to 237 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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



12. In preparing the financial statements, the accounting officer is responsible for assessing the department'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 department or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

13. 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.
14. 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

15. 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 the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department'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 department 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.
17. 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 department's annual performance report for the year ended 31 March 2021.

PROGRAMME	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 2 – Inspection and Enforcement Services	45- 49

18. 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.
19. The material findings on the reliability of the performance information of the selected programme are as follows:



PROGRAMME 2 – INSPECTION AND ENFORCEMENT SERVICES

INDICATOR 1.3 – PERCENTAGE OF NON-COMPLIANT EMPLOYERS RECEIVED BY STATUTORY SERVICES REFERRED FOR PROSECUTION WITHIN 30 CALENDAR DAYS

20. The achievement of 75% was reported against a target of 50% in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement.

OTHER MATTER

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on pages 45 to 49 for information on the achievement of planned targets for the year and management's explanations provided for the under-/over-achievement of targets. This information should be considered in the context of the material finding on the usefulness and reliability of the reported performance information in paragraph 20 of this report.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

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

Annual financial statements

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA.
26. Material misstatements of capital commitments, intangible assets, key management personnel disclosure and operating lease commitments identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

27. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R32,7 million, as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-adherence to procurement processes.

Consequence management

28. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because proper and complete records were not maintained as evidence to support the investigations into irregular expenditure.



29. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because proper and complete records were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.

OTHER INFORMATION

30. The accounting officer 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 the selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
31. 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.
32. 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.
33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

34. I considered internal control 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 the annual performance report and the findings on compliance with legislation included in this report.
35. Management did not adequately review the financial statements and annual performance report to ensure that they are reliable before submitting for audit. Misstatements were identified through the audit process.
36. There was inadequate review and monitoring of compliance with applicable laws and regulations, as instances of non-compliance were identified through the audit process.

Auditor-General

Pretoria

9 September 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 programmes and on the Department'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 department's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer'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 Department of Employment and Labour 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 department 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 officer 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 officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



2. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2.1 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

APPROPRIATION PER PROGRAMME									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme:									
1. Administration	926 814	-	-	926 814	854 004	72 810	92.1%	952 859	871 069
2. Inspection & Enforcement Services	613 449	-	(25 000)	588 449	499 431	89 018	84.9%	631 583	560 597
3. Public Employment Services	588 664	-	25 000	613 664	598 398	15 266	97.5%	628 712	605 630
4. Labour Policy & Industrial Relations	1 170 378	-	-	1 170 378	1 151 257	19 121	98.4%	1 220 045	1 178 581
TOTAL	3 299 305	-	-	3 299 305	3 103 090	196 215	94.1%	3 433 199	3 215 877
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD: Departmental receipts				9 182				12 366	
Actual amounts per statement of financial performance (total revenue)				3 308 487				3 445 565	
Actual amounts per statement of financial performance (total expenditure)					3 103 090				3 215 877

APPROPRIATION PER ECONOMIC CLASSIFICATION									
ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 942 196	(10 322)	(25 000)	1 906 874	1 738 839	168 035	91.2%	2 024 696	1 833 326
Compensation of employees	1 364 452	(12 925)	-	1 351 527	1 224 273	127 254	90.6%	1 343 884	1 253 326
Salaries and wages	1 138 289	(688)	-	1 137 601	1 041 401	96 200	91.5%	1 139 594	1 075 037
Social contributions	226 163	(12 237)	-	213 926	182 872	31 054	85.5%	204 290	178 289
Goods and services	577 744	2 603	(25 000)	555 347	514 566	40 781	92.7%	680 812	580 000
Administrative fees	4 449	(994)	-	3 455	2 322	1 133	67.2%	9 264	9 091
Advertising	14 863	6 226	-	21 089	17 212	3 877	81.6%	21 413	3 755
Minor assets	7 396	-	-	7 396	4 979	2 417	67.3%	8 325	7 140
Audit costs: External	21 101	(6 037)	-	15 064	15 064	-	100.0%	20 514	16 360
Bursaries: Employees	1 962	3 168	-	5 130	5 028	102	98.0%	4 959	4 945
Catering: Departmental activities	1 749	(193)	-	1 556	1 088	468	69.9%	7 952	7 491
Communication	37 559	6 218	(12 000)	31 777	27 557	4 220	86.7%	30 867	24 401
Computer services	121 486	(30 141)	-	91 345	87 781	3 564	96.1%	96 661	88 250
Consultants: Business and advisory services	13 355	2 262	-	15 617	11 519	4 098	73.8%	7 355	5 157
Scientific and technological services	100	-	-	100	-	100	-	-	-
Legal services	4 798	4 681	-	9 479	9 443	36	99.6%	14 267	14 247
Contractors	3 206	285	-	3 491	1 995	1 496	57.1%	3 033	2 446
Agency and support / outsourced services	1 953	(1 834)	-	119	-	119	-	2 386	13
Entertainment	88	18	-	106	78	28	73.6%	231	179
Fleet services	19 822	14 834	-	34 656	33 699	957	97.2%	41 074	38 464
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	40	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	4	-
Consumable supplies	4 564	15 421	-	19 985	19 680	305	98.5%	5 492	4 713
Consumable: Stationery, printing and office supplies	13 129	158	-	13 287	10 673	2 614	80.3%	19 736	14 117
Operating leases	158 368	(207)	-	158 161	156 804	1 357	99.1%	156 420	141 411
Property payments	85 198	(13 421)	-	71 777	71 062	715	99.0%	83 627	62 056
Transport provided: Departmental activity	950	(950)	-	-	-	-	-	374	374
Travel and subsistence	42 972	7 010	(13 000)	36 982	29 390	7 592	79.5%	114 671	109 728
Training and development	5 806	(172)	-	5 634	2 791	2 843	49.5%	8 637	6 228
Operating payments	8 765	(2 583)	-	6 182	5 410	772	87.5%	9 633	8 850
Venues and facilities	3 619	(997)	-	2 622	871	1 751	33.2%	11 817	8 656
Rental and hiring	486	(149)	-	337	120	217	35.6%	2 060	1 928
Transfers and subsidies	1 292 282	(2 491)	25 000	1 314 791	1 305 221	9 570	99.3%	1 342 036	1 338 288
Provinces and municipalities	707	69	-	776	770	6	99.2%	863	863
Municipalities	707	69	-	776	770	6	99.2%	863	863
Municipal bank accounts	707	69	-	776	770	6	99.2%	863	863
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 065 403	(17 363)	-	1 048 040	1 047 734	306	100.0%	1 121 384	1 121 383

APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social security funds	17 806	(17 500)	-	306	-	306	-	40 108	40 107
Departmental agencies and accounts	1 047 597	137	-	1 047 734	1 047 734	-	100.0%	1 081 276	1 081 276
Foreign governments and international organisations	28 095	-	-	28 095	19 557	8 538	69.6%	18 930	17 585
Non-profit institutions	196 123	10 635	25 000	231 758	231 045	713	99.7%	192 648	190 325
Households	1 954	4 168	-	6 122	6 115	7	99.9%	8 211	8 132
Social benefits	1 604	3 677	-	5 281	5 274	7	99.9%	6 119	6 040
Other transfers to households	350	491	-	841	841	-	100.0%	2 092	2 092
Payments for capital assets	64 827	12 744	-	77 571	58 961	18 610	76.0%	65 349	43 145
Buildings and other fixed structures	13 566	4 096	-	17 662	17 662	-	100.0%	12 387	10 247
Buildings	13 566	4 096	-	17 662	17 662	-	100.0%	12 387	10 247
Machinery and equipment	51 261	(1 495)	-	49 766	31 156	18 610	62.6%	52 962	32 898
Transport equipment	8 517	-	-	8 517	6 689	1 828	78.5%	6 839	6 839
Other machinery and equipment	42 744	(1 495)	-	41 249	24 467	16 782	59.3%	46 123	26 059
Software and other intangible assets	-	10 143	-	10 143	10 143	-	100.0%	-	-
Payments for financial assets	-	69	-	69	69	-	100.0%	1 118	1 118
TOTAL	3 299 305	-	-	3 299 305	3 103 090	196 215	94.1%	3 433 199	3 215 877

PROGRAMME 1: ADMINISTRATION									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
SUB PROGRAMME	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Ministry	33 368	-	-	33 368	32 176	1 192	96.4%	45 366	43 547
2. Management	295 422	(9 679)	-	285 743	279 469	6 274	97.8%	305 937	305 676
3. Corporate Services	281 327	(13 685)	-	267 642	222 737	44 905	83.2%	258 899	231 232
4. Office of the Chief Financial Officer	131 734	6 557	-	138 291	117 852	20 439	85.2%	129 312	113 261
5. Office Accommodation	184 963	16 807	-	201 770	201 770	-	100.0%	213 345	177 353
TOTAL FOR SUB PROGRAMMES	926 814	-	-	926 814	854 004	72 810	92.1%	952 859	871 069

ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	882 508	(13 618)	-	868 890	803 505	65 385	92.5%	904 873	825 898
Compensation of employees	441 537	(2 164)	-	439 373	393 519	45 854	89.6%	418 689	408 722
Salaries and wages	372 848	155	-	373 003	335 327	37 676	89.9%	354 837	352 269
Social contributions	68 689	(2 319)	-	66 370	58 192	8 178	87.7%	63 852	56 453
Goods and services	440 971	(11 454)	-	429 517	409 986	19 531	95.5%	486 184	417 176
Administrative fees	2 307	(95)	-	2 212	1 387	825	62.7%	4 878	4 878
Advertising	2 130	61	-	2 191	250	1 941	11.4%	1 170	386
Minor assets	4 455	715	-	5 170	3 546	1 624	68.6%	5 519	4 550
Audit costs: External	21 101	(6 037)	-	15 064	15 064	-	100.0%	20 514	16 360
Bursaries: Employees	1 346	3 603	-	4 949	4 860	89	98.2%	4 542	4 542
Catering: Departmental activities	655	145	-	800	669	131	83.6%	2 640	2 320
Communication	14 960	1 794	-	16 754	14 043	2 711	83.8%	15 765	10 786
Computer services	117 932	(30 141)	-	87 791	85 546	2 245	97.4%	93 133	85 372
Consultants: Business and advisory services	3 965	3 933	-	7 898	7 356	542	93.1%	3 319	3 047
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4 029	5 387	-	9 416	9 416	-	100.0%	14 170	14 170
Contractors	2 544	(20)	-	2 524	1 085	1 439	43.0%	1 798	1 309
Agency and support / outsourced services	1 401	(1 319)	-	82	-	82	-	2 375	4
Entertainment	22	35	-	57	57	-	100.0%	151	127
Fleet services	10 088	15 848	-	25 936	25 726	210	99.2%	25 936	23 762
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	1 760	15 904	-	17 664	17 629	35	99.8%	3 424	3 042
Consumable: Stationery, printing and office supplies	4 621	1 787	-	6 408	5 689	719	88.8%	8 618	4 981
Operating leases	155 271	195	-	155 466	154 294	1 172	99.2%	153 247	138 634
Property payments	70 974	(21 148)	-	49 826	49 233	593	98.8%	66 074	45 014
Transport provided: Departmental activity	-	-	-	-	-	-	-	4	4
Travel and subsistence	15 012	(1 169)	-	13 843	10 956	2 887	79.1%	44 773	43 104
Training and development	2 321	(309)	-	2 012	724	1 288	36.0%	5 477	3 704
Operating payments	3 113	(533)	-	2 580	2 155	425	83.5%	4 406	3 884
Venues and facilities	697	(90)	-	607	221	386	36.4%	3 216	2 161
Rental and hiring	267	-	-	267	80	187	30.0%	1 035	1 035
Transfers and subsidies	1 778	2 352	-	4 130	4 124	6	99.9%	5 025	4 947
Provinces and municipalities	707	68	-	775	769	6	99.2%	852	852
Municipalities	707	68	-	775	769	6	99.2%	852	852
Municipal bank accounts	707	68	-	775	769	6	99.2%	852	852
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	121	-	121	121	-	100.0%	15	15
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	121	-	121	121	-	100.0%	15	15
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-



ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 071	2 163	-	3 234	3 234	-	100.0%	4 158	4 080
Social benefits	871	1 772	-	2 643	2 643	-	100.0%	3 649	3 571
Other transfers to households	200	391	-	591	591	-	100.0%	509	509
Payments for capital assets	42 528	11 197	-	53 725	46 306	7 419	86.2%	41 843	39 106
Buildings and other fixed structures	13 566	4 096	-	17 662	17 662	-	100.0%	12 387	10 247
Buildings	13 566	4 096	-	17 662	17 662	-	100.0%	12 387	10 247
Machinery and equipment	28 962	(3 042)	-	25 920	18 501	7 419	71.4%	29 456	28 859
Transport equipment	8 517	-	-	8 517	6 689	1 828	78.5%	6 839	6 839
Other machinery and equipment	20 445	(3 042)	-	17 403	11 812	5 591	67.9%	22 617	22 020
Software and other intangible assets	-	10 143	-	10 143	10 143	-	100.0%	-	-
Payments for financial assets	-	69	-	69	69	-	100.0%	1 118	1 118
TOTAL	926 814	-	-	926 814	854 004	72 810	92.1%	952 859	871 069

1.1 MINISTRY									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	33 368	(24)	-	33 344	32 152	1 192	96.4%	42 622	40 803
Compensation of employees	27 461	-	-	27 461	27 275	186	99.3%	25 799	23 980
Goods and services	5 907	(24)	-	5 883	4 877	1 006	82.9%	16 823	16 823
Transfers and subsidies	-	-	-	-	-	-	-	2 698	2 698
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	2 698	2 698
Payments for capital assets	-	24	-	24	24	-	100.0%	46	46
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	24	-	24	24	-	100.0%	46	46
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	33 368	-	-	33 368	32 176	1 192	96.4%	45 366	43 547

1.2 MANAGEMENT									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	292 876	(12 120)	-	280 756	274 482	6 274	97.8%	300 811	300 811
Compensation of employees	218 109	(1 224)	-	216 885	213 853	3 032	98.6%	222 078	222 078
Goods and services	74 767	(10 896)	-	63 871	60 629	3 242	94.9%	78 733	78 733
Transfers and subsidies	1 016	1 411	-	2 427	2 427	-	100.0%	1 454	1 454
Provinces and municipalities	638	68	-	706	706	-	100.0%	784	784
Departmental agencies and accounts	-	120	-	120	120	-	100.0%	15	15
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	378	1 223	-	1 601	1 601	-	100.0%	655	655
Payments for capital assets	1 530	1 030	-	2 560	2 560	-	100.0%	3 672	3 411
Buildings and other fixed structures	-	36	-	36	36	-	100.0%	-	-
Machinery and equipment	1 530	994	-	2 524	2 524	-	100.0%	3 672	3 411
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	295 422	(9 679)	-	285 743	279 469	6 274	97.8%	305 937	305 676

1.3 CORPORATE SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	263 025	(19 838)	-	243 187	203 412	39 775	83.6%	240 566	212 965
Compensation of employees	112 074	(69)	-	112 005	87 513	24 492	78.1%	95 673	90 266
Goods and services	150 951	(19 769)	-	131 182	115 899	15 283	88.3%	144 893	122 699
Transfers and subsidies	80	70	-	150	150	-	100.0%	136	70
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	1	-	1	1	-	100.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	80	69	-	149	149	-	100.0%	136	70
Payments for capital assets	18 222	6 083	-	24 305	19 175	5 130	78.9%	18 197	18 197
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	18 222	(4 060)	-	14 162	9 032	5 130	63.8%	18 197	18 197
Software and other intangible assets	-	10 143	-	10 143	10 143	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	281 327	(13 685)	-	267 642	222 737	44 905	83.2%	258 899	231 232

1.4 OFFICE OF THE CHIEF FINANCIAL OFFICER									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	121 842	5 617	-	127 459	109 315	18 144	85.8%	119 916	104 213
Compensation of employees	83 893	(871)	-	83 022	64 878	18 144	78.1%	75 139	72 398
Goods and services	37 949	6 488	-	44 437	44 437	-	100.0%	44 777	31 815
Transfers and subsidies	682	871	-	1 553	1 547	6	99.6%	737	725
Provinces and municipalities	69	-	-	69	63	6	91.3%	68	68
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	613	871	-	1 484	1 484	-	100.0%	669	657
Payments for capital assets	9 210	-	-	9 210	6 921	2 289	75.1%	7 541	7 205
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 210	-	-	9 210	6 921	2 289	75.1%	7 541	7 205
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	69	-	69	69	-	100.0%	1 118	1 118
TOTAL	131 734	6 557	-	138 291	117 852	20 439	85.2%	129 312	113 261

1.5 OFFICE ACCOMMODATION									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	171 397	12 747	-	184 144	184 144	-	100.0%	200 958	167 106
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	171 397	12 747	-	184 144	184 144	-	100.0%	200 958	167 106
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	13 566	4 060	-	17 626	17 626	-	100.0%	12 387	10 247
Buildings and other fixed structures	13 566	4 060	-	17 626	17 626	-	100.0%	12 387	10 247
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	184 963	16 807	-	201 770	201 770	-	100.0%	213 345	177 353

PROGRAMME 2: INSPECTION & ENFORCEMENT SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
SUB PROGRAMME	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Management & Support Services: Inspection & Enforcement Services	6 473	-	-	6 473	4 473	2 000	69.1%	6 653	6 224
2. Occupational Health & Safety	33 247	-	-	33 247	22 798	10 449	68.6%	34 493	31 535
3. Registration: Inspection & Enforcement Services	71 596	3 655	-	75 251	73 479	1 772	97.6%	72 626	66 527
4. Compliance, Monitoring & Enforcement	489 799	(3 655)	(25 000)	461 144	391 272	69 872	84.8%	500 958	440 945
5. Training of Staff: Inspection & Enforcement Services	3 268	-	-	3 268	1 459	1 809	44.6%	6 947	6 947
6. Statutory & Advocacy Services	9 066	-	-	9 066	5 950	3 116	65.6%	9 906	8 419
TOTAL FOR SUB PROGRAMMES	613 449	-	(25 000)	588 449	499 431	89 018	84.9%	631 583	560 597

ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	594 984	(1 418)	(25 000)	568 566	490 336	78 230	86.2%	611 824	555 132
Compensation of employees	518 910	(4 592)	-	514 318	445 349	68 969	86.6%	516 631	463 834
Salaries and wages	433 758	(5 305)	-	428 453	373 803	54 650	87.2%	433 216	392 676
Social contributions	85 152	713	-	85 865	71 546	14 319	83.3%	83 415	71 158
Goods and services	76 074	3 174	(25 000)	54 248	44 987	9 261	82.9%	95 193	91 298
Administrative fees	1 384	(428)	-	956	734	222	76.8%	2 894	2 854
Advertising	1 333	(1 275)	-	58	42	16	72.4%	1 110	1 089
Minor assets	1 741	(515)	-	1 226	726	500	59.2%	1 158	1 097
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	616	(493)	-	123	110	13	89.4%	275	261
Catering: Departmental activities	-	320	-	320	320	-	100.0%	2 909	2 830
Communication	17 339	3 163	(12 000)	8 502	7 495	1 007	88.2%	8 304	7 852
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	360	(88)	-	272	272	-	100.0%	401	386
Scientific and technological services	100	-	-	100	-	100	-	-	-
Legal services	754	(706)	-	48	27	21	56.3%	97	77
Contractors	363	153	-	516	459	57	89.0%	471	450
Agency and support / outsourced services	518	(515)	-	3	-	3	-	2	-
Entertainment	23	(3)	-	20	9	11	45.0%	30	18
Fleet services	9 543	(2 408)	-	7 135	6 429	706	90.1%	12 569	12 163
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	40	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	4	-
Consumable supplies	2 495	(646)	-	1 849	1 613	236	87.2%	1 613	1 233
Consumable: Stationery, printing and office supplies	3 393	(883)	-	2 510	2 054	456	81.8%	4 466	4 068
Operating leases	936	(650)	-	286	277	9	96.9%	673	435
Property payments	6 856	3 238	-	10 094	10 007	87	99.1%	8 022	7 549
Transport provided: Departmental activity	950	(950)	-	-	-	-	-	99	99
Travel and subsistence	19 278	8 410	(13 000)	14 688	11 935	2 753	81.3%	41 699	41 579
Training and development	2 332	(89)	-	2 243	712	1 531	31.7%	1 083	1 083
Operating payments	3 491	(1 760)	-	1 731	1 521	210	87.9%	1 956	1 923
Venues and facilities	2 239	(734)	-	1 505	212	1 293	14.1%	4 942	3 981
Rental and hiring	30	33	-	63	33	30	52.4%	376	271
Transfers and subsidies	580	1 397	-	1 977	1 970	7	99.6%	2 794	2 793
Provinces and municipalities	-	1	-	1	1	-	100.0%	11	11
Municipalities	-	1	-	1	1	-	100.0%	11	11
Municipal bank accounts	-	1	-	1	1	-	100.0%	11	11

ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	16	-	16	16	-	100.0%	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	16	-	16	16	-	100.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	580	1 380	-	1 960	1 953	7	99.6%	2 783	2 782
Social benefits	430	1 282	-	1 712	1 705	7	99.6%	1 324	1 323
Other transfers to households	150	98	-	248	248	-	100.0%	1 459	1 459
Payments for capital assets	17 885	21	-	17 906	7 125	10 781	39.8%	16 965	2 672
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	17 885	21	-	17 906	7 125	10 781	39.8%	16 965	2 672
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	17 885	21	-	17 906	7 125	10 781	39.8%	16 965	2 672
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	613 449	-	(25 000)	588 449	499 431	89 018	84.9%	631 583	560 597

2.1 MANAGEMENT & SUPPORT SERVICES: INSPECTION & ENFORCEMENT SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 358	-	-	6 358	4 469	1 889	70.3%	6 549	6 220
Compensation of employees	4 748	-	-	4 748	4 121	627	86.8%	4 759	4 540
Goods and services	1 610	-	-	1 610	348	1 262	21.6%	1 790	1 680
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	115	-	-	115	4	111	3.5%	104	4
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	115	-	-	115	4	111	3.5%	104	4
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	6 473	-	-	6 473	4 473	2 000	69.1%	6 653	6 224

2.2 OCCUPATIONAL HEALTH & SAFETY									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	32 504	-	-	32 504	22 775	9 729	70.1%	33 784	31 254
Compensation of employees	28 028	-	-	28 028	20 958	7 070	74.8%	25 663	23 133
Goods and services	4 476	-	-	4 476	1 817	2 659	40.6%	8 121	8 121
Transfers and subsidies	5	-	-	5	-	5	-	15	15
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5	-	-	5	-	5	-	15	15
Payments for capital assets	738	-	-	738	23	715	3.1%	694	266
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	738	-	-	738	23	715	3.1%	694	266
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	33 247	-	-	33 247	22 798	10 449	68.6%	34 493	31 535

2.3 REGISTRATION: INSPECTION & ENFORCEMENT SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	71 595	3 387	-	74 982	73 211	1 771	97.6%	72 392	66 293
Compensation of employees	68 449	3 408	-	71 857	71 857	-	100.0%	68 387	63 865
Goods and services	3 146	(21)	-	3 125	1 354	1 771	43.3%	4 005	2 428
Transfers and subsidies	1	247	-	248	247	1	99.6%	228	228
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1	247	-	248	247	1	99.6%	228	228
Payments for capital assets	-	21	-	21	21	-	100.0%	6	6
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	21	-	21	21	-	100.0%	6	6
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	71 596	3 655	-	75 251	73 479	1 772	97.6%	72 626	66 527

2.4 COMPLIANCE, MONITORING & ENFORCEMENT									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	472 360	(4 805)	(25 000)	442 555	382 477	60 078	86.4%	482 404	436 084
Compensation of employees	410 869	(8 000)	-	402 869	342 791	60 078	85.1%	410 990	365 788
Goods and services	61 491	3 195	(25 000)	39 686	39 686	-	100.0%	71 414	70 296
Transfers and subsidies	573	1 150	-	1 723	1 723	-	100.0%	2 550	2 550
Provinces and municipalities	-	1	-	1	1	-	100.0%	11	11
Departmental agencies and accounts	-	16	-	16	16	-	100.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	573	1 133	-	1 706	1 706	-	100.0%	2 539	2 539
Payments for capital assets	16 866	-	-	16 866	7 072	9 794	41.9%	16 004	2 311
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	16 866	-	-	16 866	7 072	9 794	41.9%	16 004	2 311
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	489 799	(3 655)	(25 000)	461 144	391 272	69 872	84.8%	500 958	440 945

2.5 TRAINING OF STAFF: INSPECTION & ENFORCEMENT SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3 268	-	-	3 268	1 459	1 809	44.6%	6 947	6 947
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	3 268	-	-	3 268	1 459	1 809	44.6%	6 947	6 947
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	3 268	-	-	3 268	1 459	1 809	44.6%	6 947	6 947

2.6 STATUTORY & ADVOCACY SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8 899	-	-	8 899	5 945	2 954	66.8%	9 748	8 334
Compensation of employees	6 816	-	-	6 816	5 622	1 194	82.5%	6 832	6 508
Goods and services	2 083	-	-	2 083	323	1 760	15.5%	2 916	1 826
Transfers and subsidies	1	-	-	1	-	1	-	1	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1	-	-	1	-	1	-	1	-
Payments for capital assets	166	-	-	166	5	161	3.0%	157	85
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	166	-	-	166	5	161	3.0%	157	85
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	9 066	-	-	9 066	5 950	3 116	65.6%	9 906	8 419

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management & Support Services: Public Employment Services	49 566	179	-	49 745	47 507	2 238	95.5%	54 714	49 645
2. Employer Services	106 486	(179)	-	106 307	97 926	8 381	92.1%	116 800	102 425
3. Work Seeker Services	174 326	-	-	174 326	174 298	28	100.0%	174 798	174 778
4. Designated Groups Special Services	22 709	-	-	22 709	21 996	713	96.9%	21 525	19 255
5. Supported Employment Enterprises	160 348	17 500	25 000	202 848	199 272	3 576	98.2%	155 375	154 028
6. Productivity South Africa	56 309	-	-	56 309	56 309	-	100.0%	63 710	63 710
7. Unemployment Insurance Fund	1	-	-	1	-	1	-	1	-
8. Compensation Fund	17 805	(17 500)	-	305	-	305	-	40 107	40 107
9. Training Of Staff: Public Employment Services	1 114	-	-	1 114	1 090	24	97.8%	1 682	1 682
TOTAL FOR SUB PROGRAMMES	588 664	-	25 000	613 664	598 398	15 266	97.5%	628 712	605 630

ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	334 512	(2 073)	-	332 439	318 192	14 247	95.7%	346 978	331 256
Compensation of employees	306 294	(6 091)	-	300 203	289 216	10 987	96.3%	299 267	283 856
Salaries and wages	247 717	4 521	-	252 238	249 100	3 138	98.8%	255 715	245 830
Social contributions	58 577	(10 612)	-	47 965	40 116	7 849	83.6%	43 552	38 026
Goods and services	28 218	4 018	-	32 236	28 976	3 260	89.9%	47 711	47 400
Administrative fees	630	(451)	-	179	179	-	100.0%	886	886
Advertising	570	685	-	1 255	1 191	64	94.9%	1 674	1 674
Minor assets	933	(191)	-	742	668	74	90.0%	1 256	1 256
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	49	-	49	49	-	100.0%	142	142
Catering: Departmental activities	922	(625)	-	297	90	207	30.3%	1 984	1 984
Communication	3 489	1 029	-	4 518	4 170	348	92.3%	5 066	4 755
Computer services	2 700	-	-	2 700	2 025	675	75.0%	2 700	2 700
Consultants: Business and advisory services	3 400	(1 612)	-	1 788	723	1 065	40.4%	175	175
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	270	119	-	389	389	-	100.0%	620	620
Agency and support / outsourced services	-	-	-	-	-	-	-	9	9
Entertainment	14	2	-	16	7	9	43.8%	15	15
Fleet services	-	1 397	-	1 397	1 397	-	100.0%	2 252	2 252
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	183	180	-	363	363	-	100.0%	376	376
Consumable: Stationery, printing and office supplies	1 216	(491)	-	725	725	-	100.0%	1 998	1 998
Operating leases	478	(305)	-	173	118	55	68.2%	305	305
Property payments	6 165	4 460	-	10 625	10 625	-	100.0%	8 406	8 406
Transport provided: Departmental activity	-	-	-	-	-	-	-	270	270
Travel and subsistence	4 239	683	-	4 922	4 272	650	86.8%	15 447	15 447
Training and development	1 114	(32)	-	1 082	1 058	24	97.8%	940	940
Operating payments	1 110	(529)	-	581	539	42	92.8%	1 607	1 607
Venues and facilities	596	(167)	-	429	382	47	89.0%	1 073	1 073
Rental and hiring	189	(183)	-	6	6	-	100.0%	510	510
Transfers and subsidies	250 176	547	25 000	275 723	274 704	1 019	99.6%	275 313	273 042
Provinces and municipalities	-	-	-	-	-	-	-	-	-

ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	74 115	(17 500)	-	56 615	56 309	306	99.5%	103 818	103 817
Social security funds	17 806	(17 500)	-	306	-	306	-	40 108	40 107
Departmental agencies	56 309	-	-	56 309	56 309	-	100.0%	63 710	63 710
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	175 758	17 500	25 000	218 258	217 545	713	99.7%	170 448	168 178
Households	303	547	-	850	850	-	100.0%	1 047	1 047
Social benefits	303	545	-	848	848	-	100.0%	934	934
Other transfers to households	-	2	-	2	2	-	100.0%	113	113
Payments for capital assets	3 976	1 526	-	5 502	5 502	-	100.0%	6 421	1 332
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 976	1 526	-	5 502	5 502	-	100.0%	6 421	1 332
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3 976	1 526	-	5 502	5 502	-	100.0%	6 421	1 332
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	588 664	-	25 000	613 664	598 398	15 266	97.5%	628 712	605 630

3.1 MANAGEMENT & SUPPORT SERVICES: PUBLIC EMPLOYMENT SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	46 340	(1 190)	-	45 150	42 912	2 238	95.0%	49 144	49 144
Compensation of employees	39 351	2	-	39 353	39 353	-	100.0%	39 951	39 951
Goods and services	6 989	(1 192)	-	5 797	3 559	2 238	61.4%	9 193	9 193
Transfers and subsidies	-	179	-	179	179	-	100.0%	49	49
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	179	-	179	179	-	100.0%	49	49
Payments for capital assets	3 226	1 190	-	4 416	4 416	-	100.0%	5 521	452
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 226	1 190	-	4 416	4 416	-	100.0%	5 521	452
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	49 566	179	-	49 745	47 507	2 238	95.5%	54 714	49 645

3.2 EMPLOYER SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	105 986	(535)	-	105 451	97 070	8 381	92.1%	115 943	101 568
Compensation of employees	95 163	(5 139)	-	90 024	81 643	8 381	90.7%	94 564	80 189
Goods and services	10 823	4 604	-	15 427	15 427	-	100.0%	21 379	21 379
Transfers and subsidies	250	249	-	499	499	-	100.0%	698	698
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	250	249	-	499	499	-	100.0%	698	698
Payments for capital assets	250	107	-	357	357	-	100.0%	159	159
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	250	107	-	357	357	-	100.0%	159	159
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	106 486	(179)	-	106 307	97 926	8 381	92.1%	116 800	102 425

3.3 WORK-SEEKER SERVICES									
ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	173 773	(344)	-	173 429	173 401	28	100.0%	173 762	173 762
Compensation of employees	165 650	(954)	-	164 696	164 668	28	100.0%	159 050	159 050
Goods and services	8 123	610	-	8 733	8 733	-	100.0%	14 712	14 712
Transfers and subsidies	53	119	-	172	172	-	100.0%	300	300
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	53	119	-	172	172	-	100.0%	300	300
Payments for capital assets	500	225	-	725	725	-	100.0%	736	716
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	500	225	-	725	725	-	100.0%	736	716
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	174 326	-	-	174 326	174 298	28	100.0%	174 798	174 778

3.4 DESIGNATED GROUPS SPECIAL SERVICES									
ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	22 709	-	-	22 709	21 996	713	96.9%	21 525	19 255
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	22 709	-	-	22 709	21 996	713	96.9%	21 525	19 255
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	22 709	-	-	22 709	21 996	713	96.9%	21 525	19 255

3.5 SUPPORTED EMPLOYMENT ENTERPRISES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7 299	(4)	-	7 295	3 719	3 576	51.0%	6 447	5 100
Compensation of employees	6 130	-	-	6 130	3 552	2 578	57.9%	5 702	4 666
Goods and services	1 169	(4)	-	1 165	167	998	14.3%	745	434
Transfers and subsidies	153 049	17 500	25 000	195 549	195 549	-	100.0%	148 923	148 923
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	153 049	17 500	25 000	195 549	195 549	-	100.0%	148 923	148 923
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	4	-	4	4	-	100.0%	5	5
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	4	-	4	4	-	100.0%	5	5
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	160 348	17 500	25 000	202 848	199 272	3 576	98.2%	155 375	154 028

3.6 PRODUCTIVITY SOUTH AFRICA									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	56 309	-	-	56 309	56 309	-	100.0%	63 710	63 710
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	56 309	-	-	56 309	56 309	-	100.0%	63 710	63 710
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	56 309	-	-	56 309	56 309	-	100.0%	63 710	63 710

3.7 UNEMPLOYMENT INSURANCE FUND									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1	-	-	1	-	1	-	1	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	-	-	1	-	1	-	1	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	1	-	-	1	-	1	-	1	-

3.8 COMPENSATION FUND									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	17 805	(17 500)	-	305	-	305	-	40 107	40 107
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	17 805	(17 500)	-	305	-	305	-	40 107	40 107
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	17 805	(17 500)	-	305	-	305	-	40 107	40 107

3.9 TRAINING OF STAFF: PUBLIC EMPLOYMENT SERVICES									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 114	-	-	1 114	1 090	24	97.8%	1 682	1 682
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	1 114	-	-	1 114	1 090	24	97.8%	1 682	1 682
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	1 114	-	-	1 114	1 090	24	97.8%	1 682	1 682

PROGRAMME 4: LABOUR POLICY & INDUSTRIAL RELATIONS									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB PROGRAMME									
1. Management & Support Services: Labour Policy & Industrial Relations	14 123	-	-	14 123	13 035	1 088	92.3%	17 077	16 171
2. Strengthen Civil Society	20 365	(6 865)	-	13 500	13 500	-	100.0%	22 147	22 147
3. Collective Bargaining	17 082	-	-	17 082	15 853	1 229	92.8%	16 199	16 137
4. Employment Equity	9 249	-	-	9 249	8 218	1 031	88.9%	14 721	11 803
5. Employment Standard	17 920	6 331	-	24 251	21 963	2 288	90.6%	35 655	6 826
6. Commission for Conciliation, Mediation & Arbitration	935 810	-	-	935 810	935 810	-	100.0%	976 810	976 810
7. Research, Policy & Planning	10 895	-	-	10 895	7 874	3 021	72.3%	8 536	6 478
8. Labour Market Information & Statistic	43 394	-	-	43 394	41 476	1 918	95.6%	46 693	43 494
9. International Labour Matters	46 062	534	-	46 596	38 050	8 546	81.7%	41 466	37 974
10. National Economic development & Labour Council	55 478	-	-	55 478	55 478	-	100.0%	40 741	40 741
TOTAL FOR SUB PROGRAMMES	1 170 378	-	-	1 170 378	1 151 257	19 121	98.4%	1 220 045	1 178 581

ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	130 192	6 787	-	136 979	126 806	10 173	92.6%	161 021	121 040
Compensation of employees	97 711	(78)	-	97 633	96 189	1 444	98.5%	109 297	96 914
Salaries and wages	83 966	(59)	-	83 907	83 171	736	99.1%	95 826	84 262
Social contributions	13 745	(19)	-	13 726	13 018	708	94.8%	13 471	12 652
Goods and services	32 481	6 865	-	39 346	30 617	8 729	77.8%	51 724	24 126
Administrative fees	128	(20)	-	108	22	86	20.4%	606	473
Advertising	10 830	6 755	-	17 585	15 729	1 856	89.4%	17 459	606
Minor assets	267	(9)	-	258	39	219	15.1%	392	237
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	9	-	9	9	-	100.0%	-	-
Catering: Departmental activities	172	(33)	-	139	9	130	6.5%	419	357
Communication	1 771	232	-	2 003	1 849	154	92.3%	1 732	1 008
Computer services	854	-	-	854	210	644	24.6%	828	178
Consultants: Business and advisory services	5 630	29	-	5 659	3 168	2 491	56.0%	3 460	1 549
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	15	-	-	15	-	15	-	-	-
Contractors	29	33	-	62	62	-	100.0%	144	67
Agency and support / outsourced services	34	-	-	34	-	34	-	-	-
Entertainment	29	(16)	-	13	5	8	38.5%	35	19
Fleet services	191	(3)	-	188	147	41	78.2%	317	287
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	126	(17)	-	109	75	34	68.8%	79	62
Consumable: Stationery, printing and office supplies	3 899	(255)	-	3 644	2 205	1 439	60.5%	4 654	3 070
Operating leases	1 683	553	-	2 236	2 115	121	94.6%	2 195	2 037
Property payments	1 203	29	-	1 232	1 197	35	97.2%	1 125	1 087
Transport provided: Departmental activity	-	-	-	-	-	-	-	1	1
Travel and subsistence	4 443	(914)	-	3 529	2 227	1 302	63.1%	12 752	9 598
Training and development	39	258	-	297	297	-	100.0%	1 137	501
Operating payments	1 051	239	-	1 290	1 195	95	92.6%	1 664	1 436
Venues and facilities	87	(6)	-	81	56	25	69.1%	2 586	1 441
Rental and hiring	-	1	-	1	1	-	100.0%	139	112
Transfers and subsidies	1 039 748	(6 787)	-	1 032 961	1 024 423	8 538	99.2%	1 058 904	1 057 506
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

ECONOMIC CLASSIFICATION	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	991 288	-	-	991 288	991 288	-	100.0%	1 017 551	1 017 551
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	991 288	-	-	991 288	991 288	-	100.0%	1 017 551	1 017 551
Foreign governments and international organisations	28 095	-	-	28 095	19 557	8 538	69.6%	18 930	17 585
Non-profit institutions	20 365	(6 865)	-	13 500	13 500	-	100.0%	22 200	22 147
Households	-	78	-	78	78	-	100.0%	223	223
Social benefits	-	78	-	78	78	-	100.0%	212	212
Other transfers to households	-	-	-	-	-	-	-	11	11
Payments for capital assets	438	-	-	438	28	410	6.4%	120	35
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	438	-	-	438	28	410	6.4%	120	35
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	438	-	-	438	28	410	6.4%	120	35
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	1 170 378	-	-	1 170 378	1 151 257	19 121	98.4%	1 220 045	1 178 581

4.1 MANAGEMENT & SUPPORT SERVICES: LABOUR POLICY & INDUSTRIAL RELATIONS									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	13 997	-	-	13 997	13 032	965	93.1%	17 026	16 120
Compensation of employees	12 733	-	-	12 733	12 537	196	98.5%	13 438	13 438
Goods and services	1 264	-	-	1 264	495	769	39.2%	3 588	2 682
Transfers and subsidies	-	-	-	-	-	-	-	48	48
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	48	48
Payments for capital assets	126	-	-	126	3	123	2.4%	3	3
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	126	-	-	126	3	123	2.4%	3	3
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	14 123	-	-	14 123	13 035	1 088	92.3%	17 077	16 171

4.2 STRENGTHEN CIVIL SOCIETY	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	20 365	(6 865)	-	13 500	13 500	-	100.0%	22 147	22 147
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	20 365	(6 865)	-	13 500	13 500	-	100.0%	22 147	22 147
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	20 365	(6 865)	-	13 500	13 500	-	100.0%	22 147	22 147

4.3 COLLECTIVE BARGAINING									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	16 990	-	-	16 990	15 850	1 140	93.3%	16 192	16 130
Compensation of employees	13 973	-	-	13 973	13 890	83	99.4%	13 833	13 829
Goods and services	3 017	-	-	3 017	1 960	1 057	65.0%	2 359	2 301
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	92	-	-	92	3	89	3.3%	7	7
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	92	-	-	92	3	89	3.3%	7	7
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	17 082	-	-	17 082	15 853	1 229	92.8%	16 199	16 137

4.4 EMPLOYMENT EQUITY									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9 247	-	-	9 247	8 217	1 030	88.9%	14 720	11 802
Compensation of employees	8 097	-	-	8 097	7 755	342	95.8%	8 781	8 753
Goods and services	1 150	-	-	1 150	462	688	40.2%	5 939	3 049
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2	-	-	2	1	1	50.0%	1	1
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2	-	-	2	1	1	50.0%	1	1
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	9 249	-	-	9 249	8 218	1 031	88.9%	14 721	11 803

4.5 EMPLOYMENT STANDARDS									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	17 914	6 331	-	24 245	21 963	2 282	90.6%	35 512	6 736
Compensation of employees	6 014	(436)	-	5 578	4 968	610	89.1%	14 920	5 365
Goods and services	11 900	6 767	-	18 667	16 995	1 672	91.0%	20 592	1 371
Transfers and subsidies	-	-	-	-	-	-	-	142	89
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	53	-
Households	-	-	-	-	-	-	-	89	89
Payments for capital assets	6	-	-	6	-	6	-	1	1
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6	-	-	6	-	6	-	1	1
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	17 920	6 331	-	24 251	21 963	2 288	90.6%	35 655	6 826

4.6 COMMISSION FOR CONCILIATION, MEDIATION & ARBITRATION									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	935 810	-	-	935 810	935 810	-	100.0%	976 810	976 810
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	935 810	-	-	935 810	935 810	-	100.0%	976 810	976 810
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	935 810	-	-	935 810	935 810	-	100.0%	976 810	976 810

4.7 RESEARCH, POLICY & PLANNING									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 893	-	-	10 893	7 874	3 019	72.3%	8 523	6 465
Compensation of employees	5 373	-	-	5 373	5 298	75	98.6%	5 376	5 207
Goods and services	5 520	-	-	5 520	2 576	2 944	46.7%	3 147	1 258
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2	-	-	2	-	2	-	13	13
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2	-	-	2	-	2	-	13	13
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	10 895	-	-	10 895	7 874	3 021	72.3%	8 536	6 478

4.8 LABOUR MARKET INFORMATION & STATISTICS									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	43 192	(78)	-	43 114	41 377	1 737	96.0%	46 515	43 401
Compensation of employees	38 410	(78)	-	38 332	38 194	138	99.6%	39 284	37 381
Goods and services	4 782	-	-	4 782	3 183	1 599	66.6%	7 231	6 020
Transfers and subsidies	-	78	-	78	78	-	100.0%	86	86
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	78	-	78	78	-	100.0%	86	86
Payments for capital assets	202	-	-	202	21	181	10.4%	92	7
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	202	-	-	202	21	181	10.4%	92	7
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	43 394	-	-	43 394	41 476	1 918	95.6%	46 693	43 494

4.9 INTERNATIONAL LABOUR MATTERS									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	17 959	534	-	18 493	18 493	-	100.0%	22 533	20 386
Compensation of employees	13 111	436	-	13 547	13 547	-	100.0%	13 665	12 941
Goods and services	4 848	98	-	4 946	4 946	-	100.0%	8 868	7 445
Transfers and subsidies	28 095	-	-	28 095	19 557	8 538	69.6%	18 930	17 585
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	28 095	-	-	28 095	19 557	8 538	69.6%	18 930	17 585
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	8	-	-	8	-	8	-	3	3
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	8	-	-	8	-	8	-	3	3
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	46 062	534	-	46 596	38 050	8 546	81.7%	41 466	37 974

4.10 NATIONAL ECONOMIC DEVELOPMENT & LABOUR COUNCIL									
	2020/21							2019/20	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	55 478	-	-	55 478	55 478	-	100.0%	40 741	40 741
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	55 478	-	-	55 478	55 478	-	100.0%	40 741	40 741
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	55 478	-	-	55 478	55 478	-	100.0%	40 741	40 741

2.2. NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-E) to the Annual Financial Statements.

2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):

4.1 PER PROGRAMME

PROGRAMME 1	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
Administration	R'000	R'000	R'000	%
Current payments	868 890	803 505	65 385	7.5%
Transfers and subsidies	4 130	4 124	6	0.1%
Payment for capital assets	53 725	46 306	7 419	13.8%
Payment for financial assets	69	69	-	0.0%
TOTAL	926 814	854 004	72 810	7.9%

The variances are mainly attributed to:

Current payments including:

Compensation of Employees: Underspending is mainly due to vacant posts, non-payment of performance bonuses and pay progressions; as a result of national lockdown due to Covid-19, recruitment and selection processes were put on hold.

Goods & Services: Underspending is mainly attributed due to Covid-19 lockdown. Therefore, travelling, accommodation, S&T; foreign travel by Department was put on hold. Attendance to workshops was drastically reduced.

Payments for Capital Assets: Underspending was mainly due to delays in capital projects and procurement of ICT equipment.

Payments for Financial Assets: Spending was mainly due to bad debts written off.

PROGRAMME 2	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
Inspection & Enforcement Services	R'000	R'000	R'000	%
Current payments	568 566	490 336	78 230	13.8%
Transfers and subsidies	1 977	1 970	7	0.4%
Payment for capital assets	17 906	7 125	10 781	60.2%
TOTAL	588 449	499 431	89 018	15.1%

The variances are mainly attributed to:

Current payments including:

Compensation of Employees: Underspending is mainly due to vacant posts, non-payment of performance bonuses and pay progressions; as a result of national lockdown due to Covid-19.

Goods & Services: Underspending is mainly attributed due to Covid-19 lockdown. Therefore, travelling, accommodation, S&T; foreign travel by Department was put on hold. Attendance to workshops was drastically reduced.

Payments for Capital Assets: Underspending is mainly due to delay in the procurement of ICT equipment.

PROGRAMME 3	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
	R'000	R'000	R'000	%
Public Employment Services				
Current payments	332 439	318 192	14 247	4.3%
Transfers and subsidies	275 723	274 704	1 019	0.4%
Payment for capital assets	5 502	5 502	-	0.0%
TOTAL	613 664	598 398	15 266	2.5%

The variances are mainly attributed to:

Current payments including:

Compensation of Employees: Underspending is mainly due to vacant posts, non-payment of performance bonuses and pay progressions; as a result of national lockdown due to Covid-19.

Goods & Services: Underspending is mainly attributed due to Covid-19 lockdown. Therefore, travelling, accommodation, S&T; foreign travel by Department was put on hold. Attendance to workshops was drastically reduced.

Transfers and Subsidies: Underspending is mainly due the fact that payments to the entities take place as per service level agreements.

PROGRAMME 4	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
	R'000	R'000	R'000	%
Labour Policy & Industrial Relations				
Current payments	136 979	126 806	10 173	7.4%
Transfers and subsidies	1 032 961	1 024 423	8 538	0.8%
Payment for capital assets	438	28	410	93.6%
TOTAL	1 170 378	1 151 257	19 121	1.6%

The variances are mainly attributed to:

Current payments including:

Compensation of Employees: Underspending is mainly due to vacant posts, non-payment of performance bonuses and pay progressions.

Goods & Services: Underspending is mainly attributed due to Covid-19 lockdown. Therefore, travelling, accommodation, S&T; foreign travel by Department was put on hold. Attendance to workshops was drastically reduced.

Transfers and Subsidies: Underspending is mainly due to exchange rate fluctuations and transfers to entities take place as per service level agreements.

Payments for Capital Assets: Underspending is mainly due to delay in the procurement of ICT equipment.

4.2 PER ECONOMIC CLASSIFICATION

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	1 351 527	1 224 273	127 254	9.4%
Goods and services	55 347	514 566	40 781	7.3%
Transfers and subsidies				
Provinces and municipalities	776	770	6	0.8%
Departmental agencies and accounts	1 048 040	1 047 734	306	0.0%
Foreign governments and international organisations	28 095	19 557	8 538	30.4%
Non-profit institutions	231 758	231 045	713	0.3%
Households	6 122	6 115	7	0.1%
Payments for capital assets				
Buildings and other fixed structures	17 662	17 662	-	0.0%
Machinery and equipment	49 766	31 156	18 610	37.4%
Software and other intangible assets	10 143	10 143	-	0.0%
Payments for financial assets	69	69	-	0.0%
TOTAL	3 299 305	3 103 090	196 215	5.9%

Refer to reasons for variances in the above-mentioned programmes



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

	NOTE	2020/21	2019/20
		R'000	R'000
REVENUE			
Annual appropriation	1	3 299 305	3 433 199
Departmental revenue	2	9 182	12 366
TOTAL REVENUE		3 308 487	3 445 565
EXPENDITURE			
Current expenditure			
Compensation of employees	3	1 224 273	1 253 326
Goods and services	4	514 566	580 000
Total current expenditure		1 738 839	1 833 326
Transfers and subsidies			
Transfers and subsidies	6	1 305 221	1 338 288
Total transfers and subsidies		1 305 221	1 338 288
Expenditure for capital assets			
Tangible assets	7	48 818	43 145
Intangible assets	7	10 143	-
Total expenditure for capital assets		58 961	43 145
Payments for financial assets	5	69	1 118
TOTAL EXPENDITURE		3 103 090	3 215 877
SURPLUS/(DEFICIT) FOR THE YEAR		205 397	229 688
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		196 215	217 322
Annual appropriation		196 215	217 322
Departmental revenue and NRF Receipts	12	9 182	12 366
SURPLUS/(DEFICIT) FOR THE YEAR		205 397	229 688

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	NOTE	2020/21	2019/20
		R'000	R'000
ASSETS			
Current assets		534 034	346 704
Cash and cash equivalents	8	858	434
Prepayments and advances	9	7 327	26 076
Receivables	10	525 849	320 194
Non-current assets		104 537	9 519
Receivables	10	104 537	9 519
TOTAL ASSETS		638 571	356 223
LIABILITIES			
Current liabilities		626 820	346 108
Voted funds to be surrendered to the Revenue Fund	11	196 215	217 322
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	669	646
Bank overdraft	13	424 659	124 243
Payables	14	5 277	3 897
Non-current liabilities		572	-
Payables	15	572	-
TOTAL LIABILITIES		627 392	346 108
NET ASSETS		11 179	10 115
Represented by:			
Recoverable revenue		11 179	10 115
TOTAL		11 179	10 115

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021

	NOTE	2020/21	2019/20
		R'000	R'000
Recoverable revenue			
Opening balance		10 115	9 287
Transfers:		1 064	828
Debts recovered (included in Departmental receipts)		(1 087)	(2 287)
Debts raised		2 151	3 115
TOTAL		11 179	10 115

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	NOTE	2020/21	2019/20
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 308 349	3 444 842
Annual appropriated funds received	1.1	3 299 305	3 433 199
Departmental revenue received	2	8 259	10 262
Interest received	2.3	785	1 381
Net (increase)/decrease in working capital		(185 526)	(164 690)
Surrendered to Revenue Fund		(226 482)	(208 616)
Current payments		(1 738 839)	(1 833 326)
Payments for financial assets		(69)	(1 118)
Transfers and subsidies paid		(1 305 221)	(1 338 288)
Net cash flow available from operating activities	16	(147 788)	(101 196)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(58 961)	(43 145)
Proceeds from sale of capital assets	2.4	138	723
(Increase)/decrease in non-current receivables	10	(95 018)	10 785
Net cash flows from investing activities		(153 841)	(31 637)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		1 064	828
Increase/ (decrease) in non-current payables		572	-
Net cash flows from financing activities		1 636	828
Net increase/(decrease) in cash and cash equivalents		(299 993)	(132 005)
Cash and cash equivalents at beginning of period		(123 808)	8 197
Cash and cash equivalents at end of period	17	(423 801)	(123 808)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the Department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA.

1. Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2. Going concern

The financial statements have been prepared on a going concern basis.

3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

4. Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6. Comparative information

6.1. Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2. Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7. Revenue

7.1. Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2. Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.



7.3. Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the Department's debt write-off policy

8. Expenditure

8.1. Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised

Due to the nature of activities, costs may be split between the Entities of the Department*. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.

The operating lease commitments are recorded in the notes to the financial statements.

Operating lease payments received are recognised as departmental revenue.

Due to the nature of activities, costs may be split between the Entities of the Department*. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

Finance lease payments received are recognised as departmental revenue.

Due to the nature of activities, costs may be split between the Entities of the Department*. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities.

9. Aid Assistance

9.1. Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

*Compensation Fund and Unemployment Insurance Fund.



9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position only when the department becomes party to the provisions of the arrangement and receives or disburses the cash.

The department may also recognise prepayments and advances in the statement of financial performance in accordance with MCS on Expenditure if the prepayment was budgeted for as an expense in the year in which the actual prepayment was made.

The department discloses in its notes for prepayments and advances a reconciliation of the opening balance and the closing balance at the end of the reporting period where goods and services were partially received.

Due to the nature of activities, costs may be split between the Entities of the Department*. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities.

12. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.

13. Investments

Investments are recognised in the statement of financial position at cost.

14. Financial assets

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15. Payables

Payables recognised in the statement of financial position are recognised at cost.

16. Capital Assets

16.1 Immovable capital assets

Immovable assets reflected in the asset register of the Department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

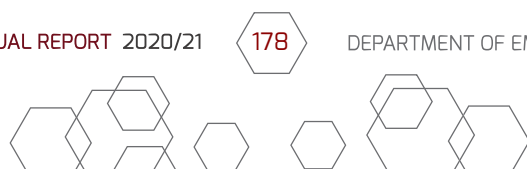
Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange

*Compensation Fund and Unemployment Insurance Fund.



transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 Project Costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the Department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17. Provisions and Contingents

17.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and 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 of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

Due to the nature of activities, costs may be split between the Entities of the Department*. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities.

*Compensation Fund and Unemployment Insurance Fund.



18. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23. Principal-Agent arrangements

The Department is not party to a principal-agent arrangement.

24. Departures from the MCS requirements

The financial statements present fairly the Department's primary and secondary information.

25. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.

26. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.



27. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements. Due to the nature of activities, costs may be split between the Entities of the Department*. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities.

28. Inventories

At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.

29. Public-Private Partnerships

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the Department are recorded in the notes to the financial statements.

30. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note. Due to the nature of activities, costs may be split between the Entities of the Department*. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities.

31. Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

32. Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

*Compensation Fund and Unemployment Insurance Fund.



PART B: EXPLANATORY NOTES

1. ANNUAL APPROPRIATION

1.1 ANNUAL APPROPRIATION

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds):

	2020/21			2019/20	
	FINAL APPROPRIATION	ACTUAL FUNDS RECEIVED	FUNDS NOT REQUESTED/NOT RECEIVED	FINAL APPROPRIATION	APPROPRIATION RECEIVED
	R'000	R'000	R'000	R'000	R'000
Administration	926 814	926 814	-	961 959	961 959
Inspection & Enforcement Services	613 449	613 449	-	631 133	631 133
Public Employment Services	588 664	588 664	-	611 198	611 198
Labour Policy & Industrial Relations	1 170 378	1 170 378	-	1 228 909	1 228 909
TOTAL	3 299 305	3 299 305	-	3 433 199	3 433 199

2. DEPARTMENTAL REVENUE

	NOTE	2020/21	2019/20
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	4 774	5 009
Fines, penalties and forfeits	2.2	100	853
Interest, dividends and rent on land	2.3	785	1 381
Sales of capital assets	2.4	138	723
Transactions in financial assets and liabilities	2.5	3 385	4 400
DEPARTMENTAL REVENUE COLLECTED		9 182	12 366

2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

	NOTE	2020/21	2019/20
		R'000	R'000
Sales of goods and services produced by the Department	2	4 766	4 996
Sales by market establishment		133	141
Administrative fees		2 019	2 336
Other sales		2 614	2 519
Sales of scrap, waste and other used current goods		8	13
TOTAL		4 774	5 009

2.2 FINES, PENALTIES AND FORFEITS

	NOTE	2020/21	2019/20
		R'000	R'000
Fines	2	100	853
TOTAL		100	853

2.3 INTEREST, DIVIDENDS AND RENT ON LAND

	NOTE	2020/21	2019/20
	2	R'000	R'000
Interest		785	1 381
TOTAL		785	1 381

2.4 SALE OF CAPITAL ASSETS

	NOTE	2020/21	2019/20
	2	R'000	R'000
Tangible assets			
Machinery and equipment	29	138	723
TOTAL		138	723

2.5 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

	NOTE	2020/21	2019/20
	2	R'000	R'000
Receivables		924	1 979
Other Receipts including Recoverable Revenue		2 461	2 421
TOTAL		3 385	4 400

3. COMPENSATION OF EMPLOYEES**3.1 SALARIES AND WAGES**

	NOTE	2020/21	2019/20
		R'000	R'000
Basic salary		874 067	886 376
Performance award		1 595	19 911
Service Based		2 170	2 701
Compensative/circumstantial		10 467	14 727
Other non-pensionable allowances		153 102	151 322
TOTAL		1 041 401	1 075 037

3.2 SOCIAL CONTRIBUTIONS

	NOTE	2020/21	2019/20
		R'000	R'000
Employer contributions			
Pension		111 764	113 552
Medical		70 722	64 427
Bargaining council		285	273
Insurance		101	37
TOTAL		182 872	178 289
TOTAL COMPENSATION OF EMPLOYEES		1 224 273	1 253 326
Average number of employees		2 807	2 852

4. GOODS AND SERVICES

	NOTE	2020/21	2019/20
		R'000	R'000
Administrative fees		2 322	9 090
Advertising		17 212	3 755
Minor assets	4.1	4 979	7 140
Bursaries (employees)		5 028	4 945
Catering		1 088	7 491
Communication		27 556	24 400
Computer services	4.2	87 781	88 251
Consultants: Business and advisory services		11 519	5 157
Legal services		9 443	14 248
Contractors		1 996	2 446
Agency and support / outsourced services		-	13
Entertainment		78	179
Audit cost – external	4.3	15 064	16 360
Fleet services		33 699	38 465
Consumables	4.4	30 352	18 831
Operating leases		156 804	141 411
Property payments	4.5	71 063	62 057
Rental and hiring		120	1 928
Transport provided as part of the departmental activities		-	374
Travel and subsistence	4.6	29 390	109 726
Venues and facilities		871	8 656
Training and development		2 791	6 228
Other operating expenditure	4.7	5 410	8 849
TOTAL		514 566	580 000

4.1 MINOR ASSETS

	NOTE	2020/21	2019/20
		R'000	R'000
Tangible assets	4		
Machinery and equipment		4 979	7 140
TOTAL		4 979	7 140

4.2 COMPUTER SERVICES

	NOTE	2020/21	2019/20
		R'000	R'000
SITA computer services	4	23 347	24 686
External computer service providers		64 434	63 565
TOTAL		87 781	88 251

4.3 AUDIT COST – EXTERNAL

	NOTE	2020/21	2019/20
	4	R'000	R'000
Regularity audits		15 064	16 360
TOTAL		15 064	16 360

4.4 CONSUMABLES

	NOTE	2020/21	2019/20
	4	R'000	R'000
Consumable supplies		19 679	4 713
Uniform and clothing		3 536	1 239
Household supplies		6 912	2 138
Building material and supplies		380	1 086
IT consumables		1 668	46
Other consumables		7 183	204
Stationery, printing and office supplies		10 673	14 118
TOTAL		30 352	18 831

4.5 PROPERTY PAYMENTS

	NOTE	2020/21	2019/20
	4	R'000	R'000
Municipal services		30 590	29 499
Property management fees		1 699	1 418
Property maintenance and repairs		3 231	5 025
Other		35 543	26 115
TOTAL		71 063	62 057

4.6 TRAVEL AND SUBSISTENCE

	NOTE	2020/21	2019/20
	4	R'000	R'000
Local		24 657	99 197
Foreign		4 733	10 529
TOTAL		29 390	109 726

4.7 OTHER OPERATING EXPENDITURE

	NOTE	2020/21	2019/20
	4	R'000	R'000
Professional bodies, membership and subscription fees		147	124
Resettlement costs		852	1 695
Other		4 411	7 030
TOTAL		5 410	8 849

5. PAYMENTS FOR FINANCIAL ASSETS

	NOTE	2020/21	2019/20
		R'000	R'000
Other material losses written off	5.1	69	1 118
TOTAL		69	1 118

5.1 OTHER MATERIAL LOSSES WRITTEN OFF

	NOTE	2020/21	2019/20
	5	R'000	R'000
Nature of losses			
Receivables relating to:			
Damaged vehicles		64	279
Fraud case		-	839
Traffic Fines		5	-
TOTAL		69	1 118

6. TRANSFERS AND SUBSIDIES

	NOTE	2020/21	2019/20
		R'000	R'000
Provinces and municipalities	Annexure 1A	770	863
Departmental agencies and accounts	Annexure 1B	1 047 734	1 121 383
Foreign governments and international organisations	Annexure 1C	19 557	17 585
Non-profit institutions	Annexure 1D	231 045	190 325
Households	Annexure 1E	6 115	8 132
TOTAL		1 305 221	1 338 288

7. EXPENDITURE FOR CAPITAL ASSETS

	NOTE	2020/21	2019/20
		R'000	R'000
Tangible assets			
Buildings and other fixed structures	31	17 662	10 247
Machinery and equipment	29	31 156	32 898
Intangible assets			
Software	30	10 143	-
TOTAL		58 961	43 145

7.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2020/21

	VOTED FUNDS	AID ASSISTANCE	TOTAL
	R'000	R'000	R'000
Tangible assets	48 818	-	48 818
Buildings and other fixed structures	17 662	-	17 662
Machinery and equipment	31 156	-	31 156
Intangible assets	10 143	-	10 143
Software	10 143	-	10 143
TOTAL	58 961	-	58 961

7.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2019/20

	VOTED FUNDS	AID ASSISTANCE	TOTAL
	R'000	R'000	R'000
Tangible assets	43 145	-	43 145
Buildings and other fixed structures	10 247	-	10 247
Machinery and equipment	32 898	-	32 898
TOTAL	43 145	-	43 145

7.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS

	NOTE	2020/21	2019/20
		R'000	R'000
Tangible assets			
Machinery and equipment		2 158	3 228
TOTAL		2 158	3 228

8. CASH AND CASH EQUIVALENTS

	NOTE	2020/21	2019/20
		R'000	R'000
Cash receipts		-	(1)
Disbursements		357	24
Cash on hand		501	411
TOTAL		858	434



9. PREPAYMENTS AND ADVANCES

	NOTE	2020/21	2019/20
		R'000	R'000
Travel and subsistence		-	120
Advances paid (Not expensed)	9.1	7 327	25 956
TOTAL		7 327	26 076

9.1 ADVANCES PAID (NOT EXPENSED)

	NOTE	BALANCE AS AT 1 APRIL 2020	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2021
		R'000	R'000	R'000	R'000	R'000
National Departments	9	24 280	(27 065)	511	8 183	5 909
Public entities		1 676	(258)	-	-	1 418
TOTAL		25 956	(27 323)	511	8 183	7 327

	NOTE	BALANCE AS AT 1 APRIL 2019	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2020
		R'000	R'000	R'000	R'000	R'000
National Departments	9	2 528	(4 107)	-	25 859	24 280
Public entities		1 428	(752)	-	1 000	1 676
TOTAL		3 956	(4 859)	-	26 859	25 956

9.2 PREPAYMENTS (EXPENSED)

	NOTE	AMOUNT AS AT 1 APRIL 2020	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2021
		R'000	R'000	R'000	R'000	R'000
Goods and services*		2 923	(15 910)	-	18 500	5 513
TOTAL		2 923	(15 910)	-	18 500	5 513

*This relates to amounts paid in advance for software related licences, maintenance agreements and other services.

	NOTE	AMOUNT AS AT 1 APRIL 2019	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2020
		R'000	R'000	R'000	R'000	R'000
Goods and services		9 867	(16 725)	-	9 781	2 923
TOTAL		9 867	(16 725)	-	9 781	2 923

9.3 ADVANCES PAID (EXPENSED)

	NOTE	AMOUNT AS AT 1 APRIL 2020	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2021
		R'000	R'000	R'000	R'000	R'000
Public entities		2 298	(60)	-	1 344	3 582
TOTAL		2 298	(60)	-	1 344	3 582

	NOTE	AMOUNT AS AT 1 APRIL 2019	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2020
		R'000	R'000	R'000	R'000	R'000
Public entities		2 023	(2 925)	-	3 200	2 298
TOTAL		2 023	(2 925)	-	3 200	2 298

10. RECEIVABLES

	NOTE	2020/21			2019/20		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	522 019	85 007	607 026	309 597	-	309 597
Recoverable expenditure	10.2	2 760	3 786	6 546	4 350	-	4 350
Staff debt	10.3	675	15 110	15 785	5 415	9 015	14 430
Fruitless and wasteful expenditure	10.4	4	19	23	467	-	467
Other receivables	10.5	391	615	1 006	365	504	869
TOTAL		525 849	104 537	630 386	320 194	9 519	329 713

10.1 CLAIMS RECOVERABLE

	NOTE	2020/21	2019/20
		R'000	R'000
	10 and Annex 3		
National Departments		56	748
Provincial Departments		185	84
Public entities		606 785	308 765
TOTAL		607 026	309 597

10.2 RECOVERABLE EXPENDITURE (DISALLOWANCE ACCOUNTS)

	NOTE	2020/21	2019/20
		R'000	R'000
	10		
Damaged vehicles		1 972	2 369
Salary clearing accounts		2 335	59
Damages & losses		1 027	960
Private telephone account		1 212	962
TOTAL		6 546	4 350

10.3 STAFF DEBT

	NOTE	2020/21	2019/20
		R'000	R'000
	10		
Losses & damages		1 758	1 462
Travel & subsistence		108	131
Bursaries		3 355	3 581
Salary overpayment (In-service)		3 278	435
Salary overpayment (Out of service)		1 643	4 051
Leave without pay		4 885	4 181
Other		758	589
TOTAL		15 785	14 430

10.4 FRUITLESS AND WASTEFUL EXPENDITURE

	NOTE	2020/21	2019/20
	10	R'000	R'000
Opening balance		467	-
Transfers from note 25 fruitless and wasteful expenditure		(444)	467
TOTAL		23	467

10.5 OTHER RECEIVABLES

	NOTE	2020/21	2019/20
	10	R'000	R'000
Salary clearing accounts		95	349
Transport payment suspense account		391	-
Supplier debt		520	520
TOTAL		1 006	869

10.6 IMPAIRMENT OF RECEIVABLES

	NOTE	2020/21	2019/20
		R'000	R'000
Estimate of impairment of receivables		94 107	33 952
TOTAL		94 107	33 952

11. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	NOTE	2020/21	2019/20
		R'000	R'000
Opening balance		217 323	196 179
Transfer from statement of financial performance (as restated)		196 215	217 323
Paid during the year		(217 323)	(196 179)
Closing balance		196 215	217 323

11.1 PRIOR PERIOD ERROR

	NOTE	2020/21	2019/20
Nature of prior period error			R'000
Relating to 2019/20			
2019/20 Funds to be surrendered (round-offs)			1
Total prior period errors			1
Prior year error that affected opening balance included above.			

12. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	NOTE	2020/21	2019/20
		R'000	R'000
Opening balance		646	718
Transfer from Statement of Financial Performance (as restated)		9 182	12 366
Paid during the year		(9 159)	(12 438)
Closing balance		669	646

13. BANK OVERDRAFT

	NOTE	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General Account*		424 659	124 243
TOTAL		424 659	124 243

*The PMG Account is in overdraft due to the expenditure incurred on behalf of the Unemployment Insurance Fund (UIF), the Compensation Fund (CF) and Supported Employment Enterprises (SEE). Such expenditure is not included in the Vote, but recovered from the respective entity. Increased settlement periods resulted in a significant increase when compared to the prior period.

14. PAYABLES – CURRENT

	NOTE	2020/21	2019/20
		R'000	R'000
Amounts owing to other entities		66	72
Clearing accounts	14.1	4 931	2 709
Other payables	14.2	280	1 116
TOTAL		5 277	3 897

14.1 CLEARING ACCOUNTS

	NOTE	2020/21	2019/20
	14	R'000	R'000
Salary clearing accounts		4 931	2 709
TOTAL		4 931	2 709

14.2 OTHER PAYABLES

	NOTE	2020/21	2019/20
	14	R'000	R'000
Arrear wages		280	1 116
TOTAL		280	1 116

15. PAYABLES – NON-CURRENT

	NOTE	ONE TO TWO YEARS	TWO TO THREE YEARS	MORE THAN THREE YEARS	2020/21	2019/20
					R'000	R'000
Other payables	15.1	572	-	-	572	-
TOTAL		572	-	-	572	-

15.1 OTHER PAYABLES

	NOTE	2020/21	2019/20
	15	R'000	R'000
Damaged vehicle		572	-
TOTAL		572	-

16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	NOTE	2020/21	2019/20
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		205 397	229 688
Add back non cash/cash movements not deemed operating activities		(353 185)	(330 884)
(Increase)/decrease in receivables		(205 655)	(143 889)
(Increase)/decrease in prepayments and advances		18 749	(21 779)
Increase/(decrease) in payables – current		1 380	978
Proceeds from sale of capital assets		(138)	(723)
Expenditure on capital assets		58 961	43 145
Surrenders to Revenue Fund		(226 482)	(208 616)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES		(147 788)	(101 196)

17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	NOTE	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General account		(424 659)	(124 243)
Cash receipts		-	(1)
Disbursements		357	24
Cash on hand		501	412
TOTAL		(423 801)	(123 808)

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**18.1 CONTINGENT LIABILITIES**

		NOTE	2020/21	2019/20
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 2A	1 352	1 542
Claims against the Department		Annex 2B	3 132	4 469
Intergovernmental payables (unconfirmed balances)		Annex 4	2 349	2 105
TOTAL			6 833	8 116

For unpaid salary adjustments as at 31 March 2021, the Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute.

18.2 CONTINGENT ASSETS

	NOTE	2020/21	2019/20
		R'000	R'000
Nature of contingent asset			
Third party litigations – motor vehicle accidents		1 630	1 364
Third party litigations – bursary claim		25	-
TOTAL		1 655	1 364

19. CAPITAL COMMITMENTS

	NOTE	2020/21	2019/20
		R'000	R'000
Intangible assets		280 875	291 915
TOTAL		280 875	291 915

Capital commitments: Total includes Unemployment Insurance Fund for R 112 349 808.91 and Compensation Fund for R 112 349 808.91.

Capital commitments (2019/20): Total includes Unemployment Insurance Fund for R 116 765 808.91 and Compensation Fund for R 116 765 808.91.

The Department entered into a contract with Alteram Solutions (PTY) LTD for the provision of joint SAP support services to the office of the CIO relating to SAP applications utilised by the Department, the UIF and the CF. These services are set out in Schedules A - E to the Master Agreement and encompass both the provision of resources as well as enhancements and "bug-fixes". In this respect, the contract was entered into based on a percentage split for joint services however, some schedules relate to systems specific to an entity. In this respect, Schedule B relates to an ERP system utilised by the UIF and portions of Schedule C relate to the ICD which is a joint system.

19.1 PRIOR PERIOD ERROR

	NOTE	2019/20
		R'000
Nature of prior period error		
Relating to 2019/20		
Retrospective recognition of capital portion of Alteram Solutions contract commitment		48 715
Total prior period errors		48 715
Prior year error that affected opening balance included above		

20. ACCRUALS AND PAYABLES NOT RECOGNISED**20.1 ACCRUALS**

			2020/21	2019/20
Listed by economic classification	R'000	R'000	R'000	R'000
	30 Days	30+ Days	Total	Total
Goods and services	36 797	11 560	48 357	44 031
Capital assets	362	-	362	415
TOTAL*	37 159	11 560	48 719	44 446

	NOTE	2020/21	2019/20
Listed by programme level		R'000	R'000
Programme 1 – Administration		22 394	29 363
Programme 2 – Inspection and Enforcement Services		2 591	1 596
Programme 3 – Public Employment Services*		22 983	12 920
Programme 4 – Labour Policy and Industrial Relations		751	567
TOTAL**		48 719	44 446

*Total includes accruals on behalf of Unemployment Insurance Fund for R10 758 526.96 and Compensation Fund for R 9 955 009.48.

*2019/20: Total includes accruals on behalf of Unemployment Insurance Fund for R6 453 371.26 and Compensation Fund for R 5 048 777.47.

** Reasons for material accruals: Accruals relating to Cleaning, Security & Other Contractual Services (R 6.8 mil), SITA & Other Computer Services (R 10.5 mil), Operating Leases (DPW) (R 3.2 mil), Travel & Accommodation (R 9 mil) as well as Cell Phone Services (R 5.2 mil).

20.2 PAYABLES NOT RECOGNISED

			2020/21	2019/20
Listed by economic classification	R'000	R'000	R'000	R'000
	30 Days	30+ Days	Total	Total
Goods and services	2 106	126	2 232	1 060
Capital assets	22	-	22	-
TOTAL	2 128	126	2 254	1 060

	NOTE	2020/21	2019/20
Listed by programme level		R'000	R'000
Programme 1 – Administration		1 412	710
Programme 2 – Inspection and Enforcement Services		49	19
Programme 3 – Public Employment Services*		619	329
Programme 4 – Labour Policy and Industrial Relations		174	2
TOTAL		2 254	1 060

*Total includes payables on behalf of Unemployment Insurance Fund for R 90 774.00 and Compensation Fund for R 57 727.22.

*2019/20: Total includes accruals on behalf of Unemployment Insurance Fund for R9 007.05 and Compensation Fund for R 21 267.21.

	NOTE	2020/21	2019/20
Included in note 20.1 are the following:		R'000	R'000
Confirmed balances with other Departments	Annex 4	2 687	693
Confirmed balances with other government entities	Annex 4	-	110
TOTAL		2 687	803

Confirmed balances disclosed in Annexure 4 to the Annual Financial Statements.

21. EMPLOYEE BENEFITS

	NOTE	2020/21	2019/20
		R'000	R'000
Leave entitlement*		83 240	56 175
Service bonus		37 196	37 697
Performance awards		22 767	12 194
Capped leave		23 818	27 063
Long service award		367	150
TOTAL		167 388	133 279

*During January 2021 to March 2021, leave is at times taken in excess of the accrued leave days (one quarter of leave entitlement) and these results in negative balances at year-end. Included in the leave entitlement of R 83 239 547.95 for the year-ended 31 March 2021, the value of leave with negative balances amounts to R517 600.42

22. LEASE COMMITMENTS

22.1 OPERATING LEASES

2020/21	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Not later than 1 year	147 058	6 190	153 248
Later than 1 year and not later than 5 years	208 507	9 078	217 585
Later than five years	11 271	-	11 271
TOTAL LEASE COMMITMENTS	366 836	15 268	382 104

Buildings & other fixed structures: Total includes Unemployment Insurance Fund for R 110 050 901.65 and Compensation Fund for R 58 693 814.21.

Machinery & equipment: Total includes Unemployment Insurance Fund for R 210 451.36 and Compensation Fund for R 168 991.08.

2019/20	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Not later than 1 year	111 334	3 720	115 054
Later than 1 year and not later than 5 years	192 613	768	193 381
Later than five years	27 500	-	27 500
TOTAL LEASE COMMITMENTS	331 447	4 488	335 935

The main leasing arrangement is for leasing of Department of Public Works (DPW) buildings and photocopy machines.

There are no assets that are being sub-leased.

Buildings & other fixed structures: Total includes Unemployment Insurance Fund for R 99 433 988.73 and Compensation Fund for R 53 031 460.66.

Machinery & equipment: Total includes Unemployment Insurance Fund for R 1 109 304.27 and Compensation Fund for R 217 074.74.

22.2 FINANCE LEASES

2020/21	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Not later than 1 year	-	4 230	4 230
Later than 1 year and not later than 5 years	-	1 860	1 860
TOTAL LEASE COMMITMENTS	-	6 090	6 090

Total includes Unemployment Insurance Fund for R1 052 840.42, Compensation Fund for R582 528.31 and Sheltered Employment Enterprises for R44 059.10.

2019/20	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Not later than 1 year	-	650	650
Later than 1 year and not later than 5 years	-	26	26
TOTAL LEASE COMMITMENTS	-	676	676

The main leasing arrangement is for leasing of mobile devices (tablets & cell phones) from Vodacom (RT15/2016 transversal contract through the National Treasury).

There are no assets that are being sub-leased.

23. ACCRUED DEPARTMENTAL REVENUE

	NOTE	2020/21	2019/20
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets		15	1
Interest, dividends and rent on land		-	168
TOTAL		15	169

23.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

	NOTE	2020/21	2019/20
		R'000	R'000
Opening balance		169	152
Loss: amounts received		(169)	(152)
Add: amounts recorded		15	169
CLOSING BALANCE		15	169

24. IRREGULAR EXPENDITURE**24.1 RECONCILIATION OF IRREGULAR EXPENDITURE**

	NOTE	2020/21	2019/20
		R'000	R'000
Opening balance		40 248	38 926
Prior year error		-	(2)
Add: Irregular expenditure – relating to prior year		-	17
Add: Irregular expenditure – relating to current year		32 703	1 350
Less: Prior year amounts condoned		(2)	(43)
Less: Current year amounts not condoned and removed		(2 337)	-
Less: Amounts recoverable (current and prior year)	10	(2)	-
CLOSING BALANCE		70 610	40 248

	UNDER ASSESSMENT	AWAITING WRITE-OFF & REMOVAL	AWAITING CONDONATION	AWAITING RECOVERY	2020/21 TOTAL	2019/20 TOTAL
Current year	32 703	-	-	-	32 703	1 496
Prior year	34 948	-	2 948	11	37 907	38 752
CLOSING BALANCE	67 651	-	2 948	11	70 610	40 248

24.2 DETAILS OF CURRENT AND PRIOR YEAR IRREGULAR EXPENDITURE – ADDED CURRENT YEAR (UNDER DETERMINATION AND INVESTIGATION)

INCIDENT	DISCIPLINARY STEPS TAKEN/CRIMINAL PROCEEDINGS	2020/21 R'000
Software license extension exceeded threshold value of R15m – discovered by SCM		24 675
Security contact extension exceeded threshold value of R15m – discovered by SCM		3 115
eGov services not approved- discovered by SCM		1 846
Other SCM processes not followed- discovered by SCM		62
SCM processes not followed- discovered by SCM		3 005
TOTAL		32 703

24.3 DETAILS OF IRREGULAR EXPENDITURE CONDONED

		2020/21
INCIDENT	CONDONED BY (RELEVANT AUTHORITY)	R'000
Other SCM processes not followed- discovered by SCM	Director-General	(2)
TOTAL		(2)

24.4 DETAILS OF IRREGULAR EXPENDITURE RECOVERABLE (NOT CONDONED)

		2020/21
INCIDENT		R'000
Other SCM processes not followed- discovered by SCM		(2)
TOTAL		(2)

24.5 DETAILS OF IRREGULAR EXPENDITURE REMOVED - (NOT CONDONED)

		2020/21
INCIDENT	NOT CONDONED BY (RELEVANT AUTHORITY)	R'000
Other SCM processes not followed- discovered by SCM	National Treasury	(92)
SCM processes not followed- discovered by SCM	National Treasury	(2 245)
TOTAL		(2 337)

24.6 DETAILS OF IRREGULAR EXPENDITURES UNDER ASSESSMENT (NOT INCLUDED IN THE MAIN NOTE)

		2020/21
INCIDENT		R'000
Software license extension exceeded threshold of R15m – discovered by SCM		24 675
Security contact extension exceeded threshold of R15m – discovered by SCM		3 115
eGov services not approved- discovered by SCM		1 846
Other SCM processes not followed- discovered by SCM		30 960
SCM processes not followed – discovered by AG		6 914
Other IE cases discovered		141
TOTAL		67 651

24.7 PRIOR PERIOD ERROR

		2019/20
INCIDENT		R'000
Nature of prior period error		
Relating to 2019/20		
Correction of irregular expenditure incorrectly disclosed in prior year		(2)
TOTAL PRIOR PERIOD ERRORS		(2)
Prior year error that affected opening balance included above.		

25. FRUITLESS AND WASTEFUL EXPENDITURE

25.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

	NOTE	2020/21	2019/20
		R'000	R'000
Opening balance		2 636	5 300
Prior period error		-	(2 274)
Fruitless and wasteful expenditure – relating to prior year		655	586
Fruitless and wasteful expenditure – relating to current year		72	112
Less: Amounts recoverable	10.4	(3)	(464)
Less: Amounts written off		(109)	(624)
CLOSING BALANCE		3 251	2 636

25.2 DETAILS OF CURRENT AND PRIOR YEAR FRUITLESS AND WASTEFUL EXPENDITURE – ADDED CURRENT YEAR (UNDER DETERMINATION AND INVESTIGATION)

INCIDENT	DISCIPLINARY STEPS TAKEN/CRIMINAL PROCEEDINGS	2020/21 R'000
No shows- accommodation	In process	24
No shows- other	In process	3
Vehicle related damages/accidents	In process	41
Interest, penalties & fines	In process	4
Procurement related	In process	655
TOTAL		727

25.3 DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE RECOVERABLE

INCIDENT	2020/21 R'000
Incident	
Vehicle related damages/accidents	(2)
Interest, penalties & fines	(1)
TOTAL	(3)

25.4 DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE WRITTEN OFF

INCIDENT	2020/21 R'000
No shows- accommodation	(3)
No shows- other	(3)
Vehicle related damages/accidents	(100)
Procurement related	(3)
TOTAL	(109)

25.5 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2019/20 R'000
Relating to 2019/20	
Correction of fruitless and wasteful expenditure in respect of vehicle related damages/accidents incorrectly disclosed in prior year	(2 274)
TOTAL PRIOR PERIOD ERRORS	(2 274)

Prior year error that affected opening balance included above.

25.6 DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURES UNDER ASSESSMENT (NOT INCLUDED IN THE MAIN NOTE)

INCIDENT	2020/21 R'000
No shows- accommodation	78
No shows- other	42
Vehicle related damages/accidents	1 218
Imbizos & other related events	43
Procurement related	1 630
Interest, penalties & fines	206
TOTAL	3 217

26. RELATED PARTY TRANSACTIONS**PAYMENTS MADE IN KIND TO SEE**

ITEM CLASSIFICATION	NATURE OF PAYMENT	2020/21 R'000	2019/20 R'000
Compensation of employees	Employee costs	5 911	5 994
Compensation of employees	Internal audit costs	277	356
Goods and services	Municipal costs	831	1 747
Goods and services	Employee costs	50	118
TOTAL		7 069	8 215

GOODS AND SERVICE RECEIVED IN KIND

LIST OF GOODS AND SERVICES	RELATED PARTIES	2020/21 R'000	2019/20 R'000
Computer equipment	Compensation Fund	14 576	-
TOTAL		14 576	-

State Owned Properties occupied by SEE form part of the Employment and Labour portfolio.

26.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2019/20 R'000
Retrospective adjustment of 2019/20 related party transactions:	
Compensation of Employees	
- full remuneration to acting CFO (previously disclosed acting allowance) & CEO (previously not disclosed)	1 147
Goods and Services	
- municipal costs include Potchefstroom factory (previously not disclosed)	7
Goods and Services	
- Correction of classification for travel & subsistence costs for acting CFO & CEO (previously disclosed under Compensation of Employees)	118
TOTAL PRIOR PERIOD ERRORS	1 272

Prior year error that affected opening balance included above.

Public Entities controlled by the Department of Employment and Labour

Compensation Fund (CF)

Unemployment Insurance Fund (UIF)

Supported Employment Enterprises (SEE)

Commission for Conciliation Mediation & Arbitration (CCMA)

National Economic Development & Labour Council (NEDLAC)

Productivity South Africa (PSA)

27. KEY MANAGEMENT PERSONNEL

	NO. OF INDIVIDUALS	2020/21 R'000	2019/20 R'000
Political office bearers	2	4 246	6 610
Officials:			
DG to DDGs (Level 15 to 16)	8	13 553	14 003
Chief Directors (Level 14)	27	26 563	23 811
Directors (Level 13)	2	1 264	1 849
Acting positions	1	18	104
TOTAL		45 644	46 377

27.1 PRIOR PERIOD ERROR

Nature of prior period error	NOTE	2019/20
Relating to 2019/20		
DG to DDGs (Level 15 to 16)		(3 218)
Chief Directors (Level 14)		(17 549)
Directors (Level 13)		1 849
Acting positions		(120)
TOTAL PRIOR PERIOD ERRORS		(19 038)

Prior year error that affected opening balance included above.

28. PROVISIONS

	NOTE	2020/21	2019/20
		R'000	R'000
Litigations against the state		307	585
TOTAL		307	585

Provision relates to claims in respect of vehicle accidents and damages. As part of claim, assessed quotations provided sufficiently reliable estimate of the recorded values and level of certainty with regards to the settlement of these obligations.

28.1 RECONCILIATION OF MOVEMENT IN PROVISIONS – 2020/21

	LITIGATIONS	TOTAL PROVISIONS
	R'000	R'000
Opening balance	585	585
Increase in provision	127	127
Settlement of provision	(387)	(387)
Change in provision due to change in estimation of inputs	(18)	(18)
CLOSING BALANCE	307	307

RECONCILIATION OF MOVEMENT IN PROVISIONS – 2019/20

	LITIGATIONS	TOTAL PROVISIONS
	R'000	R'000
Opening balance	99	99
Increase in provision	877	877
Settlement of provision	(421)	(421)
Change in provision due to change in estimation of inputs	30	30
CLOSING BALANCE	585	585

29. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021					
	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	522 011	-	44 175	(4 561)	561 625
Transport assets	223 646	-	6 689	(238)	230 097
Computer equipment	197 129	-	34 342	(2 527)	228 944
Furniture and office equipment	66 972	-	1 183	(481)	67 674
Other machinery and equipment	34 264	-	1 961	(1 315)	34 910
TOTAL CAPITAL ASSETS	522 011	-	44 175	(4 561)	561 625

MOVABLE TANGIBLE CAPITAL ASSETS UNDER INVESTIGATION		
INCLUDED IN THE ABOVE TOTAL OF THE MOVABLE TANGIBLE CAPITAL ASSETS PER THE ASSET REGISTER ARE ASSETS THAT ARE UNDER INVESTIGATION:	NUMBER	VALUE R'000
Machinery and equipment*	143	4 321

*Vehicles damaged/stolen, under investigation.

*IT equipment stolen/lost, under investigation.

*Asset stolen/lost, under investigation.

29.1 ADDITIONS

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021					
	CASH	NON-CASH*	(CAPITAL WORK IN PROGRESS CURRENT COSTS AND FINANCE LEASE PAYMENTS)	RECEIVED CURRENT, NOT PAID (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	31 156	14 709	(2 158)	468	44 175
Transport assets	6 689	-	-	-	6 689
Computer equipment	19 298	14 576	-	468	34 342
Furniture and office equipment	1 050	133	-	-	1 183
Other machinery and equipment	4 119	-	(2 158)	-	1 961
TOTAL ADDITIONS	31 156	14 709	(2 158)	468	44 175

*Non-cash: Compensation Fund transferred assets to the Department.

29.2 DISPOSALS

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021				
	SOLD FOR CASH	NON-CASH DISPOSAL	TOTAL DISPOSALS	CASH RECEIVED ACTUAL
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	(4 561)	(4 561)	(138)
Transport assets	-	(238)	(238)	(134)
Computer equipment	-	(2 527)	(2 527)	-
Furniture and office equipment	-	(481)	(481)	-
Other machinery and equipment	-	(1 315)	(1 315)	(4)
TOTAL DISPOSAL	-	(4 561)	(4 561)	(138)

29.3 MOVEMENT FOR 2019/20

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020					
	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	485 301	15 655	30 957	(9 902)	522 011
Transport assets	217 089	1 506	8 104	(3 053)	223 646
Computer equipment	171 233	13 720	17 308	(5 132)	197 129
Furniture and office equipment	63 773	561	3 238	(600)	66 972
Other machinery and equipment	33 206	(132)	2 307	(1 117)	34 264
TOTAL MOVABLE TANGIBLE	485 301	15 655	30 957	(9 902)	522 011

29.3.1 PRIOR PERIOD ERROR

	NOTE	2019/20
Nature of prior period error		R'000
Relating to 2019/20		
Reclassification of assets category and price corrections		(860)
In-crease/De-crease of prior year assets (incomplete asset transfer transactions)		3 528
Adjustment to prior period additions (incorrect asset reversal transactions)		11 178
Adjustment to prior period additions (reconciliation of assets received/paid)		1 809
Total prior period errors		15 655

Prior year error that affected opening balance included above.

29.4 MINOR ASSETS

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021			
	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Opening balance	15	135 772	135 787
Value adjustments	-	-	-
Additions*	-	7 838	7 838
Disposals	-	(3 574)	(3 574)
TOTAL MINOR ASSETS	15	140 036	140 051

*Compensation Fund transferred assets to the Department, an amount of R 80 560.92 was included in the Additions above.

*Finance Leases for R 1 408 217.20 was included in the Additions above.

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Number of R1 minor assets	-	9 463	9 463
Number of minor assets at cost	4	105 542	105 546
TOTAL NUMBER OF MINOR ASSETS	4	115 005	115 009

MINOR CAPITAL ASSETS UNDER INVESTIGATION		
INCLUDED IN THE ABOVE TOTAL OF THE MINOR CAPITAL ASSETS PER THE ASSET REGISTER ARE ASSETS THAT ARE UNDER INVESTIGATION:	NUMBER	VALUE R'000
Machinery and equipment*	115	352

*IT equipment stolen/lost, under investigation.

*Asset stolen/lost, under investigation.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020			
	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Opening balance	15	131 000	131 015
Prior period error	-	333	333
Additions	-	17 554	17 554
Disposals	-	(13 115)	(13 115)
TOTAL MINOR ASSETS	15	135 772	135 787

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Number of R1 minor assets	-	9 280	9 280
Number of minor assets at cost	4	102 423	102 427
TOTAL NUMBER OF MINOR ASSETS	4	111 703	111 707

29.4.1 Prior period error

	NOTE	2019/20
NATURE OF PRIOR PERIOD ERROR		R'000
Relating to 2019/20		
Reclassification of assets category and price corrections		(69)
In-crease/De-crease of prior year assets (incomplete asset transfer transactions)		156
Adjustment to prior period additions (reconciliation of assets received/paid)		246
Total prior period errors		333

Prior year error that affected opening balance included above.

29.5 MOVABLE ASSETS WRITTEN OFF

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021			
	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Assets written off	-	1 118	1 118
TOTAL MOVABLE ASSETS WRITTEN OFF	-	1 118	1 118

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020			
	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Assets written off	-	3 981	3 981
TOTAL MOVABLE ASSETS WRITTEN OFF	-	3 981	3 981

30. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021					
	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	145 087	-	10 143	-	155 230
TOTAL INTANGIBLE ASSETS	145 087	-	10 143	-	155 230

30.1 ADDITIONS

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021					
	CASH	NON-CASH	(DEVELOPMENT WORK IN PROGRESS - CURRENT COSTS)	RECEIVED CURRENT, NOT PAID (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	10 143	-	-	-	10 143
TOTAL ADDITIONS	10 143	-	-	-	10 143

30.2 MOVEMENT FOR 2019/20

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020					
	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	144 413	674	-	-	145 087
TOTAL INTANGIBLE ASSETS	144 413	674	-	-	145 087

30.2.1 Prior period error

	NOTE	2019/20
NATURE OF PRIOR PERIOD ERROR		R'000
Relating to 2019/20		
Prior year period intangible asset correction in respect of recognition capital expenditure portion of the Alteram Solutions' contract		674
Total prior period errors		674

Prior year error that affected opening balance included above.

31. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021					
	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	141	-	58	-	199
Non-residential buildings	141	-	58	-	199
TOTAL TANGIBLE CAPITAL ASSETS	141	-	58	-	199

31.1 ADDITIONS

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021					
	CASH	NON-CASH	(CAPITAL WORK IN PROGRESS CURRENT COSTS AND FINANCE LEASE PAYMENTS)	RECEIVED CURRENT, NOT PAID (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	17 662	-	(17 626)	22	58
Non-residential buildings	17 662	-	(17 626)	22	58
TOTAL ADDITIONS	17 662	-	(17 626)	22	58

31.2 MOVEMENT FOR 2019/20

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	169	(456)	456	(28)	141
Non-residential buildings	169	(456)	456	(28)	141
TOTAL TANGIBLE CAPITAL ASSETS	169	(456)	456	(28)	141

31.2.1 Prior period error

	NOTE	2019/20
Nature of prior period error		R'000
Relating to 2019/20		
Recognition of 2019/20 asset accruals		
- received in 2018/19 and paid in 2019/20		(232)
Reclassification of assets category		
- correction from immovable (wendy) to movable assets (machinery)		(224)
Total prior period errors		(456)
Prior year error that affected opening balance included above.		

32. COVID-19 RESPONSE EXPENDITURE

	NOTE	2020/21	2019/20
		R'000	R'000
Goods and services	Annexure 7	18 618	513
TOTAL		18 618	513

32.1 PRIOR PERIOD ERROR

	NOTE	2019/20
Nature of prior period error		R'000
Relating to 2019/20		
Retrospective recognition of 2019/20 Covid-19 expenditure		513
Total prior period errors		513
Prior year error that affected opening balance included above.		

33. PRIOR PERIOD ERRORS

33.1 CORRECTION OF PRIOR PERIOD ERRORS

	NOTE	AMOUNT BEF ERROR CORRECTION AMOUNT	PRIOR PERIOD ERROR	RESTATED
		2019/20	2019/20	2019/20
Other:		R'000	R'000	R'000
Voted funds to be surrendered to the revenue fund	11.1	217 322	1	217 323
Capital commitments	19.1	243 200	48 715	291 915
Irregular expenditure	24.7	40 250	(2)	40 248
Fruitless and wasteful expenditure	25.5	4 910	(2 274)	2 636
Related party transactions	26.1	6 943	1 272	8 215
Key management personnel	27.1	65 415	(19 038)	46 377
Movable tangible capital assets	29.3.1	506 356	15 655	522 011
Minor assets	29.4.1	135 454	333	135 787
Intangible capital assets	30.2.1	144 413	674	145 087
Immovable tangible capital assets	31.2.1	597	(456)	141
Covid-19 response expenditure	32.1	-	513	513
Net effect		1 364 860	45 393	1 410 253

For descriptions of the nature of the prior period errors, refer to the respective notes.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER						SPENT			2019/20	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	R'000	R'000	R'000
Transfers															
Municipal Vehicle Licences*	707	-	69	776	770	-	-	-	-	-	-	863	-	-	-
TOTAL	707	-	69	776	770	-	-	-	-	-	-	863	-	-	-

*Vehicles in all Provincial Offices and Labour Centres – amount paid to municipalities across the country.

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				EXPENDITURE		2019/20 FINAL APPROPRIATION R'000
	ADJUSTED APPROPRIATION ACT R'000	ROLL OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	% OF AVAILABLE FUNDS TRANSFERRED %	
Transfers							
Licences (Radio & TV)	-	-	137	137	137	100%	15
Compensation Fund (CF)	17 805	-	(17 500)	305	-	-	40 107
Unemployment Insurance Fund (UIF)	1	-	-	1	-	-	-
Commission for Conciliation, Mediation & Arbitration (CCMA)	935 810	-	-	935 810	935 810	100%	976 810
Productivity SA	56 309	-	-	56 309	56 309	100%	63 710
National Economic Development & Labour Council (NEDLAC)	55 478	-	-	55 478	55 478	100%	40 741
TOTAL	1 065 403	-	(17 363)	1 048 040	1 047 734		1 121 383

ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2019/20 FINAL APPROPRIATION R'000
	ADJUSTED APPROPRIATION ACT R'000	ROLL-OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	% OF AVAILABLE FUNDS TRANSFERRED %	
Transfers							
International Labour Organisation (ILO)	26 720	-	-	26 720	18 471	69%	16 515
African Regional Labour Administration Centre (ARLAC)	1 375	-	-	1 375	1 086	79%	1 070
TOTAL	28 095	-	-	28 095	19 557		17 585

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION			EXPENDITURE		2019/20
	ADJUSTED APPROPRIATION ACT R'000	ROLL OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	
Transfers						
Workshop for the Blind	22 709	-	-	22 709	21 996	97%
Strengthen Civil Society	20 365	-	(6 865)	13 500	13 500	100%
TOTAL	43 074	-	(6 865)	36 209	35 496	

Public Employment Services (PES) transfers funds to subsidised workshops for the blind and subsidised work centres for people with disabilities. (Supported Employment Enterprises - SEE)

ANNEXURE 1D (1)

STATEMENT OF TRANSFERS TO SUPPORTED EMPLOYMENT ENTERPRISES

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION			EXPENDITURE		2019/20
	ADJUSTED APPROPRIATION ACT R'000	ROLL OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	
Transfers						
Workcentres for the Disabled	153 049	-	42 500	195 549	195 549	100%
TOTAL	153 049	-	42 500	195 549	195 549	

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20 FINAL APPROPRIATION R'000
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Retirement benefits	-	-	-	-	-	-	2 034
Leave gratuity	1 604	-	3 678	5 282	5 274	100%	4 006
Ex gratia payments	350	-	491	841	841	100%	2 092
TOTAL	1 954	-	4 169	6 123	6 115		8 132

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/21		2019/20 R'000
	R'000	%	
Made in kind			
Office furniture and equipment			
Reform Church Libangeni	-	-	12
TOTAL	-	-	12

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 – LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2020	ADJUSTMENT TO OPENING BALANCE	GUARANTEES DRAWN DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	CLOSING BALANCE 31 MARCH 2021	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2021
	Housing								
Standard Bank of SA Limited	Housing Loan Guarantee	267	267	-	-	(31)	236	-	-
Nedbank Limited (former Cape of Good Hope)	Housing Loan Guarantee	16	16	-	-	-	16	-	-
Nedbank limited	Housing Loan Guarantee	158	158	-	-	-	158	-	-
Firstrand Bank Limited: FNB	Housing Loan Guarantee	189	189	-	-	(16)	173	-	-
ABSA	Housing Loan Guarantee	116	116	-	-	-	116	-	-
Company Unique Finance (PTY)	Housing Loan Guarantee	30	30	-	-	-	30	-	-
Old Mutual Finance Limited	Housing Loan Guarantee	17	17	-	-	-	17	-	-
Peoples Bank (former FBC Fidelity Bank)	Housing Loan Guarantee	140	140	-	-	(34)	106	-	-
Nedbank LTD Incorporation (Former FBC Peoples Bank NBS)	Housing Loan Guarantee	148	148	-	-	(16)	132	-	-
Firstrand Bank Limited: FNB (former Saambou)	Housing Loan Guarantee	222	222	-	-	(28)	194	-	-
Old Mutual Bank Division of Nedbank (former PERM)	Housing Loan Guarantee	200	200	(11)	-	(54)	135	-	-
Future Bank Corporation Limited	Housing Loan Guarantee	14	14	-	-	-	14	-	-
Free State Development Corporation	Housing Loan Guarantee	17	17	-	-	-	17	-	-
VBS Mutual Bank	Housing Loan Guarantee	8	8	-	-	-	8	-	-
	TOTAL	1 542	1 542	(11)	-	(179)	1 352	-	-

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

NATURE OF LIABILITY	OPENING BALANCE		LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE	
	1 APRIL 2020	31 MARCH 2021					
Claims against the Department							
Claims: Supplier-related	312	312	243	(243)	-	312	312
Claims: Employee-related	339	339	-	-	-	339	339
Civil Claims	3 818	3 818	75	(1 412)	-	2 481	2 481
TOTAL	4 469	4 469	318	(1 655)	-	3 132	3 132

ANNEXURE 3

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2020/21	
	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000	RECEIPT DATE UP TO SIX (6) WORKING DAYS AFTER YEAR END	AMOUNT R'000
Department								
Presidency	-	730	-	-	-	730		-
National Department of Health	3	2	-	-	3	2		-
National Department: Rural Development and Land Reform	13	13	-	-	13	13		-
Office of the Chief Justice	40	3	-	-	40	3		-
COGTA & Human Settlement: Limpopo	-	8	-	-	-	8		-
Department Provincial Sport, Arts & Culture: Limpopo	32	-	-	-	32	-		-
Department of Education: Gauteng	-	76	-	-	-	76		-
Department of Health: Eastern Cape	100	-	-	-	100	-		-
Department of Health: North West	21	-	-	-	21	-		-
Treasury: Gauteng	32	-	-	-	32	-		-
Other Government Entities								
Compensation Fund (CF)	259 183	64 563	-	-	259 183	64 563		-
Unemployment Insurance Funds (UIF)	347 375	243 933	-	-	347 375	243 933		-
Supported Employment Enterprises (SEE)	163	269	-	-	163	269		-
NEDLAC	64	-	-	-	64	-		-
TOTAL	607 026	309 597	-	-	607 026	309 597		-

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2020/21 PAYMENT DATE UP TO SIX (6) WORKING DAYS BEFORE YEAR END	AMOUNT
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Departments								
Current								
International Relations & Cooperation	-	-	187	1 128	187	1 128		-
Justice & Constitutional Development	2 540	693	2 162	865	4 702	1 558		-
South African Police Service	88	-	-	-	88	-		-
Police, Roads & Transport (Free State)	19	-	-	-	19	-		-
Mineral Resources & Energy	40	-	-	-	40	-		-
Other Government Entities								
Current								
Government Printing	-	110	-	112	-	222		-
TOTAL INTERGOVERNMENT PAYABLES	2 687	803	2 349	2 105	5 036	2 908		-

ANNEXURE 5

INVENTORIES

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2021	LEARNING, TEACHING AND SUPPORT MATERIAL		MATERIALS AND SUPPLIES		OTHER SUPPLIES		INVENTORY NOT YET CLASSIFIED		TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Opening balance	-	-	-	-	-	-	-	-	-
Add/(Less): Adjustments to prior year balances	-	-	-	-	-	-	-	-	-
Add: Additions/Purchases – Cash	-	-	3	260	80	343	-	-	343
Add: Additions- Non-cash	-	-	-	-	-	-	-	-	-
(Less): Disposals	-	-	-	-	-	-	-	-	-
(Less): Issues	-	-	(3)	(80)	(80)	(83)	-	-	(83)
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	(260)	(260)	(260)	-	-	(260)
CLOSING BALANCE	-	-	-	-	-	-	-	-	-

ANNEXURES (CONTINUED)

INVENTORIES

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2020	LEARNING, TEACHING AND SUPPORT MATERIAL		MATERIALS AND SUPPLIES		OTHER SUPPLIES		INVENTORY NOT YET CLASSIFIED		TOTAL	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	1	-	-	-	-	-	1
Add/(Less): Adjustments to prior year balances	-	-	-	-	-	-	-	-	-	-
Add: Additions/Purchases – Cash	3	8	47	144	-	-	-	-	-	202
Add: Additions- Non-cash	-	-	-	-	-	-	-	-	-	-
(Less): Disposals	-	-	-	-	-	-	-	(9)	-	(9)
(Less): Issues	(3)	(8)	(47)	(130)	-	-	-	-	-	(188)
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-	-	-	-	-	-
Add/(Less): Adjustments	-	-	(1)	(5)	-	-	-	-	-	(6)
CLOSING BALANCE	-	-	-	-	-	-	-	-	-	-

ANNEXURE 6

INTER-ENTITY ADVANCES PAID (NOTE 9)


ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL Departments						
Government Communication & Information Systems (GCIS)	5 258	20 225	-	-	5 258	20 225
International Relations & Co-operation (DIRCO)	652	4 055	-	-	652	4 055
PUBLIC ENTITIES						
SA Post Office (Permit Mail)	1 418	1 676	-	-	1 418	1 676
Supported Employment Enterprises (SEE)	77	77	-	-	77	77
National School of Government	3 458	2 196	-	-	3 458	2 196
SITA	11	-	-	-	11	-
SABC	36	25	-	-	36	25
TOTAL	10 910	28 254	-	-	10 910	28 254

ANNEXURE 7**Covid-19 RESPONSE EXPENDITURE**

Per quarter and in total

ENTITY	2020/21				2019/20
	Q1	Q2	Q3	Q4	TOTAL
	R'000	R'000	R'000	R'000	R'000
Expenditure per economic classification					
Goods and services					
Cons Supplies	12 741	910	392	539	14 582
Cons: Sta, Print & Off Sup	54	(52)	-	(2)	-
Fleet Services (F/Ser)	5	2	1	-	8
Minor Assets	837	74	36	173	1 120
Property Payments	1 497	673	368	337	2 875
Contractors	-	33	-	-	33
TOTAL Covid-19 RESPONSE EXPENDITURE	15 134	1 640	797	1 047	18 618
					513





ANNEXURE TO PERFORMANCE INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

ANNEXURES TO THE ANNUAL PERFORMANCE REPORT FOR THE YEAR ENDED 31 MARCH 2021

ORIGINAL APP

The table below is reflecting the Departmental performance, based on the original tabled Annual Performance Plan 2020/21 during March 2020. This was prior to the implications of the Covid-19 lockdown period and the consequent changes on the performance plan and revised budget allocations. Actual Achievements in the table below cover the period 1 April 2020 until 30 June 2020, when the country was under Covid-19 lockdown level 5 and only essential services were delivered.

PROGRAMME 1: ADMINISTRATION									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2019/20					
MTSF Outcome Functional, efficient and integrated government Departmental Outcome Strengthen the institutional capacity of the Department	1. Reduction of vacancy rate	1.1 Vacant funded posts filled within 4 months of becoming vacant	n/a	n/a	Vacant funded posts filled within 4 months of becoming vacant	Achieved 74% of funded vacancies filled	Quarterly target achieved due to effort in Q4 in finalising recruitment and selection processes with applicants assuming duty in Q1	The business units were in an advanced stage in terms of recruitment and selection processes in Q4 of 2020/21, hence the over achievement of the quarterly target. However the impact of Covid-19 lockdown level 5 prevented the continuation of the filling of vacancies	No change in annual target. However, the Covid-19 lockdown periods prevented personal contact with applicants and between interview panel members, with restrictions in travelling between provinces. SA Post Office irregular delivery of applications delayed the process during Q1. Restricted access to offices during the different levels of lockdown prevented applicants to deliver the required documents to the relevant offices to start recruitment and selection.

PROGRAMME 1: ADMINISTRATION													
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT		REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS			
			2018/19	2019/20	2020/21	2020/21 – Q1 30 JUNE 2020	2020/2021						
2. Modern Systems and ICT services	2.1 Acquisition, maintenance and improvement of ICT services	n/a	n/a	90% Systems Availability	Not achieved	Departmental phase 90% complete and SEE explore phase on hold due to inadequate funds	SEE explore phase not completed and Departmental explore phase 10% incomplete	Inadequate funding for SEE to participate in the SAP roadmap Lack of willingness to participate by other business units	No change in the annual target, although the Covid-19 lockdown period brought other problems to the core services, such as insufficient number of computers for officials to continue to deliver services from home due to lockdown restrictions				
										n/a	Ethics Governance Structures in place and complete roll out of the Ethics Management Plan	Delayed reconfiguration of the Ethics function due to Covid-19 lockdown level 5	Lack of tools for all officials to work from home as the number of officials classified as essential workers during Covid-19 lockdown level 5 was limited
3. Programme to prevent and fight corruption in government	3.1 Ensure functionality of Ethics structures and adequate capacity	n/a	n/a	1 AFS by 31 May, and 3 IFS 30 days after each quarter	Not achieved The Minister of Finance issued Gov. Gazette 43188, extending the submission of the AFS to 31 July 2020	Revised dates as Gazetted by the Minister of Finance	Lack of tools for all officials to work from home as the number of officials classified as essential workers during Covid-19 lockdown level 5 was limited	No change in annual target although the due dates for the different report periods have changed.					
									3.2 % resolution of reported incidents of corruption in government	n/a	n/a	1 AFS by 31 May, and 3 IFS 30 days after each quarter	Achieved Produced 1 AFS by 31 May, and 3 IFS 30 days after each quarter
4. Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) compiled per year that comply with guidelines issued by the National Treasury	4.1 Annual Financial Statements submitted to the National Treasury by 31 May each year 3 IFS reports submitted to the National Treasury on due dates as determined by National Treasury	Achieved Produced 1 AFS by 31 May, and 3 IFS 30 days after each quarter	Achieved Produced 1 AFS by 31 May, and 3 IFS 30 days after each quarter	1 AFS by 31 May, and 3 IFS 30 days after each quarter	Not achieved The Minister of Finance issued Gov. Gazette 43188, extending the submission of the AFS to 31 July 2020	Revised dates as Gazetted by the Minister of Finance	Lack of tools for all officials to work from home as the number of officials classified as essential workers during Covid-19 lockdown level 5 was limited	No change in annual target although the due dates for the different report periods have changed.					

PROGRAMME 1: ADMINISTRATION									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2019/20					
	5. Elimination of Irregular and/ or Unauthorised expenditure, detected per financial year, reported to the Accounting Officer and National Treasury	5.1 Detection and reporting of Irregular and/ or Unauthorised expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	Achieved Irregular expenditure R38 925 772.52 Unauthorised expenditure – None detected and reported	Achieved Irregular expenditure R40 249 957.22 Unauthorised expenditure – None detected and reported	25% reduction from base line	Not achieved The baseline amount (AFS FY2020/21) has not been finalised R0 detected	Could not deduce a percentage due to the fact that the 2020/21 final total (baseline) not yet audited at the time	Lack of tools for all officials to work from home as the number of officials classified as essential workers during Covid-19 lockdown level 5 was limited	No change in annual target
	6. Elimination of Fruitless and Wasteful expenditure, detected per financial year, reported to the Accounting Officer and National Treasury	6.1 Detection and reporting of Fruitless and Wasteful expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	Achieved Fruitless and Wasteful expenditure – R8 606 700.30	Achieved Fruitless and Wasteful expenditure – R4 910 310.91	25% reduction from base line	Not achieved The baseline amount (FY2020/21) has not been finalised. R33 105.17 detected	Could not deduce a percentage due to the fact that the 2020/21 final total (baseline) not yet audited at the time	Lack of tools of trade for all officials to work from home as the number of officials classified as essential workers during Covid-19 lockdown level 5 was limited	No change in annual target

ORIGINAL APP

The table below is reflecting the Departmental performance, based on the original tabled Annual Performance Plan 2020/21 during March 2020. This was prior to the implications of the Covid-19 lockdown period and the consequent changes on the performance plan and revised budget allocations. Actual Achievements in the table below cover the period 1 April 2020 until 30 June 2020 when the country was under Covid-19 lockdown level 5 and only essential services were delivered.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
<p>MTSF Outcomes</p> <ul style="list-style-type: none"> Investing for accelerated inclusive growth Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities Safe and healthy work environment 	<p>1. Workers protected through inspection and enforcement of employment law</p>	<p>1.1 Number of employers inspected per year to determine compliance with employment law</p>	<p>Achieved 218 919 Employers were inspected to determine compliance with employment law against a target of 218 732. The variance is 187. The total number of compliant employers was 177 209</p>	<p>Achieved 227 990 Employers were inspected to determine compliance with employment law against a target of 220 692. The variance is 7 298. The total number of compliant employers was 185 612</p>	<p>221 556</p>	<p>NOT ACHIEVED 22 917 Employers were inspected to determine compliance with employment law against a target of 55 389. The variance is -32 472. The total number of compliant employers was 17 308.</p>	<p>-198 639</p>	<p>The underachievement was due to the Government National lockdown as a result of the Covid-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect.</p>	

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT 2020/21 – Q1 30 JUNE 2020	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2019/20					
Departmental Outcomes <ul style="list-style-type: none"> Promote Occupational health services Contribute to decent employment creation Protect vulnerable workers Strengthen occupational safety protection Promote sound labour relations Development of the Occupational Health and Safety policies 		1.2 Percentage of non-compliant employers of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection	Achieved Of the 218 919 employers inspected 41 710 were non-compliant 100% (41 569 of the 41 710 non-compliant employers) were served with notices within 14 calendar days of the inspection	Achieved Of the 227 990 employers inspected 42 378 were non-compliant. 99.7% (42 249 of the 42 378 non-compliant employers) were served with notices within 14 calendar days of the inspection	85%	Achieved Of the 22 917 employers inspected 5 609 were non-compliant. 99% (5 537 of the 5 609 non-compliant employers) were served with notices within 14 calendar days of the inspection.	14%	A concerted effort was made to achieve the target. The Branch encourages the issuing of notices to non-compliant employers as it benefits the vulnerable workers and improves enforcement.	
		1.3 Percentage of non-compliant employers received by Statutory Services referred for prosecution within 30 calendar days	Achieved Of the 41 593 employers served with notices, 13 163 failed to comply with served notice and 60% (2 779 of 4 619) were referred for prosecution	Achieved Of the 42 249 employers served with notices, 9 939 failed to comply with the served notice and 72% (4 475) were referred for prosecution	65%	Not achieved Of the 5 573 employers served with notices 489 failed to comply with served notice and 60% (82 of 137) were referred for prosecution.	5%	The Branch encourages the prosecution of employers who failed to comply with the served notice as it benefits the vulnerable workers and improves enforcement. Engagements with the CCM/A has assisted the Branch in improving the work flow processes.	

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2019/20					
		1.4 Number of formal Advocacy sessions conducted per year to increase awareness of employment law	n/a	n/a	4 x Seminars to be identified 2 x Conferences	Not achieved No seminar were held	1 x Seminar 2 x Conferences	The underachievement was due to the Government National lockdown as a result of the Covid-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect.	

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES ANNUAL ACHIEVEMENT FOR 2020/2021 PER LEGISLATION FOR Q1

Q1 TARGET	EE PROCEDURAL			EE: DG REVIEW			EE: RE-ASSESSMENT			BCEA		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
Eastern Cape	26	13	-13	26	22	-4	26	16	-10	4944	580	-4364
Free State	19	0	-19	19	0	-19	19	6	-13	3348	1922	-1426
Gauteng	106	0	-106	106	9	-97	106	9	-97	9129	1384	-7745
Kwa-Zulu Natal	40	5	-35	40	0	-40	40	0	-40	8628	4906	-3722
Limpopo	26	0	-26	26	0	-26	26	0	-26	4089	862	-3227
Mpumalanga	26	0	-26	26	2	-24	26	12	-14	3213	534	-2679
Northern Cape	26	0	-26	26	5	-21	26	23	-3	1524	231	-1293
North West	19	0	-19	19	0	-19	19	4	-15	2784	590	-2194
Western Cape	19	0	-19	19	2	-17	19	17	-2	4269	1797	-2472
HO	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	307	18	-289	307	40	-267	307	87	-220	41928	12 806	-29 122

Q1 TARGET	OHS			EAS			COVID			TOTAL		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
Eastern Cape	381	396	15	406	241	-165	293	137	-156	6102	1405	-4 697
Free State	663	796	133	408	285	-123	207	174	-33	4683	3183	-1 500
Gauteng	1374	365	-1009	768	505	-263	291	301	10	11880	2573	-9 307
Kwa-Zulu Natal	1425	1546	121	585	307	-278	351	180	-171	11109	6944	-4 165
Limpopo	447	619	172	405	179	-226	204	135	-69	5223	1795	-3 428
Mpumalanga	303	475	172	405	243	-162	204	149	-55	4203	1415	-2 788
Northern Cape	204	63	-141	405	270	-135	204	162	-42	2415	754	-1 661
North West	339	309	-30	360	164	-196	204	67	-137	3744	1134	-2 610
Western Cape	753	959	206	585	618	33	294	286	-8	5958	3679	-2 279
HO	72	35	-37	0	0	0	0	0	0	72	35	-37
TOTAL	5 961	5 563	-398	4327	2 812	-1 515	2 252	1 591	-661	55 389	22 917	-32 472

ORIGINAL APP

The table below is reflecting the Departmental performance, based on the original tabled Annual Performance Plan 2020/21 during March 2020. This was prior to the implications of the Covid-19 lockdown period and the consequent changes on the performance plan and revised budget allocations. Actual Achievements in the table below cover the period 1 April 2020 until 30 June 2020 when the country was under Covid-19 lockdown level 5 and only essential services were delivered.

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES											
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	2018/19	2019/20	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / ANNUAL INDICATORS / ANNUAL TARGETS
MTSF Outcome More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	1. Work-seekers registered	1.1 Number of work-seekers registered on Employment Services of South Africa per year	Achieved 888 553 work-seekers were registered on ESSA per year with a variance of 238 553	Achieved 929 770 Work-seekers were registered on ESSA per year with a variance of 229 770	2018/19	2019/20	750 000	Not achieved 112 279 work-seekers registered on Employment Services of South Africa per year with a variance of -60 221	-60 221	Closure of Labour Centres due to Covid-19, therefore, registration of work-seekers could not be done	The targets to remain unchanged, given the high levels of retrenchments and closures of some work places due to Covid-19.
	2. Work and learning opportunities registered	2.1 Number of employment opportunities registered on the Employment Services South Africa per year	Achieved 142 804 work and learning opportunities were registered on ESSA system, with a variance of 57 804	Achieved 153 973 work and learning opportunities were registered on ESSA system, with a variance of 63 973			95 000	Not achieved 14 422 employment opportunities registered on the Employment Services South Africa per year with a variance of -9 328	-9 328	Covid-19 lockdown resulted in business closures, retrenchments and a few new opportunities being registered	Covid-19 has had a major impact on the economy. Most businesses were closed and some continue to retrench workers. The number of new employment opportunities in a depressed economy are likely to be very few.
Departmental Outcome Contribute to decent employment creation											

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / ANNUAL INDICATORS / ANNUAL TARGETS
	3. Employment counselling provided	3.1 Number of registered work-seekers provided with employment counselling per year	2018/19 Achieved 240 675 registered work-seekers were provided with employment counselling with the variance of 40 675	2019/20 Achieved 264 044 registered work-seekers were provided with employment counselling with the variance of 54 044	2020/21 220 000	Not achieved 16 324 registered work-seekers provided with employment counselling per year with a variance of -36 476	-36 476	The nationwide lockdown made it impossible to deliver Counselling services via face-to-face interactions with clients during Level 5 and 4 and staff safety was a concern. Limited telephonic counselling Services resumed during level 3	The targets to remain unchanged, given the high levels of unemployment experienced as a result of Covid-19, the impact of the pandemic on the mental state of work-seekers who require counselling services will be many
	4. Work-seekers placed in work and learning opportunities	4.1 Number of registered employment opportunities filled by registered work-seekers per year	Achieved 49 968 of registered work and learning opportunities filled by registered work-seekers; with a variance of 7 468	Achieved 62 213 of registered work and learning opportunities filled by registered work-seekers; with a variance of 17 213	47 500	Not achieved 4 012 registered employment opportunities filled by registered work-seekers per year with a variance of -7 863	-7 863	Covid-19 has had a major impact on the economy and very few opportunities for placement were registered. Most businesses were closed and some continue to retrench workers.	Most companies were not operational during the lockdown. This led to low economic growth
	5. Partnership agreements concluded	5.1 Number of partnership agreements concluded with various stakeholders	n/a	n/a	30	Not achieved 2 partnership agreements concluded with various stakeholders	-3	Covid-19 impacted on the Branch interactions with various stakeholders	Most companies were not operational during the lockdown

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES										
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT 2020/21 – Q1 30 JUNE 2020	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2019/20						
	6. Policies developed and approved	6.1 Number of policies developed and approved	n/a	n/a	n/a	1	Not achieved Zero draft National Labour Migration Policy has been developed. The Service provider has been appointed to develop National Employment Policy. The inception report has been presented to the Management	Draft 1 not finalised	Draft 1 not finalised due to the delays in the appointment of the service provider	Lockdown impacted on the appointment process of service providers to assist in the development of the policy

ORIGINAL APP

- The table below is reflecting the Departmental performance, based on the original tabled Annual Performance Plan 2020/21 during March 2020. This was prior to the implications of the Covid-19 lockdown period and the consequent changes on the performance plan and revised budget allocations. Actual Achievements in the table below cover the period 1 April 2020 until 30 June 2020 when the country was under Covid-19 lockdown level 5 and only essential services were delivered.

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2019/20					
Equal opportunities, inclusion and redress	1. Amend the Employment Equity Act to enable the regulation of Sector EE Targets by 2023	1.1 Amendments to the Employment Equity Act promulgated and implemented by 31 March 2021	n/a	n/a	EE Amendment Act tabled in Parliament by 31 March 2021	No target for Q1	None	None	None
	2. A number of policy instruments developed and promoted to enhance the implementation of EEA per annum	2.1 2019-2020 Annual EE Report and Public Register published by 30 June 2021	Achieved 2017-2018 Annual Employment Equity Report and Public Register published by 30 June 2018	Achieved 2018-2019 Annual Employment Equity Report and Public Register published by 30 June 2019	2019-2020 Annual Employment Equity Report and Public Register published by 30 June 2020	Not achieved <ul style="list-style-type: none"> 2019 – 2020 Annual EE Report lay-out and design finalised on 19 June 2020 and approval for publication obtained on 30 June 2020 but not published EE public Register approval for publication obtained on 26 March 2020 	Both 2019-2020 Annual EE Report and EE Public Register were not published on 30 June 2020 due to delays in obtaining Supply Chain approvals/ Order number for publication as a result of Covid-19 lockdown	Delays in obtaining Supply Chain approvals/ Order numbers for publication as a result of Covid-19 lockdown	Additional time required to cater for the publication of both the 2019-2020 Annual Employment Equity Report and Public Register by the Government Printers

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS											
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT		DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2019/20			2020/21	2020/21 - Q1 30 JUNE 2020			
		2.2 2020-2021 Annual EE report and Public Register developed by 31 March 2021	Achieved Annual Employment Equity Report and Public Register developed by 31 March 2019	Achieved • 2019-2020 Annual Employment Equity Report and Public Register developed by 26 March 2020	2020-2021 Annual Employment Equity Register developed by 31 March 2021	No target for Q1	No target for Q1	None	None	None	
		2.3 Development of income differential data collection tool (EEA4 form) for designated employers	n/a	n/a	Income differential data collection tool (EEA4 form) for designated employers developed and implemented	No target for Q1	No target for Q1	None	None	None	
		2.4 Law and policy interventions developed to protect specific groups of workers who are particularly vulnerable to specific forms of gender-based violence	n/a	n/a	Draft Code of Good Practice on elimination of harassment and violence in the world of work developed by 31 March 2021	No target for Q1	No target for Q1	None	None	None	

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS										
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT 2020/21 – Q1 30 JUNE 2020	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2019/20	2020/21					
	3. Annually review the national minimum wage level	3.1 Review of the National Minimum Wage level per annum	Not Achieved Implementation of the National Minimum Wage by 1 May 2018 not achieved only completed by 1 January 2019	Not Achieved Review of the national minimum wage not achieved by 1st January 2020, only reviewed on the 1st March 2020	Review of the National Minimum Wage level by 31 March 2021	Not Achieved NMW investigation reports delayed as a result of: <ul style="list-style-type: none"> Quantitative Research: an unavoidable time lag in the release of the QLFs by Stats SA which is used to obtain the relevant labour market information needed to accurately analyse the impact of the NMW. Qualitative Research: focus group interviews aimed at assessing the experiences of workers in the domestic and agricultural sectors to the introduction of the NMW affected by the Covid-19 lockdown. 	National Minimum Wage level not reviewed by 31 March 2021	Qualitative Research: focus group interviews aimed at assessing the experiences of workers in the domestic and agricultural sectors to the introduction of the NMW affected by the Covid-19 lockdown.	None	

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS										
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		AUDITED ACTUAL PERFORMANCE 2019/20	PLANNED ANNUAL TARGET 2020/21	* ACTUAL ACHIEVEMENT		REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2020/21			2020/21 - Q1 30 JUNE 2020	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021		
	4. % of collective agreements assessed and verified within 180 working days of receipt per annum	4.1 100% of collective agreements assessed and verified within 180 working days of receipt per annum	Not Achieved 20 (Twenty) collective agreements were received • 16 (Sixteen) Extended within 90 calendar days of receipt = 80% • 4 (four) extended in longer than 90 calendar days of receipt = 20%	Not Achieved 88% of collective agreements extended within 90 calendar days of receipt : 34 were received: 30 extended within 90 days and 4 outside 90 days	100% of collective agreements assessed and verified within 180 working days of receipt by 31 March 2021	Achieved Eleven (11) collective agreements received. 11 were assessed and verified within 180 working days of receipt = 100%	None	None	None	

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2018/19	AUDITED ACTUAL PERFORMANCE 2019/20	PLANNED ANNUAL TARGET 2020/21	* ACTUAL ACHIEVEMENT 2020/21 - Q1 30 JUNE 2020	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
	5. % of labour organisations' applications for registration approved or refused within 90 working days of receipt per annum	5.1 100% of labour organisations' applications for registration approved or refused within 90 working days of receipt per annum	Achieved 133 (One hundred and thirty-three) application received <ul style="list-style-type: none"> 114 (One hundred and fourteen) refused within 90 calendar days of receipt 19 (Nineteen) approved within 90 calendar days of receipt 	Not Achieved 99% of labour organisation applications for registration approved or refused within 90 calendar days of receipt. 145 (One hundred and forty five) application received <ul style="list-style-type: none"> 130 (One hundred and thirty) refused within 90 calendar days of receipt 14 (Fourteen) approved within 90 calendar days of receipt 1 (One) approved outside 90 calendar days of receipt 	100% of labour organisations' applications for registration approved or refused within 90 working days of receipt by 31 March 2021	Achieved Four (4) registrations of labour organisations were received. 4 approved within 90 days of receipt = 100%	None	None	None

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS										
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT		DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
						2018/19	2019/20			
A better South Africa	6. Number of progress reports on bilateral cooperation and multilateral obligations signed off by the Minister annually	6.1 Progress reports on bilateral cooperation and multilateral obligations signed off by the Minister annually	Achieved 2017/18 1 Annual implementation report signed off by the Minister 30 April 2018 1 Mid-term implementation report signed off by the Minister by 31 October 2018	Achieved 2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister 30 April 2020	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister by 30 April 2020 • 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2020 • 1 Mid-term implementation report submitted to the Minister by 31 October 2020 for sign-off	Achieved 2020/21 – Q1 30 JUNE 2020	Achieved Annual report on International Labour Matters for FY2020/21	None	None	None

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / ANNUAL TARGETS
			2018/19	2019/20	2020/21	2020/21 - Q1 30 JUNE 2020	2020/21	2020/21	
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	7. Analyse and report on the labour market trends annually	7.1 Number of labour market trend reports produced per annum	Achieved: 4 Annual labour market trend reports produced by 31st March 2019 These reports include: Industrial Action report 2018; Annual Administrative Statistics for DoL 2018; Job Opportunity and Unemployment in the SA Labour market 2017/18 and Annual Labour Market Bulletin 2017/18	Achieved All (4) four annual labour market trend reports were produced: (2) Two Annual Labour Market trend reports and submitted to the CD: LMP. These reports include Annual Labour Market Bulletin and Job Opportunity and Unemployment in the South African labour market for 2019/20	4 Annual labour market trend reports produced	Not Achieved Two Annual Labour Market trend reports were not produced at the end of June 2020. These reports include: (i) Annual Labour Market Bulletin 2020/21 and (ii) Job Opportunity and Unemployment in the South African labour market for 2020/21. • Information and data on Section 1 and Section 3 of the ALMB is collected and received from stakeholders (LMIS provincial offices and the CCMA's, Labour Organization and collective bargaining. • Information and data for section two of the ALMB is collected from the Quarterly labour Force Survey for the compilation of the ALMB 2020/21. Data from both internal and external stakeholders is processed for the compilation of the Job Opportunity and Unemployment in the SA labour market 2020/21	Only 3 out of 4 annual labour market trend reports were produced by end of March 2021. These reports include: ALMB 2020/21; JOI 2020/21; IAR 2020	The production of AAS 2020 report was delayed because of unavailability of data resources to verify and submit data on time. The Covid-19 pandemic lockdown restrictions led to the disruption of working time and publication of critical information that forms part of the AAS report. By end of March 2021, almost 95% data was verified and analysis commenced towards the final production of the report beyond the deadline	Inputs on the revision of the annual targets were made but inputs were not updated in time into the APP. With Covid-19 pandemic associated with the lockdown restrictions, it was beyond the Branch means to complete all reports within the deadline. The final AAS 2020 report was produced on 20 April 2021

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS										
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
			2018/19	2019/20	2020/21	2020/21 - Q1 30 JUNE 2020	2020/2021			
	8. Research reports developed on the impact of labour legislation to the labour market	8.1 Number of Research reports on the impact of labour legislation to the labour market produced and submitted to the Deputy Director General: LP and IR per annum	Achieved 4 Research Reports produced	Not Achieved Only 4 evaluation packs out of 5 were finalised and submitted to SCM in preparation for panel meeting that is aimed at taking decision for recommendation of two service providers to DBAC	3 Research reports in line with RME Agenda produced and signed submitted to the Deputy Director General: LP and IR per annum	Not Achieved • For two outsourced research projects under RME Agenda- Evaluation of bid proposals continued for LAB 08/2019, one evaluation pack out of 5 still outstanding. SCM awaits the above in order to prepare for panel meeting that is aimed at taking decision for recommendation of two service providers to DBAC.	For two outsourced research projects under RME Agenda- Evaluation of bid proposals continued for LAB 08/2019, one evaluation pack out of 5 still outstanding. SCM awaits the above in order to prepare for panel meeting that is aimed at taking decision for recommendation of two service providers to DBAC.	Panel meeting did not happen because evaluations process was not finalised	Due to Covid-19 lockdown regulations, time was lost; affecting planned work drastically	
			Achieved Data collection tool developed and submitted electronically via email to DD Forum members on 23 March 2020. This was because the DD Forum meeting was cancelled	Achieved Data collection tool was amended to align to online research as lockdown regulations prohibited travel and contact with people; which is necessary for data collection for this research project		For one internally conducted research- Data collection tool was amended to align to online research as lockdown regulations prohibited travel and contact with people which is necessary for data collection for this research project				





PART F SUPPORTED EMPLOYMENT ENTERPRISES

DEPARTMENT OF EMPLOYMENT AND LABOUR

PART F: SUPPORTED EMPLOYMENT ENTERPRISES

1. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the SEE for the financial year ended 31 March 2021.

Yours faithfully



MR. T LAMATI

Accounting Officer

Date: 25/10/2021



2. REPORT OF THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

OVERVIEW OF THE OPERATIONS OF THE SEE

The Supported Employment Enterprises (SEE) currently trading as Services Products, was established through a Cabinet Memorandum back in 1943. The entity were re-established in terms of the Employment Services Act, 2014, Act No. 4 of 2014, to promote work and employment for people with mental and physical disabilities that prevent them from participating in the open labour market due to the nature of their afflictions. There are currently 13 factories across the country, located in eight of the nine provinces with Mpumalanga being the only Province without a factory. These factories produce wood and metal furniture, hospital commodities, linen, bedding, protective clothing, garments, upholstery, and screen printing products that are sold to various government Departments and private entities and the public.

OVERVIEW OF THE RESULTS AND CHALLENGES FOR THE YEAR

Despite the Covid-19 lockdown restrictions that were in force during the current financial year, the SEE managed to achieve its first indicator by increasing its current factory staff establishment by 25 additional people with disabilities and had a total of 1 036 as at 31 March 2021. The SEE performance during 2020/21 was only 33%. The target on new agreements concluded was not achieved. Only 2 agreements were concluded and positioned the SEE to play a major role in the supply of urgent linen and gowns to the Eastern and Western Cape hospitals that experienced a high intake of Covid-19 patients during the April to June 2020 period from its reserved stock. The SEE was able to generate substantial revenue from these sales to augment its transfer budget, even though the entity could not achieve its projected 5% sales target.

The SEE also received delivery of its recapitalisation machinery across the 12 of its 13 factories. The new machinery will replace all the old machinery that dates back to the 60s and was already becoming very costly to repair. The machinery will improve productivity and quality of SEE products. The entity also received delivery of its 13 new trucks to reduce and/or eliminate dependency on private and very costly private transport. The trucks allocated to each factory will be coordinated such that they can be mobilized to distribute massive deliveries from any of the factories.

OVERVIEW OF HUMAN RESOURCES

The Supported Employment Enterprises has two categories of employees. There is a total of 159 staff members employed in terms of the Public Services Act to support the 13 Factories operations and the Head Office. These staff members are part of the Department of Employment and Labour and have been accounted for under the Department of Labour, Branch Public Employment Services under section D of the annual report. These staff members had access to DEL systems that enabled the leadership to reach and interact with them.

Support staff were issued with devices that enabled them to work from home during the staff rotation basis that was introduced during the different Covid-19 adjustment levels to minimise infections. Virtual meetings were introduced to maintain communication with factories at Directorate and Chief Directorate level.

The second category of staff consisted of 1036 People with Disabilities staff members employed under the Basic Condition of Employment Services Act and are spread across all the 13 Factories. Given the nature of SEE Operations, it was not possible to provide individual staff with equipment to work from home. The following measures were implemented to address the plight of staff during the Covid adjustment levels:

- Adjustment of factory operations to allow for social distancing as far as possible in and between machinery.
- Rotation of staff to minimise infections
- Employee Health and Wellness used the central DEL services to provide support and counselling to affected staff.

The following tables provides the staff establishment of the SEE during the financial year and the changes that occurred during the year, employment equity profile of factory workers within the entity, salary bands.



SEE STAFF ESTABLISHMENT					
PROVINCE	FACTORY	PWDS AS AT 01/04/2020	NEW PWDS DURING THE FINANCIAL YEAR	TERMINATIONS DURING THE FINANCIAL YEAR	TOTAL AS AT 31 MARCH 2021
Free State	Bloemfontein	60	0	1	59
KZN	Durban	84	0	2	82
	Pietermaritzburg	70	0	9	61
Eastern Cape	East London	69	0	1	68
	Port Elizabeth	77	0	6	71
Northern cape	Kimberley	60	10	2	68
Western cape	Ndabeni	153	3	3	153
	Epping	114	0	4	110
North West	Potchefstroom	44	0	2	42
Limpopo	Seshego	35	0	0	35
Gauteng	Pretoria	108	0	4	104
	Rand	92	12	0	104
Free State	Springfield	84	0	5	79
TOTAL		1050	25	39	1036

SEE EE PROFILE								
PROVINCE	FACTORY	RACE				GENDER		TOTAL
		AFRICAN	COLOURED	INDIAN	WHITE	FEMALE	MALE	
Free State	Bloemfontein	32	0	0	27	23	36	59
KZN	Durban	37	5	6	34	23	59	82
	Pietermaritzburg	40	1	4	16	26	35	61
Eastern Cape	East London	43	8	1	16	21	47	68
	Port Elizabeth	28	16	1	26	30	41	71
Northern cape	Kimberley	30	28	1	9	24	44	68
Western cape	Ndabeni	40	41	1	71	62	91	153
	Epping	47	58	0	5	31	79	110
North West	Potchefstroom	25	5	0	12	21	21	42
Limpopo	Seshego	35	0	0	0	20	15	35
Gauteng	Pretoria	66	2	0	36	40	64	104
	Rand	57	14	0	33	61	43	104
	Springfield	41	13	0	25	22	57	79
TOTAL								1036



SEE POST LEVEL STRUCTURE				
POST LEVEL	2019/2020 WAGES	INCREASE 0%	2020/2021 WAGES	NUMBER OF PWDS PER BAND
6	R6 750.56	0	R6 750.56	64
5	R6 194.00	0	R6 194.00	297
5	R6 069.29	0	R6 069.29	34
4	R5 944.58	0	R5 944.58	101
4	R5 819.88	0	R5 819.88	24
3	R5 695.17	0	R5 695.17	70
2	R5 570.45	0	R5 570.45	63
1	R5 445.76	0	R5 445.76	119
1	R5 321.09	0	R5 321.09	85
1	R5 196.31	0	R5 196.31	182
TOTAL				1039

NB: Three workers were terminated by 31 March 2021 however their last salaries were released by financial year end. As at 31 March 2021, the total number of factory workers were 1 036.

OVERVIEW OF THE FINANCIAL RESULTS OF THE SEE

The SEE budget comprises of a transfer from the National Treasury through the Branch Public Employment Services and additional income generated from sale of goods that are manufactured across all factories.

The SEE ran into a deficit and had to be bailed out with a cash injection of an additional R25 million to pay the Department of Employment and Labour outstanding 3 months salaries of the 159 support staff and the March 2021 salaries for the factory workers. The deficit resulted from the huge payments that the SEE had to make towards the new machinery as they were delivered. The SEE was also not successful in securing contracts from the various Provincial governments for the supply of PPE and hospital gowns and linen, despite various commitments. The SEE also paid factory workers that had to stay home or were alternating during level 5 and level 3 lockdown with low levels or no production at all. The SEE had to pay a lot more for the price of raw material during the lockdown period as a result of unreasonable increases that were introduced by the few suppliers that retained some stocks. The SEE also shelved its footprint expansion plans to Mpumalanga until recapitalisation budget funding is secured.

SUPPORTED EMPLOYMENT ENTERPRISES RECEIPTS

SUPPORTED EMPLOYMENT ENTERPRISES						
REVENUE	2020/2021			2019/2020		
	BUDGET	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION
Sale of goods and services other than capital assets	207 804 867	42 012 761	165 792 106	122 320 101	128 326 662	(6 006 561)
Transfers received and conditional grants	153 049 000	175 412 648	(22 363 648)	148 923 000	150 051 297	(1 128 297)
Interest, dividends and rent on land	15 742 304	1 010 269	14 732 035	12 794 925	2 659 960	10 134 965
TOTAL	376 596 171	218 435 678	158 160 493	284 038 026	281 037 919	3 000 107

Actual amount collected does not include service in kind. The conditional grant collected is a portion realised as revenue. Unspent portion is recognised as a liability.



REASONS FOR OVER/UNDER COLLECTION OF REVENUE

SUPPORTED EMPLOYMENT ENTERPRISES					
TOTAL REVENUE RECEIVED	2020/21	2019/20	VARIANCE	VARIANCE	REASONS FOR VARIANCES
				%	
Sales of goods and services other than capital assets	42 012 761	122 320 101	86 313 901	67%	Less sales orders due Covid-19 and minimal orders received
Interest, dividends and rent on land	1 010 269	2 659 960	1 649 691	62%	Minimal interest received due to less cash reserves in the bank
Transfer received and Conditional Grants	175 412 648	150 051 297	25 361 351	17%	Entity requested additional funds due to less revenue generated since Covid 19 pandemic

DELIVERY ON THE PLANS FOR COLLECTING SEE REVENUE

SEE is dependent on a very old SYSPRO system to run its business. The system has had deficiencies that contributed towards loss of revenue or late collection of revenue that were due to SEE. The officials rely on manual spreadsheets to complement the system. The SEE secured a once-off cash injection amounting to R 17,5 million to revamp and effect enhancement to the SYSPRO system and its entire telephone network across all factories.

DETERMINATION OF TARIFFS CHARGED BY THE SEE

The SEE manufactured goods are sold to government Departments and to members of the public. The prices are determined by the entity and take into consideration, the transfer subsidy received from the National Treasury, cost of material and other overhead costs. The pricelist is submitted annually to the National Treasury for approval. The SEE also charges for maintenance services to various Departments in the repair of damaged furniture. The SEE had a small scale initiative aimed at collecting written off furniture within the Department of Employment and Labour, repair and sell them as second hand equipment to other users.

REVENUE UNDER COLLECTION AND FUTURE MEASURES TO RECTIFY UNDER COLLECTION OF REVENUE.

The SEE was not able to raise the targeted revenue in line with its projections during the year. This was partly due to declining support from National and Provincial Departments and absence of District and local municipality procurement from the entity. Measures that have been taken include the following: The revision of the projections and budget in line with the Covid-19 environment; introducing enhancement to the SYSPRO system used by the entity to ensure accurate recording of production, delivery and revenue collection, secured National Treasury deviation and approval to enter into long term contracts with suppliers of raw materials to SEE at fixed costs; replacement of old and costly machinery through investment into new machinery that are aimed at improving productivity levels and the quality of products produced by the entity; acquisition of new delivery trucks with maintenance plans for each factory to reduce dependency on expensive private delivery trucking companies; developed a list of key stakeholders to be targeted for conclusion of procurement agreements; diversifying SEE products to provide to sell directly to the public; made a submission to have the Procurement Amendment Bill to force government Departments to spend no less than 10% of their procurement budget in social development Enterprises employing vulnerable groups, youth, women and people with disabilities and approached the Minister and Director General to issue a directive for Department of Employment and Labour and all its entities to commence with the implementation of this practice. The SEE is also developing a new policy to ensure sufficient collection of revenue on its Cut-Make-and-Trim services offered to external parties that bring their material for production of various garments.



SEE BAD DEBTS WRITTEN OFF AND IMPACT ON THE ENTITY'S RECEIPTS.

There were no bad debts submitted for write off for the financial year 2020/2021.

PROGRAMME EXPENDITURE						
PROGRAMME NAME	2020/2021			2019/20		
	BUDGET	ACTUAL EXPENDITURE*	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Factory Salaries	130 887 012	19 438 174	111 448 839	135 488 489	100 471 792	35 016 697
Admin Support Salaries	45 458 076	130 390 361	(84 932 285)	45 458 076	39 850 387	5 607 689
Manufacturing Cost	170 975 893	48 603 996	122 371 897	65 135 848	125 567 896	(60 432 048)
Operational Cost	29 375 190	13 487 111	15 888 079	38 360 614	8 678 566	29 682 048
TOTAL	376 696 171	211 919 642	164 776 530	284 443 027	274 568 641	9 874 386

* the actual expenditure exclude services in kind expenditure

SEE programme expenditure is less than budgeted expenditure in both 2019/2020 and 2020/2021 financial years. Factory salaries were under spent due to under achievement on target for additional employment for persons with disabilities and idle time accounted for under admin salaries in terms of GRAP. Admin support salaries were also over spent due to accounting for idle time for factory workers salary under admin support salaries as per GRAP requirements. The overall salary budget was not overspent. Manufacturing costs were underspent as less orders received than anticipated impacting on manufacturing costs. Operational cost was also under spent due to financial constraints in 2020/2021 financial year as well as less operations due to Covid-19 in 2020/2021 financial year.

Public Private Partnerships

- There was no public private partnership entered into with SEE.

Discontinued activities / activities to be discontinued

- There are no discontinued manufacturing activities at SEE.

New or proposed activities

- SEE intends embarking on the repair and refurbishment of old furniture that is lying in abundance in current schools and a number of clients have approached SEE to assist in this area
- SEE will also formalise the new Cut-Make and Trim process wherein clients bring their own materials to SEE for manufacturing as the service is also in high demand.

Supply Chain Management

There were no unsolicited bid proposals concluded with the entity for the year under review.

Indicate whether SCM processes and systems are in place to prevent irregular expenditure

The entity does have SCM processes and systems in place to detect and prevent irregular, fruitless and wasteful expenditure. SCM policy was reviewed to be updated with the current legislative updates. Delegation of Authority has also been reviewed to be aligned to functions of the entity. All procurements completed are aligned to an approved demand plan as well as procurement plan and are being reviewed to ensure prescripts are adhered to, to prevent any irregular, fruitless and wasteful expenditure.



Challenges experienced in SCM and how they were resolved

The entity had experienced high volume of emergency procurement in the past financial years and this was significantly reduced in the financial year under review. The Deputy Director SCM position has been vacant for more than 12 months and an Acting Deputy Director was appointed to address the gap. Interviews have been conducted and the post is targeted to be filled in the 2021/2022 financial year.

Gifts and Donations received in kind from non-related parties

There were no gifts or donations in kind or otherwise, received from non-related parties for 2020/2021 financial year under review.

Exemptions and deviations received from the National Treasury

SEE has been granted deviations on procurement of raw material for a sole service provider in the financial year under review for the following service providers:

- Hextex Bergriver Textiles for Cellular Blankets
- Colibri Towelling and Zoba Terx for Towels
- Ahlesa Blankets and Aranda Blankets for Blankets
- Da Gama Textiles for Textile fabric.

Events after the reporting date

There were no events identified.

Other

It is the vision of SEE to transform and expand direct employment for people with intellectual and physical disabilities, to develop as a provider of quality training for people with disabilities to enable and facilitate their transition into the open labour market. The factories are open to all races and supported by a total of 159 Department of Employment and Labour staff.

Acknowledgement/s or Appreciation

The Supported Employment Enterprises acknowledges the contributions of our staff and Executive Management in the attainment of the goals contained in this Annual Report, this despite the challenges we experienced in the labour market, the global economy and as a result of the Covid-19 pandemic.

Conclusion

In conclusion, I hereby submit the Supported Employment Enterprises Annual Report for the period ended 31 March 2021.

Approval and sign off

The Annual Financial Statements for the 2020/2021 financial year are hereby approved by the Accounting Officer.



MR. T LAMATI

Accounting Officer

DATE : 25/10/2021



GENERAL OVERVIEW AND RESULTS OF THE SUPPORTED EMPLOYMENT ENTERPRISES

Two matters on prior year audit escalated to National Treasury and Departments Public Works and Infrastructure relate to the use of Public Works government building, services in kind and fair value on accommodation rentals as well as differences between SEE and AGSA in cash flow and its calculations.

CHALLENGES FACING SEE

Challenges the entity still faced with in the year under review related to vacant positions of two senior management of the CEO and CFO and a possible repeat finding on Asset, Inventory and Cost of Sales. These challenges persist due to SEE dependence on the Department's processes and limitations on financial resources to procure service providers to perform evaluation on assets useful life and impairment. The repairs of the Durban Factory also persisted to be a challenge for the entity as the processes are highly dependent on the Department of Public Works and Infrastructure (DPWI) to ensure the factory is repaired to workable conditions.

As the country continued to battle Covid-19 pandemic, the entity was not immune to the impact and managed rotation of employees to adhere to Covid-19 regulations. The impact also affected the way of doing business for the entity and that had a direct negative effect on sales orders. The entity's financial performance was negatively impacted and could not afford to pay March 2021 factory employees' salaries as well as admin employees' salaries for the last quarter of 2020/2021 financial year.

KEY STRATEGIC INITIATIVES TO ADDRESS OPERATIONAL CHALLENGES

The Director-General appointed officials to act in the key positions to ensure continuous administration of the entity. The DDG: Public Employment Services was appointed to act as the CEO above normal functions as DDG:PES, without additional remuneration. An acting CFO was appointed, seconded from the Finance division of the Department. The Deputy Director: Business development was appointed to act in the Director's position without additional remuneration. The Department is in the process of recruitment for these posts. The entity is also rolling out measures that were provided to National Treasury and strict monitoring of allocated and generated funds to avoid a recurrence of a similar situation during the 2021/22 financial year.

Implementation of marketing strategy has, due to funding limitations, been reprioritised on areas implementable with resources such as launching of website to increase marketing digital presence, roadshows to inland provincial Departments, pursuing participation of provinces in the current MOU with Department of Health and Education expiring in 2025 and 2024 respectfully.

The SEE made a request to have a 'set-aside' procurement statute for the Department and its entities to procure from SEE. Monitoring on the implementation of this is crucial to aid the entity in increasing sales target. Recommendations have also been made to Cabinet to have 10% government institutions' budget allocation set aside to procure from SEE. This will guarantee constant business to SEE to ensure continuous production.

PROJECTS FOR THE YEAR AND FUTURE YEARS

SEE received a funding through shifting of funds from the Department for the enhancement of ICT infrastructure, i.e telephone, fibre and Syspro improvements targeted to be implemented by 2021/2022 financial year.

The entity plans to increase its establishment by employing an additional 25 people with disabilities to continue to deliver on its mandate and provide dignity to persons with disabilities. To achieve this, the entity has a target to increase participation in the existing MOUs and conclude additional 5 MOUs in 2021/2022 financial year. Management does take cognisance to the global pandemic Covid-19 interruptions and these plans will be reviewed to maintain relevance and achievable goals within the operations of the pandemic.

CORPORATE GOVERNANCE ARRANGEMENTS:

The SEE Administrative functions are performed by 159 seconded staff from the Department. The SEE also utilises the following transversal services:

- Chief Internal Audit and Audit Committee
- Chief Risk Officer and the Risk Committee
- Chief Legal Services
- Chief Information Officer
- Chief Financial Officer delegated functions.



FINANCIAL OVERVIEW

The Supported Employment Enterprises' financial health has seen more deterioration, compared to prior years, due to the significant decrease in sales revenue generation. The reality of Covid-19 impact also saw factories not being fully operational, particularly in the wood and steel sections. However, the entity continued to carry operational running cost and maintaining of high salaries bill as the entity continued to pay in full all factory workers' salaries. This has resulted in the entity's financial high pressure and the entity having to apply for a bail out through virement of R25 million to pay both salaries of factory employees and admin support officials for the last quarter of the 2020/2021 financial year. Key to strengthening our financial health is achieving a balance between the revenue generated and cost of production.

In response, the entity has put below, mitigating measures in place, aimed to halt further financial constraints:

- Persuing provincial Departments to participate in existing MOUs
- Continuous engagements with National Departments to source more sales orders
- Strict monitoring of budget/spending on allocation to prevent overcommitting on funds allocate
- Cost Containment Programmes to restore financial sustainability
- Request to Cabinet for government to set aside 10% of budget allocation to procure from SEE
- Budget recapitalisations bid to be submitted to National Treasury
- Re-engineering of production processes
- Driving Business Productivity.

PRIOR MODIFICATIONS TO AUDIT REPORTS

The Supported Employment Enterprises has received a qualified audit opinion in 2018/19 and 2019/2020 prior financial years. The table below illustrates the progress made in resolving the findings that were affecting the Audit Report.

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN RESOLVING OR CLEARING THE MATTER
<p>Cost of Sales:</p> <p>The Auditor-General was unable to obtain sufficient appropriate audit evidence for labour recoveries of R8,275 million (2018-19: R 5,734 million), which are included in cost of sales, as the trading entity did not have adequate records. Additionally, there were misallocations of depreciation not related to the production of Inventories to cost of sales amounting to R2,254 million that resulted in misstatements of cost of sales and operating expenses and could not confirm the cost of sales by alternative means. Consequently, the Auditor-General was unable to determine whether any adjustment was necessary to cost of sales, stated at R227,09 million (2018-19: R169,608 million) in note 12 to the financial statements.</p>	2018/19	<p>The entity is in the process of procuring SYSPRO system enhancement services to address the internal control deficiencies within the system. The stock movement report and labour recoveries are system generated and thus will be corrected with Syspro enhancement process</p> <p>The missclassification and misallocation of depreciation were corrected in 2020/2021 financial year.</p>

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN RESOLVING OR CLEARING THE MATTER
<p>Inventories:</p> <p>The Auditor-General was unable to obtain sufficient appropriate evidence for inventories as the trading entity did not maintain adequate records to support the cost of inventory items produced, which impacts the measurement of Inventories as required GRAP 12. Inventories, as well could not determine the impact of the net realisable value on inventories as it was impracticable to do so. Additionally, there were misallocations between manufacturing overheads and finished goods that resulted in misstatements of inventories and cost of sales, and also had an impact on the surplus for the period and on the accumulated surplus and could not determine the full extent of the errors as it was impracticable to do so. The Auditor-General could not confirm the inventories by alternative means. Consequently, was unable to determine whether any adjustment was necessary to inventories, stated at R78,688 million (2018-19: R74,939 million) in note 3 to the financial statements.</p>	2018/19	<p>The review of run times capture is in process and the new approved run times will be captured on the system to update the system with the correct inventory values. The approved reviewed run times are to be documented to maintain sufficient evidence to the changes on the system.</p> <p>The allocation of manufacturing overheads and finished goods is based on the run times captured on the system and stringent system input controls to be implemented with Syspro enhancement to ensure correct allocations between direct/indirect cost, manufacturing overhead cost and finished goods</p>
<p>Property, Plant and Equipment:</p> <p>The Auditor-General was unable to obtain sufficient appropriate evidence for property, plant and equipment as the trading entity did not review the useful lives and residual value of assets at each reporting date in accordance with GRAP 17. This also resulted in assets with gross carrying amount of R8,579 million (2018-19: R6,687 million), which had a R1 net carrying amount while still being in use. The entity was unable to determine the impact on the net carrying amount of assets as it was impracticable to do so. Consequently, the entity was unable to determine if there were any adjustments necessary to property, plant and equipment, stated at R57,782 million (2018- 19: R28,839 million) in note 6 to the financial statements.</p>	2018/19	<p>The entity performed an a full assets verification process in December 2020 and the findings will be address and implemented in 2021/2022 financial year. Additionally asset spot checks are to be performed on a quartely basis and reconcile asset fixed register.</p> <p>The entity is not able to perform internal assessment on useful life and impairment due to capacity and financial constraints. A review of asset and disposal policy and SOP in progress to address the disposal of R1 asset values</p>
<p>Services in Kind:</p> <p>The entity did not recognise the services in-kind in accordance with GRAP 23, Revenue from non- exchange transactions. The amounts disclosed in note 20 were not accounted for as revenue and expenditure as required, resulting in revenue from non-exchange transactions being understated by R6,943 million (2018-19: R6,799 million) and expenses being understated by R6,943 million (2018-19: R6,799 million). The entity also did not recognise services in-kind relating to the free use of buildings which are paid for by the Department to which it reports. The entity was unable to determine the full extent of the misstatement as it was impracticable to do so.</p>	2018/19	<p>Amounts were disclosed in the statement of financial performance 2020/2021 as revenue from non-exchanged transactions and related expenditure.</p> <p>DPWI has been informed and requested to provide property valuation to enable to entity to determine fair value rentals as the entity is unable to disclosed fair value rentals without property values from DPWI</p>
<p>Cash flow Statement:</p> <p>The trading entity did not correctly prepare and disclose the net cash flows from operating activities, as required by GRAP 2, Cash flow statements.</p> <p>This was due to multiple errors in determining cash flows from operating activities. The entity was unable to determine the full extent of the errors in the net cash flows as it was impracticable to do so. Consequently, the entity was unable to determine whether any adjustments to cash flows from operating activities as stated in the financial statements were necessary.</p>	2018/19	Resolved



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 258 - 259 of the Report of the Auditor General, published as Part F: Financial Information.

2. OVERVIEW OF SEE PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

Manufacturing, Engineering and Related Services Sector Education and Training Authority

The entity has signed a MOU with Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA) aimed at establishing a government partnership in order to promote a long-term development relationship to enhance and capacitate technical skills of persons with disabilities. The current MOU is implemented as a pilot project focusing on three factories in Gauteng. The success of this project is continuously monitored to inform future phases of the partnership and aiming at the entity to be a training facility for persons with disabilities.

Education for Employability Programme

The entity is involved, through Public Employment Services, in the Education for Employability programme, funded by the European Union, to facilitate the entry and re-entry of work-seekers into the labour market through aiming at improving technical skills of Persons with Disabilities (PwD) that are exiting the Special schools by providing them with on-the-job training and providing access to work opportunities for PwDs and assist with their transition into the open labour market through training opportunities within the existing SEE factories. The Outcomes: Enhanced employability and improved placement of work-seekers and PwDs into work opportunities and long term jobs, to contribute to meeting national employment targets as reflected in the NDP – Five-year plan (MTSF).

COVID-19 impact on SEE's operations

The entity responded to the introduction of the regulation enforcing the use of cloth face masks by anticipating the demand by institutions and the general public which led to the manufacturing of cloth face masks in line with the DTIC guidelines.

The SEE operations were seriously affected by the lockdown during the 2020/21 financial year as a result of the Covid-19 pandemic.

The factories were all adversely affected by the initial lockdown restrictions, which resulted in the entity recording no sales during the first quarter of the financial year.

The Entity also paid all factory workers their full salaries and did not suspend or reduce them like other factories as this would have resulted in serious hardships, given their current earning levels.

The working from home concept could not be implemented during shift work as it was not practical to supply them with machinery to work from home.

With the introduction of lockdown regulations and the clarity on how essential work and manufacturing would be conducted, the factories experienced a sharp increase in the demand for reusable hospital PPE predominantly from the Western Cape.



2.2 ORGANISATIONAL ENVIRONMENT

The entity was established in terms of Chapter 6 of the Employment Services Act (ESA), 2014 (Act No. 4 of 2014, Government Gazette No. 37539) and is currently trading as Service Products with 13 factories across the country manufacturing furniture, hospital linen and steel products. The Department has retained ownership of these factories and provides administrative support as the factories continue to provide therapeutic employment and economic empowerment of people with disabilities. Although these factories have a commercial orientation, their primary purpose has a social impact.

SEE is administered and governed in accordance with Public Finance Management Act (PFMA), reporting under the Department and operates on VIP and SYSPRO ERP Systems to manage administrative and operational functions of the entity. The entity has a range of machinery, equipment, tools, raw materials, finished stock, office furniture, equipment etc, which have relied on SYSPRO system for the administration of its operations.

The entity is dependent on Departmental processes for administration functions and is in the process of finalising its governance structure document to outline governance structures applicable to SEE environment and to ensure that SEE achieves principles of Good Governance and the entity operates on best principles and practices endorsed in the King IV code on Corporate Governance. Currently, the entity also utilises the following Departmental transversal services:

- Chief Internal Audit and Audit Committee
- Chief Risk Officer and the Risk Committee
- Chief Legal Services
- Chief Information Officer
- Chief Financial Officer delegated functions.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Employment Services Act amendments

The entity is currently administered as a trading entity to comply to National Treasury prescripts, although it is not a registered entity yet. The Department is in the process of amending the Employment Services Act, to provide for SEE to be listed as a Trading Entity and to position it to benefit from government preferential procurement.

Draft Public Procurement Bill

The entity is abreast of the current Draft Public Procurement Bill and welcomes its intentions for the state utilises and leverages procurement to advance economic opportunities for previously disadvantaged people and women, the youth and people with disabilities small businesses and promote local production. This is believed to position SEE at a more suitable space to provide business to government and sustain financial health of the entity with the benefit to provide more employment opportunities for persons with disabilities.

3. STRATEGIC OUTCOME ORIENTED GOALS

Progress towards Achievement of Institutional Impacts and Outcomes:

Supported Employment Enterprises is contributing towards priority 2 of the Priorities of government as set out in the Medium Term Strategic Framework (MTSF), the National Development Plan (NDP) and the Department's Revised Strategic Plan 2020-25. The details of the outcomes, indicators, 5-year target and the achievements to date are highlighted in the tables below.



PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION

MTSF OUTCOME	OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	SEE FIVE YEAR TARGETS	ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Contribute to decent employment creation	Number of youth NEET absorbed in employment	1 million youth jobs by 2024 Departmental: 256 050 (contributors PES: 190 000, SEE and Designated Groups: 1 000; UIF (LAP): 61 050; CF: 4 000)	To employ 400 new additional persons with disabilities by 2025	Achieved 25 additional persons with disabilities employed in the SEE factories by the end of March 2021	None
Increase sales revenue	Financial viability increased and sustained	% annual increase of sales revenue from goods and services by end of March	None	To increase revenue to 40% by 2025	Not achieved -67% Actual sales R41 865 234 against last year's sales of R128 122 846	Insufficient orders received from government Departments due to reprioritisation of expenditure areas by government Departments as a result of Covid-19
Increase SEE's market share	SEE's market share increased and sustained	Number of MOU's entered into annually	None	Increase SEE's market share	Not achieved 2 customer agreements entered into by the end of March 2021	Insufficient commitment by Provincial parties to conclude agreements during Covid-19 uncertain times after the decentralisation of procurement from national to provincial Departments.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

The SEE for the MTSF, will embark on employing 400 new additional persons with disabilities by the end of March 2025. By end of March 2021, 89 PwDs were provided with work opportunities for the years 2019/20 and 2020/21. During 2019/20, 64 additional PwDs were provided with work opportunities out of a target of 150. For the year under review, 25 PwDs were provided with work opportunities out of a revised target of 25 due to Covid-19. The second target that SEE will be embarking on in order to improve on its operations is to increase revenue to 40% by the end March 2025 and for the 2019/20 financial year, -67% of the revenue was realised over a target of 10% and for the year under review, SEE realised a contraction out of a revised target of 5% due to Covid-19. The third target is to increase SEE's market share by entering into 30 MOUs by the end of March 2025, and this is a new indicator of which in the year under review only 2 MOUs were concluded over a revised target of 3 due to Covid-19.



4. PERFORMANCE INFORMATION

4.1 PROGRAMME: SUPPORTED EMPLOYMENT ENTERPRISES

Purpose: The SEE is established in terms of the Employment Services Act to provide employment for people with special disabilities in the various factories across provinces that manufacture wood, linen and steel products.

The Employment Services requires the entity to:

- Facilitate supported employment
- Provide work opportunities for persons with disabilities
- Develop and implement programmes that promote employability of PWD including persons with permanent disabilities as defined in the Compensation Act
- Perform other functions as prescribed by the Minister.

Sub-programmes:

- **Business Development:**

Purpose: Develop and implement marketing initiatives that promote employment of persons with disabilities

- **Operations:**

Purpose: Manage and monitor production within the factories; Provide a safe working environment infrastructure; Provided machine maintenance services; Supply and procurement of machinery

- **Office of the Chief Financial Officer:**

Purpose: To provide strategic leadership and support regarding financial management functions and manage administrative support for assets and supply chain management functions

- **Human Resource Management**

Purpose: Strengthening institutional capacity through: Maintaining vacancy rate; Implementation of PDMS policy; Employee relations; Workplace skills plan implementation; EHWP for all SEE employees and Medical health care

- **Planning, monitoring and evaluation**

Purpose: Organise planning workshops, provide technical advice and monitor the alignment of the SEE Strategic/APP Plans with the Department priorities; Manage the compilation of performance information reports and Monitor performance against APP and the AOP

- **Information Communication and Technology**

Purpose: Manage ICT desktop operations, manage information systems, network and telephony environments and monitor performance of service providers

SEE OUTCOMES AS PER THE APPROVED ANNUAL PERFORMANCE PLAN

- Provide additional job opportunities for People with Disabilities
- Increase sales revenue
- Increase SEE's market share.



PERFORMANCE INDICATORS

The table below is reflecting SEE's performance based on the Revised Annual Performance Plan 2020/21 tabled in July 2020. The Department gave effect to the impact of Covid-19 on its services and the impact on the budget.

PROGRAMME: SUPPORTED EMPLOYMENT ENTERPRISES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2018/2019	AUDITED ACTUAL PERFORMANCE 2019/2020	PLANNED ANNUAL TARGET. 2020/2021	ACTUAL ACHIEVEMENT 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS
Provide additional job opportunities for People with Disabilities	Employment Services Act and recruitment and selection strategy for PwDs implemented	Number of additional persons with disabilities employed in the SEE factories by the end of March	Achieved 100 additional PwDs provided with work opportunities by end of March 2019	Not achieved 64 additional PwDs provided with work opportunities by end of March 2020	25 additional persons with disabilities employed in the SEE factories by the end of March 2021	Achieved 25 additional persons with disabilities employed in the SEE factories by the end of March 2021	None	N/A
Increase sales revenue	Financial viability increased and sustained	% annual increase of sales revenue from goods and services by the end of March	Achieved 16.59% Actual out of R72 059 698 against a target of R61 805 926	Achieved 67%	5% annual increase of sales revenue from goods and services by the end of March 2021	Not achieved -67% Actual sales R41 865 234 against last year's sales of R128 122 846	-62%	Insufficient orders received from government Departments due to reprioritisation of expenditure areas by government Departments as a result of Covid-19
Increase SEE's market share	SEE's market share increased and sustained	Number of customer agreements entered into annually	N/A	N/A	3 customer agreements entered into by the end of March 2021	Not achieved 2 customer agreements entered into by the end of March 2021	1 Customer agreement	Insufficient commitment by Provincial parties to conclude agreements during Covid-19 uncertain times after the decentralisation of procurement from national to provincial Departments.

STRATEGIES TO OVERCOME AREAS OF UNDER PERFORMANCE

OUTCOME	OUTPUT INDICATOR	2020/21 PLANNED TARGET	ACTUAL ACHIEVEMENT	REASON FOR VARIANCE	STRATEGY TO OVERCOME UNDER PERFORMANCE	DATE OF IMPLEMENTATION
Increase sales revenue	% annual increase of sales revenue from goods and services by the end of March	5% annual increase of sales revenue from goods and services by the end of March 2021	Not achieved -67% Actual sales R41 865 234 against last year's sales of R128 122 846	Reprioritisation of expenditure areas by government Departments as a result of Covid-19	Implement aggressive marketing strategy	31 March 2022
Increase SEE's market share	Number of customer agreements entered into annually	3 customer agreements entered into by the end of March 2021	Not achieved 2 customer agreements entered into by the end of March 2021	Decentralisation of procurement from national to provincial Departments.	Undertake roadshows to visit provincial districts of health and education to persuade participation into the national MoUs	31 March 2022

CHANGES TO PLANNED TARGETS

All performance targets changed in July following the impact of Covid-19 pandemic as lockdown restrictions were effected. Targets were reduced from the initial targets as a result and as such, of the three of the planned targets two were not achieved and the major contributing factor is the impact of Covid-19.

5. STATEMENT OF RESPONSIBILITY BY THE ACCOUNTING OFFICER

The Director-General of Employment and Labour is responsible for the preparation and fair presentation of these Annual Financial Statements in accordance with South African Statements of Generally Recognized Accounting Practice (GRAP) and in the manner required by the Public Finance Management Act, 1999, (Act No. 1 of 1999). This responsibility includes designing, implementing and maintaining a system of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Auditor-General of South Africa is responsible for expressing an opinion on the fair presentation of the financial statements.

As the Director-General is also responsible for the system of internal financial controls, it should be noted that these controls are designed to provide reasonable, but not absolute, assurance as to the fair presentation of the financial statements; to adequately safeguard, verify and maintain accountability over the assets of the entity; and to prevent and detect misstatements and loss. Nothing has come to the attention of the Director-General to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the Director-General has every reason to believe that the SEE factories have adequate resources in place to continue operations for the foreseeable future.

The financial statements have been audited by the Auditor-General of South Africa, who was given unrestricted access to all financial records and related data, including minutes of all management meetings held. The Auditor-General of South Africa believes that all representations made to the Auditor-General of South Africa during the audit were valid and appropriate.

The financial statements were approved by the Director-General on 31 May 2021, for submission to audit.



MR. T LAMATI

Accounting Officer

Date: 25/10/2021



6. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SUPPORTED EMPLOYMENT ENTERPRISES

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

1. I have audited the financial statements of the Supported Employment Enterprises set out on pages 263 to 303, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Supported Employment Enterprises as at 31 March 2021, its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

BASIS FOR QUALIFIED OPINION

Inventories

3. I was unable to obtain sufficient appropriate evidence that inventories for the current and previous year had been properly accounted for, due to the status of the accounting records, as evidence of the cost of finished goods, work in progress and inventory write down to net realisable value could not be provided. I could not confirm inventories by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to inventories, stated at R67,9 million (2020: R79,9 million) in the statement of financial position and note 2 to the financial statements.

Cost of sales

4. I was unable to obtain sufficient appropriate audit evidence that cost of sales for the current and previous year had been properly accounted for, due to the status of the accounting records, as evidence could not be provided for labour recoveries stated at R3,9 million (2020: R8,3 million) and purchase report movement stated at R4,4 million. I could not confirm the cost of sales by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to cost of sales, stated at R67,5 million (2020: R225,4 million) in the statement of financial performance and note 14 to the financial statements.
5. In addition, the trading entity did not appropriately account for labour costs as required by GRAP 12, *Inventory*, in the prior year. Idle time was incorrectly included in cost of sales. Consequently, the corresponding figure of labour costs disclosed in note 14 to the financial statements was overstated. I was unable to determine the full extent of the overstatement as it was impractical to do so.

Property, plant and equipment

6. The trading entity did not review the residual values and useful lives of property, plant and equipment at each reporting date in accordance with GRAP 17, *Property, plant and equipment*. As a result, property, plant and equipment with a gross carrying amount of R6,9 million (2020: R8,6 million) had a R1 net carrying amount while still being used. I was unable to determine the impact on the net carrying amount of property, plant and equipment as it was impracticable to do so.

Services in kind

7. The trading entity did not correctly apply the requirements of GRAP 1, *Presentation of financial statements* relating to impracticability. The trading entity did not make every reasonable effort to obtain information on the fair value of the free use of buildings. I was unable to determine the full extent of the understatement of services in kind disclosed in note 24 to the financial statements as well as services in kind revenue and expenditure presented in the statement of financial performance as it was impracticable to do so.

Prior year adjustments

8. The trading entity did not disclose all prior year adjustments in note 32 to the financial statements, as required by GRAP 3, *Accounting policies, estimates and errors*. The amounts of the correction for each financial statement item affected were not entirely disclosed in some instances. In addition, I was unable to obtain sufficient appropriate audit evidence that all the prior period errors had been properly disclosed, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior year adjustments disclosed in the financial statements.



CONTEXT FOR THE OPINION

9. 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.
10. I am independent of the trading 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.
11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

12. The Accounting Officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the Accounting Officer is responsible for assessing the trading 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 trading 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

14. 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.
15. 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

16. 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.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the trading 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 trading 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.
18. 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 trading entity's annual performance report for the year ended 31 March 2021:

PROGRAMME	PAGES IN THE ANNUAL PERFORMANCE REPORT
Supported Employment Enterprises	253 – 254

19. 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.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
 - Supported Employment Enterprises

OTHER MATTER

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on page 253 – 254 for information on the achievement of planned targets for the year and management explanations provided for the under achievement of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION**INTRODUCTION AND SCOPE**

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the trading entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

24. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1) (a) and (b) of the PFMA.

26. Material misstatements of inventories, receivables from exchange transactions, payables from exchange transactions, cost of sales, operating expenditure, services in kind and commitments identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Revenue management

27. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

28. Interest was not charged at the approved rates determined by the Minister of Finance, as required by treasury regulation 11.5.1.

Consequence management

29. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

Procurement and contract management

30. The bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).

OTHER INFORMATION

31. The Accounting Officer 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 programmes presented in the annual performance report that have been specifically reported in this auditor's report.

32. 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.

33. 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.

34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.



INTERNAL CONTROL DEFICIENCIES

35. I considered internal control 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 basis for the qualified opinion and the findings on compliance with legislation included in this report.
36. Management did not adequately review the financial statements to ensure that they were reliable. The misstatements identified during the audit could have been prevented had effective review controls been implemented.
37. There was inadequate monitoring of compliance with applicable laws and regulations as instances of non-compliance were identified through the audit process.

Auditor-General

Pretoria

15 September 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 programmes and on the trading 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 trading entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Officer
 - conclude on the appropriateness of the Accounting Officer’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 Supported Employment Enterprises 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 trading 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 Officer 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 Officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

The member is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the member to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The annual financial statements 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.

The annual financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

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

The entity is dependent on the National Treasury for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the National Treasury has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The annual financial statements set out on pages 265 to 305, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 May 2021 and were signed on his behalf:



MR. T LAMATI

Accounting Officer

Date

25/10/2021

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Figures in Rand	Note(s)	2021 R	2020 R Restated*
Assets			
Current Assets			
Inventories	2	67 981 947	79 906 151
Receivables from exchange transactions	3	10 880 157	37 428 210
Receivables from non-exchange transactions	4	1 092 000	1 092 000
Cash and cash equivalents	5	29 197 315	3 270 312
		109 151 419	121 696 673
Non-Current Assets			
Property plant and equipment	6	77 650 070	58 479 698
Intangible assets	7	22 633	38 873
		77 672 703	58 518 571
Total Assets		186 824 122	180 215 244
Liabilities			
Current Liabilities			
Finance lease obligation	8	117 926	167 830
Payables from exchange transactions	9	13 720 099	34 022 566
Conditional grant	10	20 479 911	-
VAT payable	11	60 648	265 706
Provisions	12	651 590	424 299
		35 030 174	34 880 401
Non-Current Liabilities			
Finance lease obligation	9	28 048	-
Total Liabilities		35 058 222	34 880 401
Assets		186 824 122	180 215 244
Liabilities		(35 058 222)	(34 880 401)
Net Assets		151 765 900	145 334 843
Accumulated surplus		151 765 900	145 334 843

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Note(s)	2021 R	2020 R Restated*
Revenue from exchange transactions	13	41 865 234	128 122 846
Cost of sales	14	(67 452 864)	(225 420 073)
Gross deficit		(25 587 630)	(97 297 227)
Revenue from Non - exchange transactions			
Transfers		153 049 000	148 923 000
Services in kind	24	6 076 141	6 097 939
Conditional grant income	10	22 363 648	1 128 297
Other income - exchange			
Canteen revenue	20	19 395	275 032
Commissions received		43 146	49 784
Gains on disposal of assets		-	46
Interest income	16	1 010 269	2 659 960
		182 561 599	159 134 058
Operating expense	15	(149 910 123)	(54 466 506)
Operating surplus	17	7 063 846	7 370 325
Finance cost and Penalties	18	(43 490)	(160 386)
Movement of NRV	2	(589 306)	(619 615)
		(632 796)	(780 001)
Profit (loss) before taxation		6 431 050	6 590 324
Taxation		-	-
Surplus for the year		6 431 050	6 590 324

**SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand

	Accumulated surplus	Total net assets
	R	R
Opening balance as previously reported	133 684 906	133 684 906
Adjustments		
Prior year adjustments- Refer to note 32	5 059 620	5 059 620
Balance at 01 April 2019 as restated*	138 744 526	138 744 526
Changes in net assets		
Surplus for the year	6 590 324	6 590 324
Total changes	6 590 324	6 590 324
Restated* Balance at 01 April 2020	145 334 850	145 334 850
Changes in net assets		
Surplus for the year	6 431 050	6 431 050
Total changes	6 431 050	6 431 050
Balance at 31 March 2021	151 765 900	151 765 900



SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Note(s)	2021 R	2020 R Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		68 413 287	118 601 980
Transfers and sponsorships		195 892 559	148 923 000
Interest income		1 010 269	2 659 960
Other receipts		62 541	324 817
		265 378 655	270 509 757
Payments			
Employee costs		(130 163 070)	(140 608 944)
Suppliers		(84 298 738)	(187 712 408)
Finance cost and Penalties		(43 489)	(160 386)
		(214 505 297)	(328 481 738)
Net cash flows from operating activities	27	50 873 357	(57 971 981)
Cash flows from investing activities			
Purchase of property plant and equipment	6	(24 928 500)	(33 708 611)
Proceeds from sale of property plant and equipment	6	4 000	
Purchase of other intangible assets	7	-	(48 719)
Net cash flows from investing activities		(24 924 500)	(33 757 330)
Cash flows from financing activities			
Finance lease payments		(21 856)	(382 477)
Net cash flows from financing activities		(21 856)	(382 477)
Net increase/(decrease) in cash and cash equivalents		25 927 003	(92 111 786)
Cash and cash equivalents at the beginning of the year		3 270 312	95 382 098
Cash and cash equivalents at the end of the year	5	29 197 315	3 270 312

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2021

BUDGET ON ACCRUAL BASIS	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNTS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	REFERENCE
Statement of financial performance						
Revenue						
Revenue from exchange and non exchange						
Sale of goods	184 270 609	-	184 270 609	41 311 485	(142 959 124)	38
Rendering of services	19 994 233	-	19 994 233	553 749	(19 440 484)	38
Commissions received	68 763	-	68 763	43 146	(25 617)	38
Discount received	959 434	-	959 434	84 986	(874 448)	38
Canteen revenue	2 500 000	-	2 500 000	19 395	(2 480 605)	38
Conditional grants	111 828	-	111 828	22 363 648	22 251 820	38
Services in kind	-	-	-	6 076 141	6 076 141	38
Transfers and sponsorships	153 049 000	-	153 049 000	153 049 000	-	38
Interest received	15 742 304	-	15 742 304	1 010 269	(14 732 035)	38
Total revenue from exchange and non exchange transactions	376 696 171		376 696 171	224 511 819	(152 184 352)	
'Total revenue from exchange	376 696 171	-	376 696 171	224 511 819	(152 184 352)	
Expenditure						
Employee cost	(176 345 054)	-	(176 345 054)	(149 828 535)	26 516 519	38
Depreciation and amortisation	(10 322 913)	-	(10 322 913)	(5 770 370)	4 552 543	38
Finance costs	(152 534)	-	(152 534)	(43 490)	109 044	38
Lease rentals on operating lease	(300 000)	-	(300 000)	(95 364)	204 636	38
Allowance for debt impairment	-	-	-	(2 946 475)	(2 946 475)	38
General expenses	(189 575 756)	-	(189 575 756)	(58 800 913)	130 774 843	38
Total expenditure	(376 696 257)	-	(376 696 257)	(217 485 147)	161 178 038	
Operating surplus	86		86	7 026 672	7 026 586	
Loss on disposal of assets and liabilities	(86)	-	(86)	(6 316)	(6 402)	38
Inventories losses/write-downs				(589 306)	(589 306)	38
Surplus before taxation	-	-	-	6 431 050	6 431 050	
Taxation	-					
Actual amount on comparable - basis as presented in the budget and actual comparative statement	-	-	-	6 431 050	6 431 050	

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with Section 91(1)(b) 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. All figures are rounded to the nearest 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 are disclosed below.

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 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 are 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

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

The impairment for receivables is calculated on a portfolio basis. For amounts due to the entity, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

On receivables 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 receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Allowance for slow moving, damaged and obsolete inventory

An assessment is made of net realisable value of inventory at the end of each reporting period. A write down of inventory to the lower of cost or net realisable value is subsequently provided. Management has made estimates of the selling price and direct cost to sell on certain inventory items.

The write down is included in surplus or deficit.

IMPAIRMENT TESTING OF NON-FINANCIAL ASSETS

The recoverable amounts of potentially impaired cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value tangible assets.

Value in use of cash-generating assets

The entity 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. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.



They are significantly affected by a number of factors together with economic factors such as exchange rates inflation and interest rates.

Value in use of non-cash-generating assets

The entity reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable service amounts of non-cash-generating assets have been determined based on the higher of value in use calculations and fair values less costs to sell.

In determining the value in use of asset, 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 other assets

The entity's management annually determines the estimated useful lives and related depreciation charges for its property plant and equipment and other assets. This estimate is based on industry norms and on the pattern in which an asset's future economic benefit or service potential is expected to be consumed by the entity. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease depreciation charge where useful lives are more than previously estimated useful lives.

OTHER

1.3 PROPERTY, PLANT AND EQUIPMENT

Property plant and equipment are tangible non-current asset 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 or fair value of the item can be measured reliably.

Property plant and equipment are initially measured at cost. Property plant and equipment is subsequently measured using the cost model.

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). Unless the fair value of neither the asset received nor the asset given up is reliably measurable its deemed cost is the carrying amount of the asset(s) given up.

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

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

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 spare parts 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 are depreciated over their expected useful lives to their estimated residual values. The depreciation charge for each period is recognised in surplus or deficit.

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

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Appliances	Straight-line	5- 8 years
Buildings	Straight-line	10- 40 years
Computer equipment	Straight-line	3- 5 years
Furniture and fittings	Straight-line	12- 15 years
Leased assets	Straight-line	3 years
Office equipment	Straight-line	8-10 years
Plant and machinery	Straight-line	10- 15 years
Motor vehicles	Straight-line	5 years

The entity assesses at each reporting date whether there is any indication that the entity's 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 in accordance with the Standard of GRAP on Accounting policies changes in estimates and errors.

Assets of the 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.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 6).

1.4 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.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.



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 the 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 a 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.

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.

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 Standard 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.

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.

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

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

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

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

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



1.5 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

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 the 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.

The entity 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 cash-generating assets.

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.

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 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.

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.

1.6 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.

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

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.

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.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

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

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 entity 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 equivalent	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivable from non-exchange transactions	Financial asset measured at amortised cost

The entity 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 obligation	Financial liability measured at amortised cost
Payables from exchange transaction	Financial liability measured at amortised cost

Initial recognition

The entity 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 entity recognises financial assets using trade date accounting.



Initial measurement of financial assets and financial liabilities

The entity 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.

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements where it is the issuer of the loan; or
- non-exchange revenue in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers) where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Reclassification

The entity 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.

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.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

Impairment and un-collectability of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

DE-RECOGNITION

Financial assets

The entity derecognises financial assets using trade date accounting. The entity 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 of the 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.

On derecognition of a financial asset in its entirety the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.



Financial liabilities

The entity 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.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

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 are 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.

1.7 INVENTORIES

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

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

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

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

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

Current replacement cost is the cost the 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.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.



1.8 VALUE-ADDED TAX (VAT)

The entity is registered with the South African Revenue Services (SARS) for VAT on the payment basis in accordance with Section 15(2) of the VAT Act No.89 of 1991.

1.9 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. The entity has classified computer software as intangible assets.

An asset is identifiable if it either:

- is separable i.e. is capable of being separated or divided from the 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.

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.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided on a straight-line basis over the expected useful lives of the intangible assets.

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 to their residual values. The amortisation charge for each period is recognised in surplus or deficit

The useful lives of intangible assets have been assessed as follows

Item	Depreciation method	Average useful life
Computer software	Straight-line	2-3 years

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on Leases requires otherwise on a sale and leaseback). The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds if any and the carrying amount of the asset.

Compensation from third parties for an intangible assets that was impaired lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.10 EMPLOYEE BENEFITS

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

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

- the 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 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 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 12 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 12 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 cell phones) 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 of GRAP 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.

MULTI-EMPLOYER PLANS

The entity classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for in the same way as for any other defined contribution plan.

1.11 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 reporting period are credited/debited against accumulated surplus/(deficit). Prior year adjustments relating to income and expenditure are credited/debited against accumulated surplus/(deficit) when retrospective adjustments are made.

1.12 PROVISIONS AND CONTINGENCIES

A provision is a liability of uncertain timing or amount. 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 the 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.

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.

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

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

1.13 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.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied::

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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.

Interest

Revenue arising from the use by others of entity assets yielding interest 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.

1.14 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

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.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

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 condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Services in-kind

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

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition the entity discloses the nature and type of services in-kind received during the reporting period in note 24.

1.15 COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.16 BORROWING COSTS

Borrowing costs are interest and other expenses incurred by the entity in connection with the borrowing of funds.

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



1.17 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.

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.

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

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 so as 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.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term.

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

1.18 COMMITMENTS

Items are classified as commitments when the 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 which include future capital commitments relating to property plant and equipment investment property intangible assets and heritage assets as applicable operational commitments as well as future commitments relating to operating leases. Refer to note 29- 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.

1.19 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred 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.

For details on fruitless and wasteful expenditure refer to note 36- Fruitless and wasteful expenditure.

1.20 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is 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 year 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 register. If liability for the irregular expenditure can be attributed to a person a debt account must be created if such a person is liable in law. Immediate steps 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 programme/expenditure item disclosed as such in the note to the financial statements and updated accordingly in the register.

For details on irregular expenditure refer to note 37- Irregular expenditure.

1.21 BUDGET INFORMATION

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

The approved budget covers the fiscal period from 01 April 2020 to 31 March 2021.

1.22 CONDITIONAL GRANTS

Revenue received from funding are recognised as revenue to the extent that the entity has complied with the criteria conditions or obligations embodied in the agreement. To the extent that the criteria conditions or obligations have not been met a liability is recognized.

1.23 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.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

A 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.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies.

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 it 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.



1.24 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 adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity discloses 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.

1.25 COMPARATIVE FIGURES

Where necessary comparative figures have been reclassified and/or adjusted to conform to changes in presentation in the current year. Refer to note 32 prior year reclassified and/or adjusted figures.

1.26. ERRORS CHANGES IN ACCOUNTING POLICIES AND ESTIMATE

The entity accounts for the changes in accounting policy and errors retrospectively unless it is impractical to do so. The opening balances are restated with the effect of the errors and the change in accounting policies.

The entity accounts for the change in accounting estimates prospectively.

1.27 NEW STANDARDS AND INTERPRETATIONS

The standards issued and effective that are applicable to the entity are:

GRAP PRONOUNCEMENT	EFFECTIVE DATE	RELEVANT
GRAP 20 on Related-party disclosures	1 Apr 2021	Early Adopted
Guideline on The application of materiality to financial statements	Voluntary*	Materiality Framework currently in place

* The guideline was issued in April 2019 and is available for immediate consideration, to assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of Grap. Although the application of the guideline is voluntary, application is encouraged.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

FIGURES IN RAND	2021	2020
2. Inventories		Restated
Raw materials and components	59 294 843	67 045 741
Work in progress	674 209	606 724
Finished goods	9 223 091	12 872 111
Inventory clearing account	10 171	12 636
	<u>69 202 314</u>	<u>80 537 212</u>
Inventory write down to net realisable value	(1 220 367)	(631 061)
	<u>67 981 947</u>	<u>79 906 151</u>

Redundant and slow moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values as determined using estimation techniques.

Inventory pledged as security

No inventory was pledged as security.

3. Receivables from exchange transactions	2021	2020
Trade Debtors	24 015 599	36 275 042
Impairment of trade debtors	(13 571 463)	(10 624 988)
Prepayments	431 970	11 748 106
Sundry receivables	4 051	30 051
	<u>10 880 157</u>	<u>37 428 210</u>

3.1. Trade debtors past due but not impaired

Trade debtors which are less than 3 months past due are not considered to have high risk of irrecoverability.

At 31 March 2021 R 10 610 856- (2020: R 21 790 009) were past due but not impaired.

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

	2021	2020
Current (0- 30 Days)	10 152 011	20 091 292
31- 60 Days	472 485	1 102 726
61- 90 Days	(13 640)	595 991
	<u>10 610 856</u>	<u>21 790 009</u>

FIGURES IN RAND	2021	2020
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Restated**3.2 Trade debtors impaired**

As of 31 March 2021 trade debtors of R 13 571 463- (2020: R 10 624 987) were impaired and provided for.

The amount of the allowance was R 13 571 463 as of 31 March 2021 (2020: R 10 624 987).

The ageing of these trade debtors is as follows:

Current (0- 30 Days)	-	-
31- 60 Days	-	-
61- 90 Days	213 451	506 665
91- 120 Days	2 208 871	44 565
Greater than 120 Days	11 149 141	10 073 757
	13 571 463	10 624 987

3.3 Reconciliation of allowance for impairment of trade debtors from exchange transactions

Opening balance	10 624 988	16 929 316
Increase / (decrease) in allowance for impairment	2 946 475	(6 304 328)
	13 571 463	10 624 988

4. Receivables from non-exchange transactions

Other receivables from non-exchange	1 092 000	1 092 000
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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	25 922	26 641
Bank balances	29 171 393	3 243 671
	29 197 315	3 270 312

The entity holds the amount in its call account which relates to certain conditional grants from Department of Employment and Labour for which the conditions of recognition have not yet been met. Conditional grants are disclosed for the same amount.

Except for cash and cash equivalents not available for use no other cash and cash equivalents are held as security for liabilities.



6. Property, plant and equipment

FIGURES IN RAND	2021			2020		
	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Appliances	2 042 939	(708 471)	1 334 468	2 127 100	(499 890)	1 627 210
Buildings	2 273 867	(225 553)	2 048 314	2 273 867	(162 203)	2 111 664
Furniture and fittings	2 726 929	(1 449 647)	1 277 282	3 324 120	(1 712 773)	1 611 347
Computer equipment	3 911 519	(2 590 597)	1 320 922	4 513 577	(2 902 767)	1 610 810
Leased assets	1 255 316	(1 079 795)	175 521	1 025 789	(896 813)	128 976
Motor vehicles	10 384 485	(3 389 426)	6 995 059	10 384 485	(1 312 530)	9 071 955
Office equipment	929 766	(543 625)	386 141	1 259 590	(798 244)	461 346
Plant and machinery	78 316 429	(14 204 066)	64 112 363	55 000 220	(13 143 830)	41 856 390
TOTAL	101 841 250	(24 191 180)	77 650 070	79 908 748	(21 429 050)	58 479 698

6.1 Reconciliation of property, plant and equipment - 2021

FIGURES IN RAND	OPENING BALANCE	ADDITIONS	ASSETS DERECOGNITION	OTHER CHANGES, MOVEMENTS	DEPRECIATION	TOTAL
Appliances	1 627 210	9 518	40 088	-	(262 172)	1 334 468
Buildings	2 111 664	-	-	-	(63 350)	2 048 314
Computer equipment	1 610 810	255 541	(19 821)	(2 944)	(522 664)	1 320 922
Furniture and fittings	1 611 347	8 980	(136 953)	(40 003)	(166 089)	1 277 282
Leased assets	128 976	229 526	-	-	(182 981)	175 521
Motor vehicles	9 071 955	-	-	-	(2 076 896)	6 995 059
Office equipment	461 346	5 502	(9 168)	-	(71 539)	386 141
Plant and machinery	41 856 390	25 023 300	(401 427)	42 535	(2 408 435)	64 112 363
	58 479 698	25 532 367	(607 457)	(412)	(5 754 126)	77 650 070

6.2 Reconciliation of property, plant and equipment - 2020

FIGURES IN RAND	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	TOTAL
Appliances	686 391	1 174 106	(705)	(232 582)	1 627 210
Buildings	2 172 308	-	-	(60 644)	2 111 664
Computer equipment	1 440 304	632 130	-	(461 624)	1 610 810
Furniture and fittings	1 069 094	707 822	(8 180)	(157 389)	1 611 347
Leased assets	470 906	-	-	(341 930)	128 976
Motor vehicles	-	10 384 485	-	(1 312 530)	9 071 955
Office equipment	468 427	63 087	-	(70 168)	461 346
Plant and machinery	22 532 289	20 755 866	-	(1 431 765)	41 856 390
	28 839 719	33 717 496	(8 885)	(4 068 632)	58 479 698

FIGURES IN RAND	2021	2020
		Restated
Building		
The Human Resource office building was constructed on land that belongs to the Department of Public Works.		
Impairment losses		
Impairment losses are included in cost of sales as well as the line item named "Depreciation amortisation and impairments" in the operating expenditure disclosure.		
Pledged as security		
No items of property plant and equipment were pledged as security.		
Repairs and maintenance expenditure		
The repairs and maintenance expenditure incurred in relation to Property plant and equipment is R432 811 (2020: R5 040 912).		
Assets subject to finance lease (Net carrying amount)		
Leased assets- Office equipment	175 521	128 976

7. Intangible assets

	2021			2020		
	COST / VALUATION	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Computer software	48 719	(26 086)	22 633	48 719	(9 846)	38 873

7.1 Reconciliation of intangible assets - 2021

	OPENING BALANCE	AMORTISATION	TOTAL
Computer software	38 873	(16 240)	22 633

7.2 Reconciliation of intangible assets - 2020

	OPENING BALANCE	ADDITIONS	AMORTISATION	TOTAL
Computer software	-	48 719	(9 846)	38 873

Pledged as security

No intangible assets were pledged as security.

8. Finance lease obligation

	2021	2020
Minimum lease payments due		
- within one year	127 548	179 217
- in second to fifth year inclusive	28 630	-
	156 178	179 217
less: future finance charges	(10 204)	(11 387)
Present value of minimum lease payments	145 974	167 830
Present value of minimum lease payments due		
- within one year	117 926	167 830
- in second to fifth year inclusive	28 048	-
	145 974	167 830
Non-current liabilities	28 048	-
Current liabilities	117 926	167 830
	145 974	167 830

FIGURES IN RAND	2021	2020
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Restated

It is the entity's policy to lease certain of its office equipment under finance leases. The entity has an option to acquire certain leased assets at the termination of the lease.

The average lease term is between 3-5 years and the average effective borrowing rate is 10% (2020: 10%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets.

9. Payables from exchange transactions

	2021	2020
Trade payables	1 138 533	7 100 526
Income received in advance	1 541 682	11 494 501
Stabilisation fund	106 541	106 541
Medical account	204 845	204 845
Accrued leave pay	4 454 016	2 921 668
Accruals	6 274 482	12 194 485
	13 720 099	34 022 566

Stabilisation Fund: During 2010 the entity received a refund of R3 210 268 from Civil Pensions Stabilisation Account (CPSA) for Stabilisation Fund contributions collected from Temporary Employees Pension Fund members after 1 July 1999 plus interest. The employer contribution (R2 407 700) was surrendered to the Revenue Fund and the employee contribution portion (R802 568) was to be refunded to the members. The full amount of employee contributions could not be refunded to all the members due to the fact that some of the old members could not be traced. The outstanding amount of R 106 541 is accounted for in the Stabilisation Fund account of the entity.

Income received in advance is made up of orders that have been paid in advance as some of the customers pay the entity 50% up front for their orders and in other cases the full amount of the order.

10. Conditional Grant

The entity received a conditional grant from the Department of Employment and Labour amounting to R42,5 Million. R25 Million of the grant was relating to salaries and R17,5 Million was for the ICT projects. R22,3 Million relating to the salaries portion of the grant has been utilised in the current year and the remainder of R2,6 Million has been disclosed below. The R17,5 Million relating to ICT project has not been utilised at year end.

The entity also received the grant from Manufacturing, Engineering and Related Services Sector Education and Training Authorities (MERSETA) of R343 559 to be utilised for training of the factory employees, this grant was not utilised during the current year.

CONDITIONAL GRANTS ARE AS FOLLOWS:	2021	2020
Salaries	2 636 352	-
Information Technology	17 500 000	-
Human Resource Training	343 559	-
	20 479 911	-

RECONCILIATION	SALARIES GRANT	ICT GRANT	HUMAN RESOURCE TRAINING GRANT	TOTAL
Received during the year	25 000 000	17 500 000	343 559	42 843 559
Utilised during the year	(22 363 648)	-	-	(22 363 648)
	2 636 352	17 500 000	343 559	20 479 911

11. VAT payable

VAT	60 648	265 706
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FIGURES IN RAND	2021	2020
		Restated
12. Provisions		
Provisions	651 590	424 299

12.1. Reconciliation of provisions - 2021

	OPENING BALANCE	ADDITIONS	TOTAL
Performance bonuses	424 299	227 291	651 590

12.2. Reconciliation of provisions - 2020

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	TOTAL
Performance bonuses	711 064	424 299	(97 087)	(613 977)	424 299

The provision for performance bonuses was provided for at 0.5% (2019/20 0.75%) of the remuneration budget as per the 2019 Incentive Policy Framework for Employees in the Public Service Directive.

13. Revenue from exchange transaction

Sale of goods	41 311 485	122 973 072
Rendering of services	553 749	5 149 774
	41 865 234	128 122 864

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods	41 311 485	122 973 072
Rendering of services	553 749	5 149 774
	41 865 234	128 122 846

14. Cost of sales**Sale of goods**

Opening inventory (including NRV movement)	77 956 735	74 939 434
Purchases and overheads	17 940 005	95 257 596
Manufacturing overhead	16 996 843	38 461 851
Depreciation	2 647 398	1 657 690
Labour cost	19 438 174	100 471 792
Recoveries- Labour	(3 954 279)	(8 263 042)
Purchases report / stock movement	4 409 935	851 487
Closing inventory (including NRV movement)	(67 981 947)	(77 956 735)
	67 452 864	225 420 073

15. Operating expenses

Restated

Advertising	(10 500)	(236 619)
Reversal/(Allowance) for debt impairment and impairment losses	(2 946 475)	6 304 328
Allowance for obsolete inventory	-	(130 467)
Auditors remuneration	(2 106 483)	(1 715 392)
Bank charges	(151 933)	(251 659)

FIGURES IN RAND	2021	2020
15. Operating expenses (continue)		Restated
Canteen expenses	(12 555)	(1 073 304)
Cleaning	(40 101)	(76 800)
Consulting and professional fees	(1 450 437)	(2 380 728)
Consumables	(3 659)	(61 359)
Depreciation amortisation and impairments	(3 122 972)	(412 420)
Employee costs	(130 390 361)	(39 850 387)
Entertainment	(7 762)	(108 109)
WIP overheads	-	(9 178)
IT expenses	-	(749 325)
Internet services	(412 346)	(520 864)
Lease rentals on operating lease	(95 364)	(87 417)
Loss on disposal of assets	(6 316)	-
Motor vehicle expenses	(62 260)	(34 041)
Occupational health and safety expenses	(7 040)	(443 885)
Losses	(838 035)	-
Printing and stationery	(93 600)	(123 688)
Refuse	-	(130)
Repairs and maintenance	(67 842)	(603 723)
Seminars conferences and workshops	-	(247 315)
License fees	(487 825)	(351 519)
Staff welfare	(242 290)	(47 232)
Telephone and fax	(187 280)	(189 416)
Training	(45 691)	(1 003 063)
Travel- local	(1 044 855)	(3 964 855)
Services in kind expenditure	(6 076 141)	(6 097 939)
	(149 910 123)	(54 466 506)
16. Interest income		
Interest exchange revenue		
Bank	416 834	1 995 490
Trade and other receivables	593 435	664 470
	1 010 269	2 659 960
17. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Building and Motor Vehicle	771 750	568 510
Gain/(loss) on sale of property, plant and equipment	(6 316)	46
Depreciation on property, plant and equipment	5 770 370	4 078 479
Employee costs	149 828 535	140 322 179

FIGURES IN RAND	2021	2020
		Restated
18. Finance cost and Penalties		
Finance leases	22 391	83 939
Interest and penalties on late payments	21 099	76 447
	43 490	160 386
19. Auditors' remuneration		
Fees	2 106 483	1 715 392
20. Other income		
Revenue from exchange transaction		
Canteen revenue	19 395	275 032
Commissions received	43 146	49 784
Revenue from non-exchange transactions		
Deferred income	22 363 648	1 128 297
Transfers (Department of Employment and Labour)	153 049 000	148 923 000
Services in kind- Revenue	6 076 141	6 097 939
	181 551 330	156 474 052
21. Employee related costs		
Salaries, allowances and bonuses	149 828 535	140 322 179
Less: Employee costs included in cost of sales	(19 438 174)	(100 471 792)
	130 390 361	39 850 387

The entity erred in the prior year by overstating employee costs relating to salaries allowances and bonuses with R605 139 and overstating employee cost included in cost of sales with R9 013. The net effect of the error is included in note 32.

22. Key Management Personnel

22.1 Ms M Sebaka

Annual remuneration

961 458

The position of the CFO became vacant on the 19th February 2020. Ms Malebo Sebaka was appointed as the Acting CFO from the 4th of May 2020

22.2 Mr BS Ngongo - Chief Financial Officer

Annual remuneration

- 952 651

Mr. BS Ngongo resigned from the CFO position on 18 February 2020. The position was vacant from 19 February 2020 to the end of the financial year. The above totals represent salary related costs for the period 01 April 2019 up to 18 February 2020.

22.3 Ms G Manamela - Director: Operations

Annual remuneration

1 139 058 1 139 058

22.4 Ms E Ntshabele - Director: Governance Assurance

Annual remuneration

1 173 483 1 115 478

22.5 Ms KW Tselane - Director: Human Resource Management and Special Projects

Annual remuneration

1 173 483 1 115 478

FIGURES IN RAND	2021	2020
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Restated

22.6 Ms KM Mongane - Director: Business Development

Annual remuneration	1 057 326	1 057 326
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22.7. Mr. V Pillay - Director: ICT

Annual Remuneration	1 057 326	1 057 326
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22.8. Mr. S Morotoba - Acting CEO

The position of the CEO became vacant on 31 December 2018 and Mr. Morotoba was appointed to act in the position from the 1st of January 2019 at no cost.

23. Employee benefit obligations

Defined contribution plan

Included in the employee costs are the following :

Pension fund	4 613 367	4 567 921
Provident fund	6 457 113	6 405 040

The entity started participating in the Textile Industry Provident Fund with effect from 01 November 2009. The employer contributes 9% of salary on behalf of each employee and the employees contribute 7%.

Only one employee is contributing to the Temporary Pension Fund. The employer is contributing 2.74834% and the employee contributes 5%.

The employee retirement benefit is a multi-employer plan and therefore only the contributions made towards the plan are disclosed.

24. Services in kind

Administrative salaries - Department of Employment and Labour	6 076 141	6 097 939
Internal audit - Department of Employment and Labour	276 959	356 397
Municipal payment- Department of Employment and Labour	705 135	1 755 650
	7 058 235	8 209 986

The entity receives the benefit to use the land and buildings from the Department of Employment and Labour at no cost.

The measurement criteria is not met as the entity is not able to reliably measure the benefit received due to limitations relating to determination of usage and billing cost provided by Department of Public Works. The Department of Public Works invoices the Department of Employment and Labour a single amount for the usage of the entire portfolio of land and buildings. From the invoices received it is not possible to ascertain the amount relating to the benefit provided to Supported Employment Enterprises.

National Treasury Accounting Guideline indicates "Entities may but are not required to recognise services in-kind as revenue and as an asset. Due to the uncertainties surrounding services in-kind including the ability to exercise control over the service and measuring the fair value of the services entities are not required to recognise services in-kind. However entities are required to disclose the nature and type of services in-kind that are material during the reporting period." Therefore service in kind is disclosed in accordance with GRAP 23.117 as asset and recognition criteria are not met

25. Allowance for debt impairment and impairment losses

Contributions to debt impairment allowance	(2 946 475)	(6 304 328)
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The entity has recalculated the debt impairment for the prior year and reinstated the debt impairment allowance from from R6 304 328 to R2 444 285

26. Depreciation and amortization

Depreciation amortisation and impairment	5 770 366	4 078 478
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FIGURES IN RAND	2021	2020
		Restated
27. Cash generated from (used in) operations		
Surplus/(deficit)	6 431 050	6 590 324
Adjustments for:		
Depreciation and amortization	5 770 366	4 078 478
Movements in provisions	227 291	(286 764)
Changes in working capital:		
Inventories	11 924 203	(4 966 716)
Receivables from exchange transactions	26 548 052	(8 972 963)
Other receivables from non-exchange transactions	-	(547 902)
Payables from exchange transactions	(20 302 465)	(52 001 087)
Unspent grant	20 479 911	(1 128 297)
VAT	(205 056)	(737 051)
	50 873 352	(57 971 983)
28. Financial instruments disclosure		
Categories of financial instruments		
2021		
Financial assets		
	At amortised cost	Total
Cash and cash equivalents	29 197 312	29 197 312
Receivables from exchange transactions (Excluding prepayments)	10 448 187	10 448 187
Receivables from non-exchange transactions (excluding statutory receivables)	1 092 000	1 092 000
	40 737 499	40 737 499
28.2. FINANCIAL LIABILITIES		
	At amortised cost	Total
Finance lease obligation	145 974	145 974
Payables from exchange transactions (Excluding income received in advance)	12 178 417	12 178 417
	12 324 391	12 324 391
2020		
28.3 Financial assets		
	At amortised cost	Total
Cash and cash equivalents	3 270 312	3 270 312
Receivables from exchange transactions (Excluding prepayments)	25 680 104	25 680 104
Receivables from non-exchange transactions (Excluding statutory receivables)	1 092 000	1 092 000
	30 042 416	30 042 416
28.4 Financial liabilities		
	At amortised cost	Total
Finance lease obligation	167 830	167 830
Payables from exchange transactions (Excluding income received in advance)	22 260 325	22 260 325
	22 428 155	22 428 155

FIGURES IN RAND	2021	2020
		Restated
29. Commitments		
29.1 Authorised operational expenditure		
Already contracted for but not provided for Contractual commitments	118 537 004	91 126 406
Total operational commitments		
Already contracted for but not provided for	118 537 004	91 126 406
29.2 Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	569 927	585 349
- in second to fifth year inclusive	1 352 238	1 922 165
	1 922 165	2 507 514

Operating lease payments represent rentals payable by the entity for a motor vehicle and building leased. Motor Vehicle leases are negotiated for an average term of seven years and rentals are fixed for an average of three years.

No contingent rent is payable. The lease for the building is a five year lease commenced on 1 June 2019.

The entity erred to include the commitment of operating lease relating to our factory in Seshego the prior year note has been amended.

30. Contingencies

Contingent liabilities

30.1. Supplier invoices on hold

The Entity has put on hold the payment of invoices for the supplier amounting to R235 309 due to insufficient evidence that need to be obtained from the supplier to corroborate the amount owed by the entity.

Invoices on hold	235 309	-
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30.2. Long service awards

The entity entered into an agreement with the Unions to pay long service awards to employees that are in service of the entity. The long service award agreement was entered into in July 2016 effective 01 April 2017.

The long service award liability is reviewed at year end and adjusted to reflect the current best estimates. The current criteria to qualify for the long service award is as follows:

- For a period of five (5) years an award equivalent to R2 500
- For a period of ten (10) years an award equivalent to R5 000
- For a period of fifteen (15) years an award equivalent to R7 500
- For a period of twenty (20) years an award equivalent to R10 000
- For a period of twenty five (25) years an award equivalent to R12 500
- For a period of thirty to forty (30- 40) years an award equivalent to R15 000

In terms of Department Public Service and Administration a long service recognition has been determined and a directive is made by the Minister for Public Service and Administration in terms of the provisions of section 3(5)a and 5(6)(b) of the Public Service Act 1994; as amended.

The recognition of the long service is as follows:

For a period of twenty (20) years a cash amount equivalent to service is R10 899. For a period of Thirty (30) years a cash amount equivalent to service is R21 797. For a period of Forty (40)years a cash amount equivalent to service is R 29 064.



FIGURES IN RAND	2021	2020
		Restated
An employee who has rendered a 10 years or more of continuous service is eligible to a certificate and an increase in annual leave entitlement of absence.		
Long service award- VIP	37 102 500	33 222 500
Long service award- PERSAL	7 658 241	7 044 272
	44 760 741	40 266 772

The long service allowance for PERSAL employees in the 2019-20 financial year was erroneously omitted. The omission has been corrected

30.3. Salary disputes between the Unions and the State

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the entity will be obligated to pay the salary increases in dispute. As at 31 March 2021 it is not certain whether an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and the amount of the obligation cannot be measure with sufficient reliability as the matter is still in negotiation stage

30.4. Contingent assets

The entity has no contingent assets as at 31 March 2021

31. Related parties

Relationships	
Controlling entity	Department of Employment and Labour
Entities under common control	Commission for Conciliation, Mediation and Arbitration Compensation Fund National Economic Development and Labour Council Productivity South Africa Unemployment Insurance Fund
Members of key management	Refer to note 22

31.1 Related party balances

Amounts included in trade receivables regarding related parties

Commission for Conciliation, Mediation and Arbitration	224 262	207 242
Compensation Fund	511 131	817 724
Unemployment Insurance Fund	47 640	30 140
Department of Employment and Labour	-	1 484 528
All outstanding balances is to be settled in cash.		

31.2 Provision for doubtful debts related to outstanding balances with related parties

Commission for Conciliation, Mediation and Arbitration	218 700	201 717
Compensation Fund	511 130	817 724
Unemployment Insurance Fund	47 640	30 140
Department of Employment and Labour	-	626 990

Related party transactions

31.3 Sales to related parties (including finance charges)

Commission for Conciliation, Mediation and Arbitration	17 020	15 602
Compensation Fund	-	177 750
Department of Employment and Labour	1 414 306	2 567 552
Unemployment Insurance Fund	17 500	-

Transfer received from related parties

Department of Employment and Labour	153 049 000	148 923 000
Conditional Grant-Department of Employment and Labour	42 500 000	-



FIGURES IN RAND	2021	2020
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Restated

32. Prior-year adjustments

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

32.1 Statement of financial position 2020

	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Provisions		(1 135 363)	711 064	(424 299)
Payables from exchange transactions		(33 094 322)	(928 244)	(34 022 566)
Receivables from exchange transaction		33 429 017	3 999 193	37 289 060
Inventories		78 688 834	1 217 316	79 906 150
VAT payable		247 556	(18 150)	229 406
Property plant and equipment		57 782 914	696 784	58 479 698
		135 918 636	5 677 963	141 457 449

32.2 Statement of financial performance 2020

	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Operating expenses		(52 136 121)	2 330 384	(54 466 505)
Cost of sales		(227 209 484)	1 789 411	(225 420 073)
Services in kind revenue		-	6 097 939	6 097 939
Revenue from exchange transactions		128 001 846	121 000	128 122 846
Surplus for the year		(151 343 759)	5 677 966	(145 665 793)

32.3 Cash flow statement 2020

	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Cash flow from Operating activities				
Sale of goods and services				
Other receipts		124 924 457	(6 322 477)	118 601 980
Employee Cost		1 453 113	(1 128 296)	324 817
Suppliers		(139 598 947)	(1 009 997)	(140 608 944)
Cash flow from Investing activities		(195 044 927)	7 332 519	(187 712 408)
Purchase of property plant and equipment		(33 717 495)	8 884	(33 708 611)
Proceed from sale of property plant and equipment		8 931	(8 931)	-
Cash flow from financing activities		(1 128 298)	1 128 298	-
Conditional grant		-	-	-
Net Change		(243 103 166)	-	(243 103 166)

FIGURES IN RAND	2021	2020
		Restated
32.4. Errors		
During the financial year the following errors were noted. All errors effecting periods before 2019/20 were corrected retrospectively from the earliest prior period presented. Errors that occurred during the current year were corrected in the current year.		
The following prior period errors adjustments occurred:		
Error 1		
Decrease in provisions		711 064
Decrease in employee cost		(711 064)
		-
The performance bonus provided for 2018-19 was not accounted for appropriately in the 2019-20 financial year this transaction account for the error.		
Error 2		
Increase in accruals		(2 172 185)
Increase in employee cost		2 172 185
		-
The service bonus for VIP employees in the 2019-20 financial year was erroneously omitted the employee cost has been adjusted.		
Error 3		
Increase in receivables from exchange transactions		3 860 043
Decrease in operating expenses		(3 860 043)
		-
Adjustment of the debtors impairment calculation erred in the 2019-20 financial year.		
Error 4		
Decrease in employee cost		(1 377 811)
Decrease in accruals		1 377 811
		-
Accounting for a reversal of a service bonus for 2018-19 incurred in 2019-20 financial year.		
Error 5		
Increase in cost of sales		487 078
Decrease in inventory		(487 078)
		-
Error in adjusting the stock price for the prior year.		
Error 6		
Increase in cost of sales		133 870
Increase in accruals		(133 870)
		-
Recognition of the prior year operating lease not accounted for.		

FIGURES IN RAND	2021	2020
		Restated
Error 7		
Increase in receivables from exchange transactions		139 150
Increase in revenue		(121 000)
Increase in vat		(18 150)
Increase in cost of sales		19 409
Decrease in inventory		(19 409)
		-
Adjustment of revenue recognized in the incorrect period		
Error 8		
Increase in property plant and equipment		677 089
Increase in property plant and equipment		18 385
Increase in property plant and equipment		1 310
Decrease in cost of sales		(677 089)
Decrease in cost of sales		(18 385)
Decrease in cost of sales		(1 310)
		-
Reversal of accumulated depreciation and depreciation of assets not ready for use.		
Error 9		
Increase in cost of sales		225 612
Decrease in inventory		(216 255)
Decrease in inventory		(9 357)
		-
Reversal of the prior year labour recoveries not yet absorbed to the products.		

Error 10

The entity has erroneously omitted the disclosure of long services awards for PERSAL employees under the contingent liability note for an amount of R 7 044 272. Note 30.2 have been amended.

Error 11

The entity has erroneously omitted to disclose services in kind relating to the benefit received from the Acting CEO. The value of the benefit is R 1 251 183 and note 24 has been amended. The entity omitted to disclose the Director ICT under the key management personnel in the prior year and Note 22 has also been amended to include the acting CEO.

Error 12

	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATEMENT
Surplus/Deficit		912 359	5 677 965	6 590 324
Depreciation		4 775 262	(696 784)	4 078 478
Gain/loss on sale of property plant and equipment		(46)	46	0
Dept impairment allowance		2 444 285	(2 444 285)	0
Movement in provisions		424 299	(711 063)	(286 764)
Allowance for obsolete inventory		130 467	(130 467)	0
Inventory losses/Write downs		619 615	(619 615)	0

FIGURES IN RAND		2021	2020
			Restated
Error 12	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR
			RESTATED
Movement in accrual for leave pay		215 623	(215 623)
Inventories		4 499 482	(9 466 197)
Receivables		2 529 486	(11 502 449)
VAT		(755 202)	18 151
Payable from exchange transaction		(53 144 952)	1 128 297
Unspent grant		-	(1 128 297)
Correction of errors in the cash generated from operations note.			
Error 13			
Services in kind revenue			(6 097 939)
Services in kind Expenditure			6 097 939
Recognition of the prior year services in kind revenue and expenditure that was not recognized.			
Error 14			
Decrease in cost of sales			(1 958 593)
Increase in operating expenditure			9 178
Increase in inventory			1 949 415
Raw materials issued to WIP but not yet absorbed.			
Reclassification			
The effect of the reclassification are as follows:			
Reclassification 1			
Employee cost (Cash flows)			(926 686)
Employee cost			926 686
The workings in terms of the cash flow presentation was erroneously misrepresented the employees cost figure was negated in working instead of being disclosed as a positive figure.			
Reclassification 2			
Depreciation motor vehicle: cost of sales			(1 312 530)
Depreciation Appliances : cost of sales			(159 555)
Depreciation computer equipment : cost of sales			(399 958)
Depreciation office equipment : cost of sales			(38 205)
Depreciation office furniture : cost of sales			(98 121)
Operational expenses: Administration			2 008 369
Reclassification of the prior year depreciation from cost of sales to operating expenses for assets not used in production.			

FIGURES IN RAND	2021	2020
		Restated
Reclassification 3		
Raw material		1 723 803
Work in progress		(1 723 803)
		-

Reclassification of raw material issued to production but not absorbed.

33. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk cash flow interest rate risk and price risk) credit risk and liquidity risk.

The entity's finance department monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis and annually by external auditors. The entity does not enter into or trade financial instruments for speculative purposes.

Liquidity risk

The entity's liquidity risk is as 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.

Sufficient cash is maintained to manage the entity's liquidity risk. Limitations are imposed by Treasury Regulations 32 to the PFMA 1999 (Act 1 of 1999) on borrowings which limits the committed lines of credit available to the entity.

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.

As at 31 March 2021	LESS THAN 1 YEAR	TOTAL
Finance lease obligation	145 974	145 974
Payables from exchange transactions (Excluding income received in advance)	12 178 417	12 178 417
	12 324 391	12 324 391

As at 31 March 2020	LESS THAN 1 YEAR	TOTAL
Finance lease obligation	167 830	167 830
Payables from exchange transactions (Excluding income received in advance)	22 260 325	22 260 325
	22 428 155	22 428 155

Credit risk

Cash deposits cash equivalents and trade receivables expose the entity to credit risk. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

	2021	2020
Cash and cash equivalents	29 197 312	3 270 311
Receivables from exchange transactions (Excluding prepayments)	10 448 187	25 680 104
Receivables from non-exchange transactions	1 092 000	1 092 000



FIGURES IN RAND	2021	2020
		Restated
Trade receivables that have been impaired and provided amounting to R13 571 463 as 31 March 2021 (2020: R10 624 987) have been disclosed. This exposes the entity to the credit risk with regards to the recoverability of these debts. The ageing for the impairment amount it is as follows:		
Current (0-30 days)	-	-
31-60 days	-	-
61-90 days	213 451	506 665
91-120 days	2 208 871	44 565
Greater than 120 days	11 149 141	10 073 757
	13 571 463	10 624 987

Market risk

Interest rate risk

Interest rate risk is defined as the risk that the fair value of future cash flows associated with a financial instrument will fluctuate in the amount as a result of market interest rate changes. There were no change in the entity's interest rate risk management policy during the current financial year.

The entity's financial instruments attract interest at rates linked directly to the prime bank overdraft rate. The effective interest rate used by the entity is the prime interest rate.

In the case of receivables whose accounts become in arrears it is endeavoured to collect such accounts by levying penalty interest charges alternatively demand for payment and as last resort handed over for collection in terms of the entity receivables management policy. The interest rate that was charged for receivables as at 31 March 2021 is 10.25% (2020: 10.25%). This interest rate is subject to the changes in the prime rate.

All trade receivables and other receivables are individually evaluated annually at reporting date for impairment. A report on the various categories of receivables is drafted to substantiate such evaluation and subsequent impairment where applicable.

The entity is exposed to interest rate risk with regards to finance lease obligations because it rents the printing machines on a finance lease at an interest rate of 10.35%. The entity is also exposed to interest rate risk with regards to supplier payments if the entity defaults at a rate determined by the supplier.

The financial instruments that are exposed to interest rate risk are as follows:

Financial Instruments	2021	INTEREST RATE	2020	INTEREST RATE
Cash and cash equivalents	29 197 312	3.5%	3 270 311	3.5%
Receivables from exchange transactions (excluding pre-payments)	10 448 187	10.25%	25 680 104	10.25%
Receivables from non-exchange transactions	1 092 000	0%	1 092 000	0%
Financial lease obligation	145 794	10.35%	167 830	10.35%
Payables from Exchange transactions	12 178 417	Depends on a supplier contracts	22 260 325	Depends on a supplier contracts
	53 061 710		52 470 570	

34. Going concern

Legislative mandate

The Supported Employment Enterprise (SEE) is a Government Component under the Department of Employment and Labour (DEL) established in terms of Employment Services Act (ESA) to promote work and employment opportunities for persons with disabilities and is managed in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

Financial relationship

SEE has operations in various factories across provinces that manufacture wood, linen and steel products for purpose of trading at an arm's length. SEE is trading as Service Products and is required to prepare its Annual Financial Statements in accordance with GRAP as per Accounting Standard Board (ASB) mandated in accordance with PFMA of 1999 (as amended by Act 29 of 1999). SEE is financed from:

- money appropriated by Parliament for this purpose
- income earned from services rendered by it
- grants or donations made to it
- money received from any other source.

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.



FIGURES IN RAND	2021	2020
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Restated

Going concern assessment

Management is not aware of any events or conditions that may cast significant doubt on SEE's ability to continue as a going concern. The following factors were considered to determine that SEE is a going concern and will continue to be a going concern:

- The entity was established in 1943 and is a business unit of the Department of Labour and has been in operation for the past 77 years.
- The entity receives National Treasury Grant Allocation for continued funding of operations. In the financial year under review National Treasury allocation contributed to the entity revenue by over 70% and the remaining income was derived other revenue streams.
- Current assets of R109 151 419 exceeding current liabilities of R35 030 174.
- Total assets of R186 824 122 exceeding total liabilities of R35 058 222.
- The entity's liquidity ration and current ratio is 533% and 312% respectfully. Thus the entity has the ability to pay back its current/short-term and non-current/long-term liabilities. This is an indication of positive financial viability and the entity's ability to continue operating optimally at its current capacity and as a going concern.

Although the entity realised an operating surplus for the financial year ended 31 March 2021 the entity received an additional funding of R25 million for payment of both factory employees and admin support employees' salaries for March 2021 and last quarter of 2020/2021 financial year respectfully. The remaining funding received of R17,5 million is earmarked for enhancement of SEE ICT infrastructure.

Entity receives a grant allocations from the Department of Employment and Labour through transfers and together with revenue generated through sales totals 99% of the entity's revenue for running of the operations of the entity. The grant allocation and budgeted sales for 2021/2022 financial year amounts to R155,1 million and R41 million respectfully. The entity is pursuing to have various customers to participate in the existing MOUs ending in 2025 and that will augment current budget sales revenue. Additionally the a tender worth R41 million sales has already been secured with one of our customers

South Africa and the rest of the world is experiencing a global pandemic called COVID-19 and as a result lockdown restriction are still in place. The entity is currently functioning but not at full capacity due to lockdown restrictions. SEE identified a gap in the market and started producing masks in expanding its product range in an attempt to increase revenue during this time COVID-19 pandemic. Although these restrictions halted operations for a while the entity started operating again and management believes the current targets will still be met.

Conclusion

Therefore it is appropriate to prepare annual financial statements on the going concern basis as funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

35. Events after the reporting date

There were no events identified

36. Fruitless and wasteful expenditure

Opening balance	1 313 014	13 724
Add: Correction of prior period error	30 051	-
Opening balance as restated	1 343 065	13 724
Add: Fruitless and wasteful expenditure identified- current	859 133	1 299 290
Less: Amounts recoverable- current	(1 092 000)	-
Less: Amount recovered	(24 000)	-
Less: Amount Condoned	-	-
Closing balance	1 086 198	1 313 014

The entity erred to include fruitless and wasteful expenditure of R41 176 relating to over-payment of salaries and R2 875 relating to non-attendance of training in the prior year. The disclosure note has been amended to correct this. The R14 000 of this expenditure has been recovered in the prior year.

There is no fruitless and wasteful expenditure condoned both in prior and current year.



FIGURES IN RAND	2021	2020
		Restated
36.1. Details of fruitless and wasteful expenditure:		
Interest on overdue accounts	8 130	13 164
SARS Penalty	-	50 676
SARS interest	12 968	12 983
Overpayments to supplier	-	1 092 000
Goods dispatched written-off	-	130 467
Losses	838 035	-
	859 133	1 299 290
37. Irregular expenditure		
Opening balance	11 149 687	-
Correction of prior period error.	790 430	3 869 687
Opening balance as restated	11 940 117	3 869 687
Add: Irregular Expenditure- current	1 743 640	7 280 000
Add: Irregular Expenditure- prior period	-	-
Less: Amount condoned	-	-
Closing balance	13 683 757	11 149 687

The entity erroneously omitted to include the irregular expenditure amount of R 4 660 117 (2020: R790 430 and prior period: R3 869 687) relating to hygiene service (R 373 836) internet services (R 3 563 543) and waste management (R 722 289).

There was no irregular expenditure condoned in the current and the prior year.

37.1. Details of irregular expenditure:

Acquisition of trucks	-	7 280 000
Hygiene services	19 259	-
Internet services	473 978	-
Waste management	8 236	-
Local content	1 242 167	-
	1 743 640	7 280 000

38. Budget differences

Material differences between budget and actual amounts

Sale of goods

The budgeted sales were not achieved due to the Covid-19 pandemic which affected the market as a whole

Rendering of services

The rendering of services is not achieved because of the Covid-19 which affected the market for our CMT products.

Commissions received

Commission received was not achieved because of a reduction in the number of third parties on which we collect the contributions on their behalf.



Canteen revenue

Canteen revenue is not achieved because our factories were not operating at full capacity due to the Covid-19 pandemic.

Conditional grant

The entity received a conditional grant for salaries training and for ICT purposes.

Interest received

The interest received is low due to the low bank balance.

Employee cost

The entity underspent on employee cost because the entity revised its APP and reduced the number of factory employees to be appointed. Entity also had some vacancies that were not filled at year end.

Depreciation and amortisation

Depreciation of assets was not achieved due to the reduction on anticipated additions.

Finance costs

The reduction in finance cost is due to the reduction in the interest charged relating to late payments.

Lease rentals on operating lease

The increase in lease rentals is caused by the increase in lease rentals for Seshego factory.

Allowance for debt impairment

Year- end calculation that was not budgeted for.

Discount received

Less discount have been obtained from the suppliers than it was anticipated.

General Expenses

The general expenses are lower than anticipated because the entity was not operating at full capacity due to the pandemic.

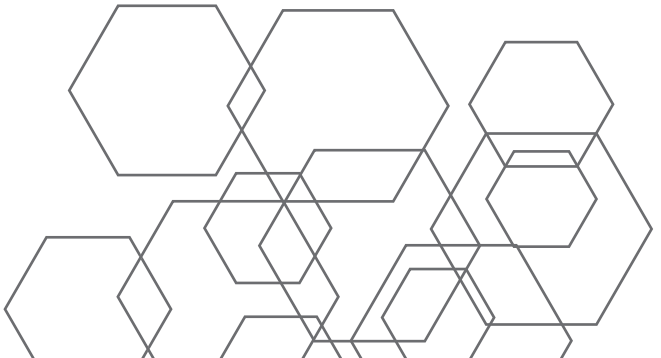
Loss on disposal of assets and liabilities

Evidence for assets that were disposed in the prior years were obtained during the current year verification and were removed from the system.

Inventories losses/write-downs

Year-end calculation that is not budgeted for.

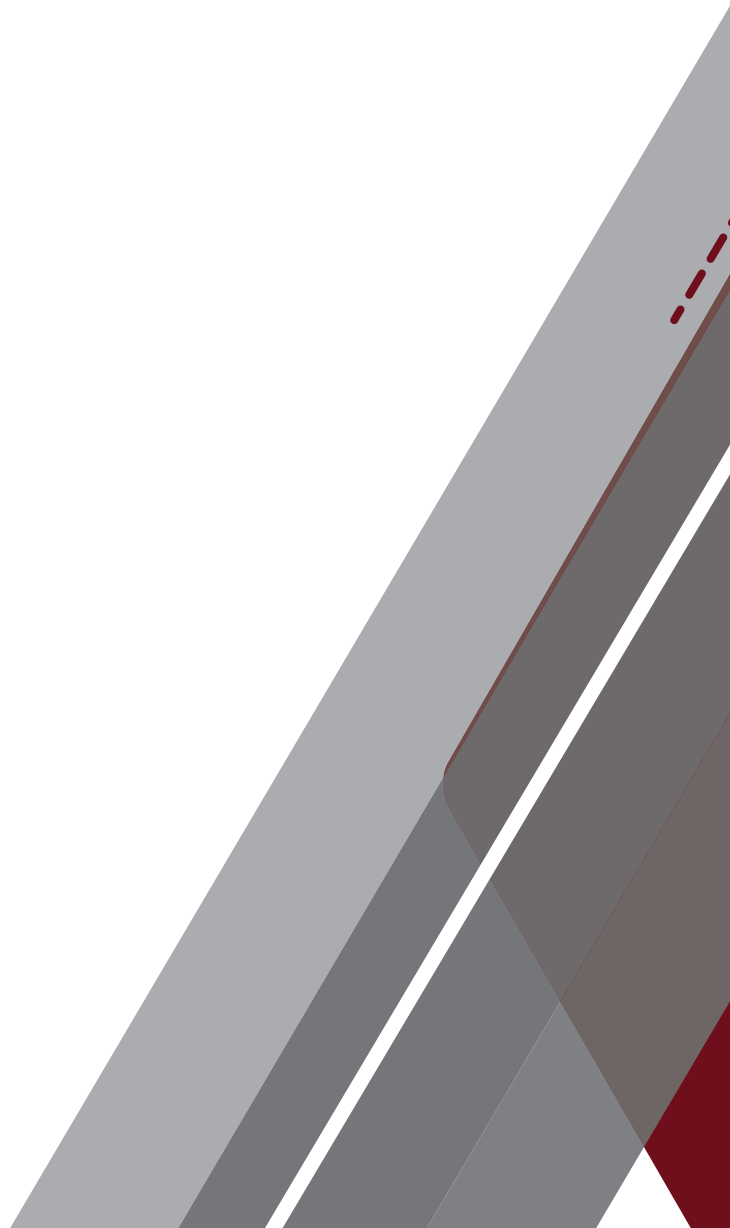




NOTES



NOTES







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