



ANNUAL REPORT

DEPARTMENT OF EMPLOYMENT AND LABOUR

2021/22

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REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT

DEPARTMENT OF EMPLOYMENT AND LABOUR

2021/22

THE DIRECTOR-GENERAL

I have the honour of submitting the Annual Report of the
Department of Employment and Labour for the period 2021/222



T Lamati

Director-General

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)



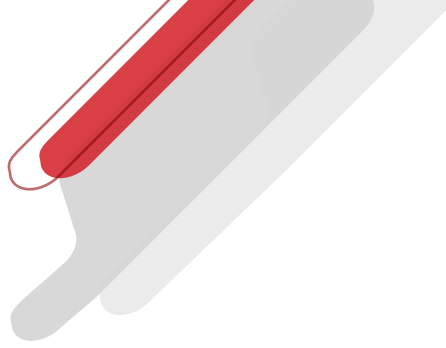
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ACRONYMS AND ABBREVIATIONS

AGSA	Auditor General of South Africa
AO	Accounting Officer
AOP	Annual Operation Plan
APP	Annual Performance Plan
AU	African Union
BBBEE	Broad Based Black Economic Empowerment
CAAT	Computer Assisted Audit Techniques
CCMA	Commission for Conciliation, Mediation and Arbitration
CF	Compensation Fund
CFO	Chief Financial Officer
EU	European Union
MEC	Member of Executive Council
HOD	Head of Department
HRD	Human Resources Development
ICT	Information and Communication Technology
ILO	International Labour Organisation
MTEF	Medium Term Expenditure Framework
NEP	National Employment Policy
NDPWI	National Department of Public Works and Infrastructure
NRF	National Revenue Fund
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act, Act 1 of 1999
PPP	Public Private Partnership
PwD	Persons with Disabilities
R&S	Recruitment and Selection
SADC	South African Development Council
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SEE	Sheltered Employment Enterprises
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Services
SP	Strategic Plan
SPEEXS	Situation Specific Evaluation Expert System (used for Psychometric Assessments)
TID	Technical Indication Description
TR	Treasury Regulations
UIF	Unemployment Insurance Fund





PART A
GENERAL
INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

FOREWORD BY THE MINISTER

2021/22 was another difficult year, as we were still coming out of the COVID-19 pandemic. Economic activity began to pick up across a number of different economic sectors, though slow, but the signs of economic recovery were evident. However, we were then hit by the July 2021 riots further destroying jobs and livelihoods. Some two million jobs were lost from pre-pandemic levels, and unemployment rose to an unprecedented 37% which is the highest rate of unemployment post 1994.

Under these circumstances of high unemployment, the State had to intervene. Hence the number of interventions that we have made including the Presidential Employment Stimulus that has already benefitted some 400 000 South Africans and the youth under particular. The Department also increased the capacity of its career counselling service for work-seekers and recently unemployed individuals.

In response to the July riots, the Temporary Employer/Employee Relief Scheme funded another programme where Workers Affected by Unrest (WABU) were supported and cushioned from the temporary layoffs. By end of the year under review over 4000 employees were paid the relief at an expenditure of about R14 million.

In response to the jobs crisis, the UIF has created and saved jobs through investment with the Industrial Development Corporation to the tune of R5 billion over five years.

The IDC through the UIF has currently approved 41 qualifying transactions totalling R2.3 billion, of which R130 million was for companies in distress and relating to job preservation. These transactions support SMEs, black industrialists, women-owned companies and start-ups.

Through the UIF Labour Activation Programme (LAP), the Department contributes to training of the unemployed as part of Government initiatives to stimulate the creation of jobs in the labour market. Through the Training of the Unemployed programme, the Fund implements projects, with implementing partners, with employment guarantees at the end of the term of the project. To this end, the KwaZulu-Natal Department of Education, for instance, has already absorbed over 14 000 participants from one of the projects funded through the Labour Activation Programme.

The Temporary Employer/Employee Relief Scheme (TERS) provides support to distressed companies that seek to retain their employees. Under the scheme, the UIF funds 75% of an employee's basic salary up to a maximum amount of R17 119 per month, for a maximum period of twelve months. In the year under review UIF has spent R 47 387 228 towards 89 companies to preserve 8 331 jobs.

Of importance is that the Labour Activation Programme has taken a strategic direction that training of the unemployed should be demand-led and lead to employment at the end of the training period. So, the employers and partners who participate in the programme commit to ensuring that the trainees will be absorbed. In the Medium Term Expenditure Framework (MTEF) period, the LAP has planned for 75 000 participants in programmes that enhance their employability.

Despite the cost of COVID-19 TERS benefits in the last year, the UIF set aside a total budget of R2.4 billion for the Labour Activation Programmes, whose objective was achieved in unemployed workers re-entering the labour market and participating meaningfully in economic activities by establishing and funding small enterprises in the hospitality, tourism, agriculture and ICT economic sectors.

Productivity South Africa's Business Turnaround and Recovery Programme capacity was enhanced during 2021/22. In the light of South Africa's recorded decline in productivity and competitiveness, Productivity SA has delivered focused support for formal and informal SMMEs, start-ups and cooperatives in an effort to strengthen and sustain these enterprises. This in turn supported the Economic Reconstruction and Recovery Plan objectives.

In Department's response to COVID-19, Occupational Health and Safety (OHS) inspectors helped to craft COVID-19 OHS Directions. To enforce compliance, over 89 220 inspections were conducted for the period 1 April 2021 to 31 March 2022, this despite the limited access to employers due to COVID-19. An additional 500 OHS inspectors appointed have increased the capacity of inspections and enforcement.

The most common forms of non-compliance relate to: General Safety Regulations, COVID-19 directions, Hazardous Chemical substances, Environmental Regulations for Workplaces, Electrical Installation Regulations and Facilities Regulations. To deal with these challenges the Inspection and Enforcement Branch has established a national roving team and developed national mega blitz inspection plans to address backlogs and priority areas.

134 488 workplace inspections were conducted in order to determine compliance with the National Minimum Wage Act and the Basic Conditions of Employment Act, and 2556 to assess implementation of the Employment Equity Act, in order to promote sound labour relations, protect vulnerable workers and promote equity in the labour market.

The Compensation Fund, and the licensed mutual assurance companies, had set aside R1.3 billion, in terms of the COID Act to contribute towards the funding of vaccines for some 3 million uninsured workers and COID pensioners.

In the second half of 2020/21, Government increased its focus and resourced efforts towards national economic recovery. NEDLAC (National Economic, Development and Labour Council) 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. The 2021/22 focus was on expanding and implementing the Economic Reconstruction Recovery Plan, as well as the accelerated implementation of the vaccination programme in the world of work.

Over the last year, the Department has extended 26 collective agreements to non-parties. This is critical in fighting persistent poverty and inequality experienced by so many of our working persons; and for achieving the principles of decent work in our labour market.

The 6.9% adjustment of the National Minimum Wage increased rates from R21.69 to R23.19 per hour effective from 1 March 2022 is now applicable to all sectors including the farming and domestic work sectors. This increase will benefit about 892 000 domestic workers who are overwhelmingly women, and 800 000 farmworkers.

The Commission for Conciliation Mediation and Arbitration (CCMA) Section 189A processes for the period 1 April 2021 to 31 December 2021 resulted in 44% of jobs being saved, some 14 000 jobs of those employees threatened with retrenchment. CCMA continues to implement strategies in its mandate despite the budget cuts. Over this financial year under review, they reprioritised their budget in order to deal with a backlog of cases as well as secure the professional services of part time commissioners.

NEDLAC assisted by providing financial resources, in order for CCMA to secure these services.

The Employment Equity Amendment Bill has now been passed by Parliament and is intended to expedite the pace of transformation in the labour market and ensure that those non-compliant organisations that resist transformation do not continue to financially benefit from state contracts or doing business with any Organ of state.

Minor amendments to Compensation for Occupational Injuries and Diseases (COID) Amendment Bill, by National Council of Provinces (NCOP), and that has necessitated this Bill to be sent back to National Assembly (NA) to consider those amendments. National Assembly has referred the COID Amendment Bill to the Portfolio Committee on Employment and Labour which has already started to rework on it.

The draft National Labour Migration Policy (NLMP) has been released for comment, and a public participation process implemented. The policy seeks to balance the constitutional rights of all to labour protections; expectations of South Africans to access work; while balancing South Africa's international obligations and treaties; and the needs of the economy for scarce skills.

The Department has also led the process of developing the South African National Employment Policy, in collaboration with the International Labour Organisation and leading local experts. Following a rigorous situational analysis, the first draft of the policy has been completed for consultation with social partners. The policy will be tabled in Cabinet as well as published for public comment, before it is eventually presented to Parliament.

This policy development is in line with the "Employment" mandate. 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).

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.

The Department has, unfortunately not achieved the clean audit outcome that was planned. The outcome stayed at an "unqualified with findings" result. Key to the report is the lack of consequence management in the cases of irregular, fruitless and wasteful expenditure, a number of ICT-findings and the slow pace of implementation of the audit action plans, leading to repeat findings. During the 2022/23- financial year, the Department will make a more concerted effort to achieving a clean audit status.

Finally, I wish to thank all for 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). They rose to the occasion, in the most challenging time of the pandemic, which struck without warning, requiring the Department to continue serving all stakeholders, providing employment and labour services, as well as critical social protection benefits.



MR TW NXESI, MP

Minister of Employment and Labour

COMMENTS BY THE DEPUTY MINISTER

August as Women's month is celebrated under the theme "Women's socio-economic empowerment rights and empowerment - Building back better for women's resilience". A befitting moment and the one that stands out, is the recent victory by our national team Banyana Banyana, the official champions of the AFCON soccer tournament finals. A moment of pride and glory for the soccer loving nation and our country but also triggers a reminder to all of us with regard to the women struggles in the sport fraternity, the equal pay for equal work, a legislation that is within our jurisdiction and mandate, that we must always monitor and enforce as the Department.

In our response to the National Strategic Plan on Gender Based Violence and Femicide (GBV+F), the Department continued to play a meaningful role in the workplaces in support and care of survivors of the GBV+F. I am particularly pleased that this annual report gives details in this regard including policy interventions.

We have just survived the brutality of the COVID-19 pandemic that wreaked havoc, a pandemic that destroyed our economy, destroyed lives, infrastructure and jobs. We were a country almost on the verge of collapse and on the brink of catastrophe.

The UIF COVID-19 Temporary Employer/Employee Relief Scheme (TERS) and many other social protection benefit interventions preempted what could have been the worst calamity for our country. The introduction of the social and economic relief packages to restore the livelihoods, to protect jobs and businesses, was a massive intervention during the year under review.

I am particularly grateful and delighted for the progress we have made with regards to the reconfiguration of the Department. The reconfiguration will necessitate for the reset of our strategies and a more aggressive and robust approach in our policy interventions.

The Department in collaborating with other departments in terms of our programmes has done notably well to improve and impact on the gains we are making as the Department and entities, especially with the adjustment of all our operations to the district model of service delivery to ensure high impact outcomes.

Our biggest test in the year ahead still remains a clean audit outcome. There will be challenges but a clean audit is definitely within reach. We will do everything possible to obtain this. The implementation of the Audit Action Plans and Remedial Actions recommended by the Auditor-General will ease our path towards achieving this goal. Regular monitoring and evaluation of our monthly and quarterly targets in line with the Audit Action Plans will be conducted.

While we are planning for the years ahead, we must look carefully with more vigor and determination to the employment mandate.

The Departmental vacancy rate is amongst the main drivers of our under expenditure and should this not receive the necessary attention, it will impact on further budget allocations and ultimately impact on service delivery.

In conclusion, there is a need for a high quality social compact in the lives of our people. Our programmes must intervene, bring hope and mend the broken hearts. We will do it for future generations.

I wish to thank the Minister for demonstrating true leadership in the Department of Employment and Labour.

I must also thank the DG for the support and thank all DDG's and officials of our Department for demonstrating the commitment to serve our people.

I thank you.



MS BE MOLOI, MP

Deputy Minister of Employment and Labour



ACCOUNTING OFFICER STATEMENT



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 organisations, business organisations, government department 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 resolution services.
- **Supported Employment Enterprises (SEE).** This entity facilitates supported employment and provides work opportunities for Persons with Disabilities. It develops and implements programmes that promote the employability of persons with disabilities, including persons with permanent disablement as defines in the Compensation for Occupational Injuries and Diseases Act No 130 of 1993, in the light of their evolving need 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 has invested in wood and metal machinery for all the factories, which is aimed at improving production efficiency and quality. Other investment includes the procurement of vehicles suitable to enable the delivery of all manufactures products to customers on time and in a good state.

- **Unemployment Insurance Fund (UIF).** This entity registers all employers and employees in South Africa for unemployment insurance benefits in terms of the Unemployment Insurance Act 30 of 2001 (UIA), as amended.
- **Compensation Fund.** This entity provides 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 in terms of the Compensation for Occupational Injuries and Diseases Act 35 of 1993 (COIDA).

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

OVERVIEW OF THE RESULTS AND CHALLENGES OF THE DEPARTMENT

Results

The Annual Report represents the progress made in achieving the Key Performance Indicator (KPI) indicators and targets set out in the Annual Performance Plan for 2021/22. The total number of planned Key Performance Indicators for the Financial Year 2021/22 were 28 and of these 19 were achieved (68%) and 9 were not achieved. The overall performance displays a slight increase as compared to the performance of the previous financial year (2020/21) whose performance was at 66%. More details are contained in Part B of this Annual Report.

Challenges

The filling of vacancies in the Department is still a problem although there was a reduction in the number of vacant posts. Plans are set in place to fast track the filling of vacancies. Some of these are obtaining commitments of Recruitment and Selection Committee panel members to attend to the meetings.

The Branch IES took a decision to utilise the Case Management System as the only source of data collection. However, some of the functions were not fully developed. This led to some of the work performed discounted as part of the performance. The continued phases of COVID-19 lockdown still had an impact on performance of the inspectors.

Some of the performances of the Department are beyond the controls of the Department as the delays in external approval of legislation have an impact on the performance of the Department.

FUTURE PLANS OF THE DEPARTMENT

PROJECTS FOR THE YEAR AHEAD

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 Corporate Services Branch has reviewed several internal policies within Human Resources and ICT. The Human Resources policies have been taken through the Departmental Bargaining Chamber as part of the consultation process. The ICT policies review involves adopting new ways of doing things in line with the latest developments within the ICT environment. The critical policies that are under review have also been prompted by the previous audit outcome. There is a commitment to review all Corporate Services policies after a period of three years or earlier, if there is a need to do so. Below is a list of some of those projects currently underway as well as new projects.

1. Diphetogo Project
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. Establishment of Mdantsane and Germiston Employment Centres and Rollout of 14 PES Mobile Units
7. Roll out of VOIP and Video Conferencing at all DEL Offices and Labour Centres
8. Capacitation of the Disaster Recovery Site

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

DEPARTMENTAL RECEIPTS	2021/2022			2020/2021		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER SPENDING	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	5 145	5 140	5	5 171	4 774	397
Fines, penalties and forfeits	150	76	74	1 300	100	1 200
Interest, dividends and rent on land	700	808	(108)	1 550	785	765
Sale of capital assets	600	636	(36)	70	138	(68)
Financial transactions in assets and liabilities	3 000	2 449	551	6 600	3 385	3 215
Total	9 613	9 109	486	14 691	9 182	5 509

REASONS FOR OVER/UNDER COLLECTION OF REVENUE

TOTAL REVENUE RECEIVED	2021/22	2020/21	VARIANCE	VARIANCE	REASONS FOR VARIANCES
	R'000	R'000	R'000	%	
Sale of goods and services other than capital assets	5 140	4 774	366	7.7%	Increase in the renewal of OHS licences and revenue received iro commission on insurances.
Fines, penalties and forfeits	76	100	(24)	(24%)	Less non-compliance fines issued to companies
Interest, dividends and rent on land	808	785	23	2.9%	Increased recovery iro interest bearing debts.
Sales of capital assets	636	138	498	360.9%	Fleet vehicles sold at public auctions
Financial Transactions in financial assets and liabilities	2 449	3 385	(936)	(27.7%)	Decrease in receipts as well as under recoverable revenue.

Tariffs for services rendered according to the Occupational Health and Safety Act No 85 of 1993 and the Labour Relations Act No 66 of 1995, were approved and published in the 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 is attributable to a decrease in receipts and recoverable revenue.

PROGRAMME EXPENDITURE

PROGRAMME NAMES	2021/2022			2020/2021		
	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
Administration	1 012 286	856 399	155 887	926 814	854 004	72 810
Inspection and Enforcement Services	650 902	546 648	104 254	588 449	499 431	98 018
Public Employment Services	894 749	615 872	278 877	613 664	598 398	15 266
Labour Policy and Industrial Relations	1 258 556	1 213 247	45 309	1 170 378	1 151 257	19 121
TOTAL	3 816 493	3 232 166	584 327	3 299 305	3 103 090	196 215

The original allocation for Vote 31: Employment and Labour, as included in the Estimates of National Expenditure for 2021/22, was reflected as R3 505 713 000 and included a provision in respect of transfer payments to the value of R1 362 061 000. During the 2021/22 financial year, an additional R310 780 000 (8,9%) was allocated in the Adjustments Budget process and the final allocation for Vote 31: Employment and Labour was therefore increased to R3 816 493 000. Of the R310 780 000 increase, R238 000 000 was in respect of a new transfer payment in favour of the Government Technical Advisory Centre (GTAC).

As per the appropriation Statement for the Department, in respect of the 2021/22 financial year, the total expenditure defrayed against the Vote amounted to R3 232 166 000. This represents an expenditure level of 84,7%.

PROGRAMME 1: ADMINISTRATION

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Underspending is mainly due to vacant posts.

Goods & Services: Underspending is mainly attributed to reduced travelling, accommodation, S&T; foreign travel by Department's officials and attendance to workshops was drastically reduced as well.

Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops due to the global shortage from supplier.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Underspending is mainly due to vacant posts.

Goods & Services: Underspending is mainly attributed due to reduced travelling, accommodation, S&T; foreign travel by Department's officials and attendance for workshops was drastically reduced.

Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops due to the global shortage from supplier.

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Underspending is mainly due to vacant posts and the delay in the creation of Healthcare Professional's internships.

Goods & Services: Underspending is mainly attributed due to reduced travelling, accommodation, S&T; foreign travel by Department's officials.

Transfers and Subsidies: Underspending is mainly due to delays with transfer payment towards the Presidential Employment Stimulus funding to GTAC and no claims to Compensation Fund for injuries on duty. Request to roll-over funds submitted to Treasury for R238 million iro GTAC.

Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops due to the global shortage from supplier.

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS**THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:**

Compensation of Employees: Underspending is mainly due to vacant posts.

Goods & Services: Underspending is mainly attributed due to reduced travelling, accommodation, S&T; foreign travel by Department's officials. Attendance to workshops and campaigns was drastically reduced and the eradication of child labour conference was postponed to 2022/23 financial year.

Transfers and Subsidies: Underspending is mainly due to exchange rate fluctuations.

Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops due to the global shortage from supplier.

VIREMENT

Post the Adjusted Budget process, a Virement to the value of R13 693 000 was applied from Programme 1: Administration to Programme 2: Inspection and Enforcement Services for R2 101 000 and Programme 3: Public Employment Services for R11 592 000.

The reason for the Virement was to correct capital allocations in respect of software.

UNAUTHORISED EXPENDITURE, IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE

No Unauthorised Expenditure was reported during the 2021/22 financial year. Irregular Expenditure as well as Fruitless and Wasteful Expenditure has been disclosed by the Department 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 2022.

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 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 irregular transactions are performed in order to, if required, initiate disciplinary steps against officials who transgressed in this regard.
- Procedure manuals are updated and communicated to 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 re-occurrence of irregular expenditure.

GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

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

Exemptions and deviations from National Treasury include:

Financial Year:2021/2022

PROGRAMME	DESCRIPTION	COMPANY NAME	TOTAL IN R,00 (INCL, VAT)
PES	Maintenance, software support and regular updates for the Situation-specific Evaluation Expert (SPEEX).	Assessment World	8 100 000.00
Administration	Extension of the Alteram Business Solutions (Pty) Ltd for the SAP support, maintenance.	Alteram Business Solution	221 582 599.68
PES	Maintenance for one hundred and ten (110) 49inch commercial display.	Vox Telecommunications PTY LTD	263 745.93
Administration	Extension of Cleaning Contract.	Morena Corporate Cleaning Services	969 626.55

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 as well as the residual effects of the COVID-19 pandemic.

Conclusion

In conclusion, I hereby submit the Department of Employment and Labour's Annual Report for the period ended 31 March 2022.

Approval and sign-off

The Annual Financial Statements for the 2021/22 financial year are hereby approved by the Accounting Officer.



.....
MR T LAMATI

DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

DATE: 22/08/2022
.....

6. 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 2022.

Yours faithfully



.....
Mr. T LAMATI

DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

Date: 22/08/2022

7. STRATEGIC OVERVIEW

7.1. 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.

7.2. 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.

7.3. 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.

8. 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. Such legislation includes the:

- Basic Conditions of Employment Act (1997)
- Employment Equity Act (1998)
- Employment Services Act (2014)
- Labour Relations Act (1995)
- Occupational Health and Safety Act (1993), and
- National Minimum Wage Act (2018).

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.

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 SA > Unemployment Insurance Board > Supported Employment Enterprises (SEE)

T Mkalipi

Acting DDG: Labour Policy and Industrial Relations



A Moiloa

DDG: Inspection and Enforcement Services



S Morotoba

DDG: Public Employment Service



T Maruping

Commissioner: Unemployment Insurance Fund



M Bronkhorst

Chief Operations Officer



B Matebesi

DDG: Corporate Services



B Maduna

Chief Financial Officer



V Mafata

Commissioner: Compensation Fund



10. ENTITIES REPORTING TO THE MINISTER

THE TABLE BELOW INDICATES THE ENTITIES THAT REPORT TO THE MINISTER.

NAME OF 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	<p>Products and services of assisted companies are world class and competitive</p> <p>Productivity and competitiveness awareness is high and embraced in South Africa</p> <p>Capacitated SMMEs contribute to sustainable employment creation</p> <p>Jobs saved in distressed companies</p> <p>Productivity research reports for selected sectors produced</p>
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> <p>Arbitrate certain categories of disputes that remain unresolved after conciliation, establish picketing rules</p> <p>Facilitate the establishment of workplace forums and statutory councils</p> <p>Compile and publish information and statistics about CCMA activities</p> <p>Accredit and consider applications for subsidy by bargaining councils and private agencies, and</p> <p>Provide support for the Essential Services Committee</p>
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	<p>The NEDLAC Act requires the institution to:</p> <p>Strive to promote the goals of economic growth</p> <p>Participation in economic decision-making and social equity</p> <p>Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy</p> <p>Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament</p> <p>Encourage and promote the formulation of coordinated policy on social and economic matters</p> <p>Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament and</p> <p>Consider Social Economic Disputes in terms of Section 77 of the Labour Relations Act</p>

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Supported Employment Enterprises (SEE)	The SEE is established in terms of the Employment Services Act to provide employment for persons with special disabilities in the various factories across provinces that manufacture wood, linen and steel products	Transfer payment	<p>The Employment Services requires the entity to:</p> <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





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. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Report on the audit of the Annual Performance Report section of the auditor's report.

Refer to page 103 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

A significant increase in the number of work seekers registered with the Department on the ESSA system, compared to prior year is reflected in PES Reports. Conversely the supply of labour has exceeded the demand for employment, resulting in higher levels of unemployment. There is a bigger need to foster economic growth and to stimulate the demand side of the labour market. One of the major challenges that is experienced by the Department (PES) is that even though the mandate has been changed to include Employment, the Programme does not have funding for employability enhancement for needy work seekers and strategies that include employment schemes. This negatively impacts on the placement figures.

The effect of the COVID-19 pandemic was still strongly felt on the world of work, in the year 2021-22. Workers continued losing jobs as a result of the dramatic economic meltdown. Although the PES Annual Operation Plan (AOP) 2021-22, came into operation on 1 April 2021, minimum activities were performed as a result of the state of disaster that limited larger gatherings, and therefore advocacy campaigns and marketing, for most part of the year. PES staff had to work from the office on a 30% rotational roster. However, the Branch was a bit fortuitous, in the sense that it rolled out mobile devices to the majority of the employment counsellors and Employment Services practitioners, enabling them to be able to work, even whilst away from the office. There were nevertheless, still challenges, that included the inability to conduct Advocacy Campaigns like before, which in turn meant limited reach to both employers and work seekers.

The effect of the pandemic (COVID-19) has contributed negatively on the work of the inspectorate. The workplaces were still not 100% operational and some business were still operating remotely. Though the Branch IES introduced administrative inspections it still was a challenge since some companies were closed.

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.

MAIN SERVICES AND STANDARDS

MAIN SERVICES	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Administration	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall acknowledge 92% of written complaints within 24 hours of receipt	Acknowledge 92% of written complaints within 24 hours of receipt.	100% of written complaints were acknowledged against a target of 92% within 24 hours of receipt. (achieved)
Administration	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall resolve 92% of complaints (with complete information) within fourteen (14) working days of receipt	92% within 14 working days of receipt.	24% of complaints were resolved against a target of 92% within 14 working days of receipt. (not achieved)
Administration	Suppliers of Goods and Services to the Department	We shall pay 100% of compliant invoices within 30 days of receipt	100% in 30 days	95.96% of compliant invoices were paid within 30 days of receipt. (not achieved)
Administration	Entities	We shall transfer payments to the Entities as per the Service Level Agreement and in accordance with relevant prescripts	Transfer payments to the Entities as per the Service Level Agreement and in accordance with relevant prescripts	Entities received the transfer payments as per SLA. (achieved)
Inspection and Enforcement Services	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall resolve 80% of legitimate labour related complaints within 90 calendar days of registration.	80%	97.11% of legitimate labour related complaints were resolved within 90 calendar days of registration. (achieved)
Inspection and Enforcement Service	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall finalise 70% of reported incidents within 90 calendar days	70%	55.44% of reported incidents were finalised within 90 calendar days. (not-achieved)
Inspection and Enforcement Service	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall issue a letter or certificate of Entity registration within 60 calendar days of receiving a valid and complete application	Issue a letter or certificate of registration within 60 calendar days of receipt	64.48% of letters/certificates of entity registration were issued within 60 calendar day of receiving a valid and complete application (not-achieved)
Inspection and Enforcement Service	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall issue a letter of exemption (on aspects of the OHS Act) within 60 calendar days of receiving a valid and complete application.	Issue a letter of exemption within 60 calendar days of receipt.	63.38% of exemption letters were issued within 60 calendar days of receiving a valid and complete application. (not-achieved)
Inspection and Enforcement Services	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall issue a letter confirming or rejecting the appeal (any decision of an inspector) within 60 calendar days of receiving a valid and complete application.	Issue a letter confirming or rejecting the appeal within 60 calendar days of receipt	76.26% of appeal applications were finalised within 60 calendar days of receiving a valid and complete application. (not-achieved)

MAIN SERVICES	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Inspection and Enforcement Services	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall issue a letter to write the GCC exams (valid for 3 years) within 60 calendar days of receiving a valid and complete application.	Issue a letter to write the GCC exams (valid for 3 years) within 60 calendar days of receipt.	81% of letter iro writing the GCC exams (valid for 3 years) were issued within 60 calendar days of receiving a valid and complete application. (not-achieved)
Inspection and Enforcement Services	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall issue a GCC certificate within 60 calendar days of receiving the successful results of the application from the Department of Higher Education	Issue a GCC certificate within 60 calendar days of receipt	91% of GCC certificate were issued within 60 calendar days of receiving the successful results from the Department of Higher Education. (not-achieved)
Public Employment Services	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall register 800 000 eligible work-seekers on the Employment Services of South Africa per year.	800 000	936 621 eligible work-seekers were registered on the Employment Services of South Africa. (achieved)
Public Employment Services	Foreign work seekers	We shall adjudicate 70% of work visa applications (with complete information) within 30 working days of receipt and make recommendations	70%	84% of work visa applications (with complete information) were adjudicated within 30 working days of receipt (achieved)
Public Employment Services	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall register 100 000 employment opportunities on the Employment Services of South Africa per year	100 000	131 522 employment opportunities were registered on the Employment Services of South Africa. (achieved)
Public Employment Services	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall ensure that 50 000 registered employment opportunities are filled by registered work-seekers	50 000	67 058 registered employment opportunities were filled by registered work-seekers (achieved) *Work seekers registered difference of 111 between AR and the 4 quarters total is as a result of data cleansing that occurred during the year. (achieved)
Public Employment Services	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall provide employment counselling to 230 000 work-seekers (who were matched to available opportunities) per year	230 000	281 801 work-seekers were provided with employment counselling (achieved)
Public Employment Services	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall finalise 70% of Private Employment Agencies applications (with valid and complete information) within 60 calendar days of receipt	70%	96 % of Private Employment Agency/ Temporary Employment Service applications (with valid and complete information) were finalised within 60 calendar days of receipt. (achieved)
Labour Policy and Industrial Relations	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall register 100% or refuse to register labour organisations (with valid and complete information) within 90 days of receiving the application.	100%	100% labour organisations (with valid and complete information) were registered or refused within 90 days of receiving the application. (achieved)
Labour Policy and Industrial Relations	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall extend 100% of collective agreements within 90 calendar days of receipt	100%	100% of collective agreements were extended within 90 calendar days of receipt (achieved)

MAIN SERVICES	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Labour Policy and Industrial Relations	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall register or deregister 100% of designated employers (with valid and complete information) within 7 working days of receiving the application	100%	100% of designated employers (with valid and complete information) were registered /deregistered within 7 working days of receiving the application. (achieved)
Labour Policy and Industrial Relations	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall accept or reject the Employment Equity reports within 24 hours of receipt	24 hours	Not achieved
Labour Policy and Industrial Relations	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall review and adjust the National Minimum Wage annually, based on the date in which the preceding year's adjustment became binding.	Review and adjust the National Minimum Wage annually	National Minimum Wage amendments was published on the 7th February 2022 in the Government Gazette no 45882. (achieved)
Labour Policy and Industrial Relations	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	(a) We shall grant or reject the National Minimum Wage (NMW) exemption immediately on application If the application is selected for audit, a decision to grant or reject the exemption shall be finalized within 30 days from date of application. (b) If the application is selected for audit, a decision to grant or reject the exemption shall be finalised within 30 days from date of application	Grant or reject the National Minimum Wage (NMW) exemption immediately on application finalized within 30 days from date of application.	64% of the applications for NMW exemption were granted/ rejected immediately on application. (achieved) 32% applications for NMW exemption (selected for audit) are still to be granted or rejected within 30 days from date of application (achieved)
Labour Policy and Industrial Relations	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall publish a report on the Department's website on the number of applications received, granted or refused, withdrawn, sectors and employees affected annually.	Publish an annual report on website	An annual report was published on the Departmental website on 31 March 2022 (achieved).
Labour Policy and Industrial Relations	Employed Under-employed Unemployed Injured on duty Persons with Disabilities Employers	We shall approve or reject applications for BCEA variation within 90 days after receipt	Approve or reject applications for BCEA variation within 90 days after receipt	100% of the applications for BCEA variations were approved or rejected within 90 days after receipt (achieved)

Batho Pele arrangements with beneficiaries (Consultation, access etc.)

CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Consultation	A number of advocacy campaigns per year. Take the services to the clients.	754 campaigns were conducted during 2021/22 More than 300 outreach programmes/campaigns were held
Courtesy	Adhere to the service charter and service standards at all offices.	The Department has compiled a new Service Delivery Improvement Plan that is effective from 1 April 2022. Service Excellence Awards were issued to the officials that performed the best towards clients Officials wear name tags for identification by the clients. This allows them to either compliment an official or lay a complaint on officials' behaviour towards them.
Access	More clients to access online services of the department. Access to our service delivery sites made accessible to all	Most offices have signage (identification: name of office, physical address, contact numbers and operating days and hours). The Department's name was changed post-election of the new administration. As a result, the Department had to rebrand its Provincial Offices and Labour Centres and selected Satellite Offices. Post-replacement of signage project, the approved signage specifications were circulated to the Provinces to procure the identification and times boards for their offices, as and when required. Most offices have the minimum required internal signage (directional, informational, regulatory and warning). Each Provincial Office has a number of officials trained on sign language. Selected offices have elevators with voice guide. No braille notations are available on public documents. However, the public documents are written in English. Most offices have ramps at the entrance, wheelchair and an evacuation chair to assist Persons with Disabilities and frail persons. In addition, some offices have elevators (with or without voice guide). The queue marshals (Client Services Officers) at the service points prioritise PwDs, frail persons, pregnant women and mothers with new-born babies. The Department has no control over access modification in some of the service delivery points that are owned by the state or non-state landlord. Services are rendered at nine Provincial Offices, 125 Labour Centres, 30 Satellite Offices, 41 Thusong Service Centres and 447 Visiting Points across the country. The Department uses its fleet to provide services at satellite offices and visiting points.
Information	Update, publish and display relevant services information, service standards, waiting times and turnaround times on the website and at all contact centres	The Service Delivery Standards, Batho Pele Principles, Service Charter posters are on display in all offices. The contact details of all service delivery points are accessible on the website and are displayed at reception/waiting areas.
Openness and Transparency	Update, display and publish: <ul style="list-style-type: none"> • Know your rights leaflet • Service Charters (SC) • Service Standards (SS) • Batho Pele Principles (BPP) 	The Batho Pele Principles (BPP) posters and pop-up banner (limited offices) are prominently displayed at all offices. The contact details of all service delivery points are accessible on the website and are displayed at reception/waiting areas.

CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Redress	Acknowledge all complaints within 24 hours and resolve 95% complaints within 14 days of receipt and offer an apology to a client who is dissatisfied	<p>There is an approved policy and procedure manual on complaints, compliments and suggestions. These documents (including the templates) are accessible on the intranet. The OCOO is the policy and process owner of customer care services in the Department.</p> <p>Dedicated customer care email addresses have been established and published on the website for the benefit of the clients and staff.</p> <p>The Designated Complaint Officers (DCOs) were nominated by the Branches, Funds and Provinces. Such officers were empowered and trained on aspects of customer care including maintenance of registers and reporting.</p> <p>100% of written complaints were acknowledged against a target of 92% within 24 hours of receipt. (achieved)</p> <p>24% complaints were resolved against a target of 92% within 14 working days of receipt. (not achieved)</p>
Value for Money	Increase the number of clients utilising the online services	<p>Services rendered by the department is free of charge</p> <p>Clients can utilise the department's self-help kiosks to access the online services</p>

COMPLAINTS MECHANISM

CURRENT/ACTUAL COMPLAINTS MECHANISM	DESIRED COMPLAINTS MECHANISM	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 had set itself administrative targets on the Annual Performance Plan, of which most were achieved except the aspect of dealing with the Employment Relations cases within the agreed timeframe of ninety days. The main challenge with this aspect of our work is the lack of availability of witnesses in cases which in turn delays the conclusion of the cases. In certain instances, the cases had to be referred to the external law enforcement agencies, which makes the Department unable to control the finalisation of the cases. The other area that should be noted is the inability of the Department to fill vacant posts within a short period of time. The main issue here is the capacity within the Human Resources unit against the number of applications that are normally received especially for lower level positions. The Branch will consider the use of external service providers or an applications response handling service provider to speed up the handling of the applications. This should be an effective way of dealing with the huge number of applications for jobs within the department. The Department is considering unbundling of the two Funds (UIF and CF) which might also release the much needed capacity and result in reduced pressure on the existing human resources within support services.

The Department has experienced a lot of system downtimes but those were largely contributed to by external services provided by SITA. The Department is considering requesting for approval to use ICT services outside the involvement of SITA as the current patterns of downtime impact largely on the services rendered to the clients, and possible reputational damage to the image of the Department, as well as causing a lack of confidence on the Department's ability to service its clients.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There have not been any legislative changes that have affected the Branch (Corporate Services) as the Branch relies on the changes to the support type of legislation e.g. Public Service legislation and regulations.

The Public Employment Services took further steps in the development of the National Employment Policy (NEP), in an attempt 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 focused on confronting the reality that unemployment is extremely high especially amongst women and youth. The policy framework and approach focused on the development of appropriate procedures and reforms that should be undertaken to ensure that investments lead to sustainable growth and decent jobs. The NEP's specific objectives include:

- Create more and better employment for all South Africans
- Establish an inclusive employment growth trajectory achieved through a combination of market and non-market labour participation and activation, underscored by robust and stabilizing social protection mechanisms
- Harmonize and coordinate the implementation of all policy activities and plans across government with a direct and indirect bearing on employment creation
- Promote gender equality, transformation, and the defeat of discrimination in the workplace
- Improve and strengthen the South African Labour Market Information Systems (LMIS)
- Improve and widen the access that workers and work-seekers have to a basic floor of social protections, smoothing the consumption and other shocks experienced by workers, firms, and households in times of economic crisis and distress
- Strengthening social dialogue in the workplace, and social dialogue institutions that bring together workers, employers, communities, and the government.

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

- Draft situational analysis was presented to stakeholders: the steering committee, Department, 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
- Draft National Employment Policy (NEP) developed
- A Socio Economic Impact Assessment (SEISA) undertaken
- NEP gazetted for public comments
- NEDLAC engagements on the policy conducted
- Parliamentary engagements initiated.

As part of aligning with international (and regional) developments, obligations and guiding frameworks (SDGs, Global Compacts), PES continued with its plan 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 focussed on the following: (i) Revision of Draft "O" of the National Labour Migration Policy (NLMP), (ii) Translation of the NLMP into Employment Service Amendment Bill, (iii) Presentation of the Draft to the Cabinet, (iv) Conducting further research on the impact of Special Dispensation Permits to South Africa's neighbouring states, on SA Labour Market, (v) Stakeholder consultation, (vi) Assist the Labour Portfolio Committee to process the Policy and the Bill, and (vii) finalization of the NLMP Policy. This is work in progress.

The EE Amendment Bill, 2020 is currently undergoing Parliamentary processes and the Select Committee of the National Council of Provinces (NCOP) has voted on all clauses of the EE Amendment Bill on 15 March 2022. As per the 2021 EE Reports submitted by designated employers, the representation of Africans in middle management increased by 0.2% and also by 0.9% in senior management levels. It is evident that self-regulation of EE Targets by designated employers has resulted in the slow pace of change observed at senior management level and also for the employment of persons with disabilities because the representation of this group remained around 1% over the 24 years of the Employment Equity Act.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES**3.1 STRATEGIC OUTCOME ORIENTED GOALS****PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES****Impact statement**

A labour market which is conducive to decent employment

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 targets 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 ACHIEVEMENTS YEAR 1-3	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	Vacancy rate maintained at 3% or less	2019/20 - 12.7% (1245 of 9784 posts) 2020/21 - 11.27% (1 126 vacancies out of 9 991 posts) 2021/22 – 9.56%	<ul style="list-style-type: none"> • Unavailability of panel members • Delay in capturing of applications as a result of HRM circular on advertising all vacant posts of DPSA Public Service Vacancy Circular • Capacity constraints within HRM • Management of online applications 	Corporate Services
		1.2 Acquisition, maintenance and improvement of ICT services	98% system availability	2019/20 – Implementation of the SAP for an integrated solution to offer department's services. 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. 2021/22 – 99% Systems Availability	1% higher (Back end infrastructure was stable through the quarter. Provincial sites experienced some downtime due to switching center outages)	Corporate Services

PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	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 Jobs Summit framework agreements	Monitor and report on the target set by the Presidential Job Summit agreement (275 000 jobs created per year) ¹	<p>2019/20 – The Department of Employment Labour continues to coordinate the implementation of the Job Summit Framework Agreement. A progress report on all activities for all the quarters was submitted to the President. The report requested the Presidential Committee to note the report and provide guidance where necessary, in particular on a number of key remedial actions which have been identified and that need to be addressed.</p> <p>Furthermore, the report indicates areas where jobs were created as a result of the job summit</p> <p>2020/21 -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.</p> <p>Looking at Year- on-year changes on Employment creation, the stats are captured as follows:</p> <p>Q1 2020: 91 000 jobs created; Q2-Q4 -2020: - 5 245 000 job losses</p> <p>2021/22 - Q4-262 000 jobs created vs 479 000 workers lost jobs year on year changes and unemployment rate was at 35.3% by December 2021.</p> <p>2019/20 - The Department of Employment Labour continues to coordinate the implementation of the Job Summit Framework Agreement. A progress report on all activities for all the quarters was submitted to the President. The report requested the Presidential Committee to note the report and provide guidance where necessary, in particular on a number of key remedial actions which have been identified and that need to be addressed. Furthermore, the report indicates areas where jobs were created as a result of the job summit</p> <ul style="list-style-type: none"> • 4 010 068 work seekers registered • 583 835 opportunities registered • 1 104 400 work seekers counselled • 156 701 work seekers placed in work and learning opportunities <p>2020/21 - 37 193 PES</p> <p>2021/22 - 67 058 PES</p>	<p>External factors such as COVID-19 pandemic with their lockdown measures had directly or indirectly affected the economy and labour market.</p> <p>Low foreign demand had also affected firms with a decline in export volume due to close of businesses.</p> <p>Limited policy implementation such as low infrastructure investment project that was associated with slow economic growth in the country.</p>	Labour Policy and Industrial Relations
					None	Public Employment Services

¹Labour Policy and Industrial Relations monitor the creation of jobs through the Jobs Summit

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
3. Investing for accelerated inclusive growth	Promote Equity in the labour market	2.2 Number of jobs created through the Presidential Comprehensive Youth Employment interventions	1 million youth jobs by 2024 ² Department: 256 050 (contributors PES: 190 000, SEE and Designated Groups: 1 000; UIF (LAP): 61 050; CF: 4 000) ³	2019/20 N/a 2020/21 -26 486 PES 2021/22 - 44 460 PES	None	Public Employment Services
		2.3 Number of youth NEET absorbed in employment		2019/20 N/a 2020/21 -26 486 PES 2021/22 - 44 460 PES	None	Public Employment Services
3. Investing for accelerated inclusive growth	Promote Equity in the labour market	2.4 Employment Policy developed, consulted, piloted and implemented	Employment Policy implemented by 2024	2019/20 N/A 2020/21 -The Situational Analysis Report developed and tabled at ES Board. 2021/22 - The draft policy has been developed but not yet approved	None	Public Employment Services
		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)	2019/20 – included in the numbers at 4.1 2020/21 - 1 988 2021/22 - 2 556	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	2019/20 – 199 233 (all legislation except OHS) 2020/21 – 120 101 2021/22 - 138 488	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

² Department will identify all key departments and private programmes in the employment space, secure agreement on the reporting mechanisms, prepare and submit reports.

³ The detailed information of the Public Entities progress on these indicators are included in the respective Public Entities annual report which was not available at the time of publishing.

PRIORITY 3: EDUCATION, SKILLS AND HEALTH

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	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	2019/20 – 28 757 2020/21 – 33 272 2021/22 – 89 220	A number of inspectors tested COVID-19 positive and were unable to do their work. Some workplaces were inaccessible due to the number of COVID-19 positive cases and inspector vacancies: 1. The Branch recruited a number of new inspectors, some are yet to be fully effective. 2. Some offices took longer than anticipated to fill vacancies and this had an effect on the achievement of targets. The Branch took a decision to utilize the Case Management System for reporting purposes, some inspections, could not be quality passed on time and thus were not part of the report. During the verification process, some inspections had to be discounted since there were inconsistencies on the registers and inadequate justification of the work done. There are some areas in the system that are still to be developed completely. This has affected the capturing of some of the work that had been done.	Inspection and Enforcement Services

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

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
6. Comprehensive social security coverage	Strengthening social security	6.1 Number of Employer audits conducted per year to determine compliance with UJA, UICA and COIDA	Coverage for employees will improve with 131 580 employers visited over the next 5 years	2019/20 – Numbers included in 4.1 2020/21 – 23 128 2021/22 – 25 978	Deviation was as a result of COVID-19 restrictions where most companies were not operational.	Inspection and Enforcement Services

PRIORITY 6: SOCIAL COHESION AND SAFER COMMUNITIES

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	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	<p>2019/20 - 2019-2020 Annual Employment Equity Report and Public Register developed by 26 March 2020</p> <p>2020/21 - EE Amendment Bill, 2020 tabled in Parliament through publication of the Bill in Government Gazette dated 20 July 2020</p> <ul style="list-style-type: none"> 2021/22 - 2020-2021 EE Annual Report and Public Register published and launch on 25 June 2021 2021-2022 EE Annual Report and Public Register developed on 24 March 2022 The Select Committee of the National Council of Provinces (NCOP) published the EE Amendment Bill for public comments in December 2021, and hosted public hearings on the EE Amendment Bill on 22 February 2022. The Select Committee of the NCOP voted on all the clauses of the EE Amendment Bill on 15 March 2022. 	<p>None</p> <p>Parliamentary processes on the deliberations on the EE Amendment Bill beyond The Department's control.</p> <p>This is a legislative amendment/Policy change</p>	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 ⁴	<p>2019/20 – N/a</p> <p>2020/21 - 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</p> <p>2021/22 - African representation increased by 0.9% (i.e. from 24.7% in 2020 to 25.6% in 2021) in senior management; and increased by 0.2% (i.e. from 46.7% in 2020 to 46.9% in 2021) in middle management as reported by designated employers in 2021 EE Reporting period.</p>	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 ⁵	<p>2019/20 – N/a</p> <p>2020/21 - 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.</p> <ul style="list-style-type: none"> 2021/22 - Persons with disabilities decreased by 0.1% (i.e. from 1.3% in 2020 to 1.2% in 2021) as reported by designated employers in 2021 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

⁴ The underlying architecture of the Employment Equity Act does not allow for the Department to ensure this rate of transformation. The EEA is predicated on voluntary compliance and therefore the Department cannot force companies to transform at this rate

⁵ The underlying architecture of the Employment Equity Act does not allow for the Department to ensure this rate of transformation. The EEA is predicated on voluntary compliance and therefore the Department cannot force companies to transform at this rate. The Department's proposal in this regard would be to track and report on the employment of persons with disability on an annual basis.

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
		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	5-yr target Achieved 2020/21 - EEA4 form developed and implemented	None	Labour Policy and Industrial Relations

PRIORITY 7: A BETTER AFRICA AND A BETTER WORLD

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	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	2019/20 – N/a 2020/21 - 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 2021/22 – On 29 November 2021, South Africa deposited with the ILO the instrument of ratification of the Violence and Harassment Convention, 2019 (No. 190)	None	Labour Policy and Industrial Relations
		8.2 Payment of South African contributions to international organisations (in which we are a member) in full and on time	South Africa's participation in international organisations is secured to advance national interest	2019/20 – N/a 2020/21 - All relevant payments to both ILO and ARLAC was done timeously 2021/22 - All relevant payments to both ILO and ARLAC was done timeously	None	Labour Policy and Industrial Relations

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

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

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

- **Ministry** provides political oversight to ensure that the Department's mandate is achieved
- **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 as well as office accommodation requirements.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

During the period under review, 6 HRM policies were signed and implemented. The department has made remarkable improvement on the appointment of women in SMS position from 47.9% in 2020/21 to 49.7% in 2021/2022 financial year. The department Employment Equity report was signed and submitted on time to the EE register. The Anti-Fraud and Corruption Strategy was approved by the Director-General on the 26 July 2021.

Employment Relations trained 25 presiding officers that will assist in fast-tracking disciplinary cases and preventing backlogs. 100% Organisational structure investigation requests that were received were conducted within 30 working days and submissions sent for approval. 100% of received Job Evaluation requests were finalised. Advocacy was done on the Job Evaluation Policy. Business Process Management Guide was developed and consulted. The Workplace Skills Plan 2021/2022 and Annual Training Report 2020/2021 were developed, approved by the Director-General and successfully submitted to the Public Service SETA on 30 April 2021. Human Resources Development Implementation Plan 2021/2022 and Monitoring Questionnaire 2020/2021 were developed, approved by the Director-General and successfully submitted to the Department of Public Service and Administration on 31 May 2021. Bursaries for the 2022 academic year were advertised, adjudicated and awarded by the end December 2021. 40 Senior Managers trained on Conflict Management as 1st phase and rollout of the Programme.

TABLE 4.1.1: PERFORMANCE INDICATORS

PROGRAMME : ADMINISTRATION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVE	REASONS FOR DEVIATIONS
			2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	2021/2022	
MTSF Outcome: Functional, efficient and integrated government	Reduction of vacancy rate	1.1 Vacant funded posts maintained at 3% or less for every quarter	Not achieved 12.7% ⁶ (1 245 of 9 784 posts)	Not achieved 11.27% ⁷ (1 126 of 9 991 posts)	Vacant funded posts maintained at 3% or less for every quarter	Not Achieved 9.56% ⁸ (956 of 9 997 posts)	6.56%	<ul style="list-style-type: none"> • Unavailability of panel members • Delay in capturing of applications as a result of HRM circular on advertising all vacant posts of DPSA Public Service Vacancy Circular • Capacity constraints within HRM • Management of online applications. 	
	Gender Responsive recruitment	2.1 % of SMS positions occupied by women	N/A	N/A	45% of SMS positions occupied by women	Achieved 49.7% of SMS positions occupied by women	4.7%	There was a lot emphasis and conscious efforts on meeting the EE targets and this was communicated by the HRM practitioners during R&S panel sittings as well the constant reminder that we have a target on females occupying SMS posts	
	Modern Systems and ICT services	3.1 Percentage increase of system availability	N/A	Achieved 92% Systems availability	Increase systems availability to 98%	Achieved 99% Systems Availability	1%	Back end infrastructure was stable through the quarter. Provincial sites experienced some downtime due to switching center outages.	
Departmental Outcome: Strengthen the institutional capacity of the Department	Programme to prevent and fight corruption in the Department	4.1 Ensure functionality of ethics structures and adequate capacity	N/A	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.	Roll out of the Ethics Management Plan	Achieved Consultation on PSC verification report conducted and report consolidated.	None	None	

⁶ This was not an indicator in the 2019/20 financial year. The percentage is from table 3.2.1 in Part D of the 2019/20 Annual Report.

⁷ The indicator wording and target was changed from 2020/21 to 2021/22. The percentage is from table 3.2.1 in Part D of the 2020/21 Annual Report.

⁸ The indicator wording and target was changed from 2020/21 to 2021/22. The percentage is from table 3.2.1 in Part D of the 2020/21 Annual Report.

PROGRAMME : ADMINISTRATION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVE	REASONS FOR DEVIATIONS
			2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	2021/2022	
		4.2 Percentage resolution of reported incidents of corruption in the Department	N/A	Not Achieved 63% cases completed 123 cases received and 78 finalised (78/123* 100= 63%)	93% resolution of reported incidents by disciplinary and criminal interventions	Not Achieved 64% case completed 894 cases received and 575 investigated and finalised (575/894* 100= 64%) ⁹ 19 cases referred to ER 56 case referred to SAPS ⁹	29%	Anti-fraud and corruption time-frame in completing the investigation is 90 days and not integrated to the time frame with Employment relations in terms of reaching the 90 days deadline	
	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 AFS by 31 July, 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 May 2021	None	None	
						Not Achieved 1 IFS by 31 July 2021	16 September 2021	The late submission of the first two quarters interim financial statements was as a result of the delays in the finalisation of the 2021 Audit. As result of the afore mentioned, the IFS was impacted whereby the closing audited figures were required for the opening balances of the IFS	
						Not Achieved 1 IFS by 31 October 2021	12 November 2021		
						Achieved 1 IFS by 31 January 2022	None	None	

⁹ Inclusive of the Department, UIF, CF and SEE.

PROGRAMME : ADMINISTRATION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVE	REASONS FOR DEVIATIONS
			2020/2021	2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	
	Detection and reporting of Irregular and/ or Unauthorised expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	6.1 Percentage reporting of all detected irregular and/or Unauthorised expenditure cases per financial year, to the Accounting Officer	Not Achieved Irregular expenditure R 32 703 000 Unauthorised expenditure - None detected and reported	Achieved Irregular expenditure – A total of nine (9) cases amounting to R 506 129.62 were detected and reported Unauthorised expenditure – None detected and reported	Not Achieved Irregular expenditure R 32 703 000 Unauthorised expenditure - None detected and reported	100% reporting of the detected occurrences	Achieved Irregular expenditure R18 816 000 Achieved Unauthorised expenditure - None detected and reported	None	None
	Detection and reporting of Fruitless and Wasteful expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	7.1 Percentage reporting of all detected Fruitless and Wasteful Expenditure cases per financial year, to the Accounting Officer	Not Achieved Fruitless and Wasteful expenditure- R727 000	Achieved Fruitless and Wasteful expenditure – A total of hundred and twenty-nine (129) cases amounting to R1 097 673.70 were detected and reported	Not Achieved Fruitless and Wasteful expenditure- R727 000	100% reporting of the detected occurrences	Achieved Fruitless and Wasteful expenditure- R25 811 000	None	None

LINKING PERFORMANCE WITH BUDGETS

After budget reductions effected during the year, the Programme reflected a final allocation of R1,012 billion for the 2021/22 financial year. Total expenditure of R856,4 million was recorded, an expenditure level of 84.6%. This is in comparison with the prior year budget of R926,8 million and a total expenditure of R854,0 million or 92.1%.

Major reasons for variances, as recorded in the Notes to the Appropriation Statement, are underspending due to vacancies, reduced traveling, accommodation, foreign travel and attendance of workshops which was drastically reduced. In respect of Capital expenditure, the underspend was mainly attributable to delays in the procurement of ICT devices, that was impacted upon by the global shortage of devices being available from suppliers.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2021/2022			2020/2021		
	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
Ministry	36 736	32 312	4 424	33 368	32 176	1 192
Management	311 777	311 777	-	285 743	279 469	6 274
Corporate Services	306 170	211 418	94 752	267 642	222 737	44 905
Office of the Chief Financial Officer	139 432	113 567	25 865	138 291	117 852	20 439
Office Accommodation	218 171	187 325	30 846	201 770	201 770	-
Total	1 012 286	856 399	155 887	926 814	854 004	72 810

The Programme utilised 84.6% of its allocated budget to carry out its mandated objective and deliverables and achieved 63% (5 of 8) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

Strategy to overcome areas of under performance

According to the APP, 93% of disciplinary matters must be finalised within 90 working days. The Department achieved only 64% (575 cases finalised out of 894). However, at the end of the financial year 31 March 2022, 55 of the pending cases were still within the timeframe. To overcome the under-performance, we will ensure that pre-disciplinary meetings take place to prevent delays in disciplinary cases.

In terms of the vacancy rate, the department needs to get additional capacity of a response handling company to assist the department with the large amounts of applications that is received especially for lower level posts both in the provinces and at Head office. The current capacity within the Human Resources is not able to deal with the large volumes of applications per post. The Department will ring-fence all the vacant posts that have been identified as old (more than 12 months old) and ensure that they are filled by end of September 2022. This is a commitment made by HRM practitioners at the HRM forum with the understanding that panel members also commit to carry out their obligations for Recruitment and Selection. Monthly vacancy meeting will also monitor the age of vacancies and ensure that posts do not stay vacant for more than 12 months. The meeting will also hold offices responsible to report and monitor progress on filling of posts and prevent vacancies reaching age over 12 months. The Department plans to develop standard operating procedures for all HRD activities and interventions and also ensure the facilitation of quarterly meetings for the National Training Committee to oversee and monitor the implementation of HRD activities.

4.2 PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

Programme purpose: Realise decent work by regulating non-employment and employment conditions through inspection and enforcement, to achieve compliance with all labour market policies.

Objectives

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

- Conducting 296 904 compliance inspections by March 2022
- Serving 90% of non-compliant employers/ workplace/ users inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
- 65% of non-compliant employers/ workplace/ users 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 2022.

Subprogrammes

- **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 subprogrammes 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 requirement and educates stakeholders on labour legislation.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Legislative mandate encourages the Branch to serve 90 per cent of non-compliant employers/ workplace/ users inspected with a notice in terms of relevant employment law within 14 calendar days of inspection. The Branch over-achieved the target as it benefits the vulnerable workers and improves enforcement. Although, a concerted effort was made to achieve the 65% prosecution of employers who failed to comply with the issued notice within 30 calendar days, the target was under achieved by 1%.

TABLE 4.2.1: PROGRAMME PERFORMANCE INDICATORS

PROGRAMME - INSPECTION AND ENFORCEMENT SERVICES						
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT
			2019/2020	2020/2021		
		DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022		REASONS FOR DEVIATIONS		
MTSF OUTCOMES: 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	1. Workers protected through inspection and enforcement of employment law	1.1 Number of employers / workplaces / users inspected per year to determine compliance with employment law	2019/2020	2020/2021	2021/2022	A number of inspectors tested COVID-19 positive and were unable to do their work Some workplaces were inaccessible due to the number of COVID-19 positive cases Inspector vacancies: - The Branch recruited a number of new inspectors, some are yet to be fully effective - Some offices took longer than anticipated to fill vacancies and this had an effect on the achievement of targets The Branch took a decision to utilize the Case Management System for reporting purposes, some inspections, could not be quality passed on time and thus were not part of the report During the verification process, some inspections had to be discounted since there were inconsistencies on the registers and inadequate justification of the work done There are some areas in the system that are still to be developed completely. This has affected the capturing of some of the work that had been done.
			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	Not Achieved 178 489	296 904	
Departmental Outcomes: 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						

PROGRAMME: INSPECTION AND ENFORCEMENT SERVICES								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
			2019/2020	2020/2021				
		1.2 Percentage of non-compliant employers/workplaces/users of those inspected served with a notice in terms of relevant employment law 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	Achieved 99% (34 908 of 35 097)	90%	Achieved 99% (59 743 of the 60 478)	9%	A concerted effort was made to achieve the target in the following ways: <ul style="list-style-type: none"> • Training and capability development of inspectors to enable them to improve the quality of their work • Understanding of the value add and benefits of timeously dealing with issues of non-compliance on the spot, particularly in the area of Occupational Health and Safety as it benefits the vulnerable workers and improves enforcement
		1.3 Percentage of non-compliant employers/workplaces/users received by Statutory Services referred for prosecution within 30 calendar days	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	Achieved 75% (2 910 of 3 882)	65%	Not Achieved 64% (3 752 of 5 869)	-1%	The target was not achieved as a result of adjustment due to discrepancies and errors emanating from the late audit verification process which was undertaken after the signing of quarterly performance report.
		1.4 Number of formal Advocacy sessions conducted per year to increase awareness of employment law	N/A	Not Achieved 3 x Hospitality Sector Seminars	4 x Seminars and 2 x Conferences to be conducted	Not Achieved • 7 X Seminars	-2 Conferences	The Branch did not achieve the overall target as planned. Although the target on the number of seminars conducted was surpassed, the two conferences could not take place. The planned conferences could not take place due to delays and new processes around Supply Chain at National Treasury.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES: ADDITIONAL INFORMATION: ANNUAL ACHIEVEMENT FOR 2021/2022 PER LEGISLATION

ANNUAL TARGET	EE			BCEA			OHS		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
Eastern Cape	312	316	4	19 968	18 477	-1 491	8 808	9 075	267
Free State	228	191	-37	13 392	12 473	-919	10 392	11 344	952
Gauteng	936	587	-349	36 588	25 877	-10 711	18 708	17 545	-1 163
Kwa-Zulu Natal	648	605	-43	34 512	27 818	-6 694	23 784	19 446	-4 338
Limpopo	312	181	-131	16 428	12 262	-4 166	8 952	6 873	-2 079
Mpumalanga	312	128	-184	12 900	8 981	-3 919	5 568	3 892	-1 676
Northern Cape	228	188	-40	6 348	3 905	-2 443	3 708	3 088	-620
North West	228	133	-95	11 136	10 321	-815	6 648	5 651	-997
Western Cape	228	227	-1	17 076	14 374	-2 702	11 724	12 027	303
HO	0		0	0	0	0	288	279	-9
TOTAL	3 432	2 556	-876	168 348	134 488	-33 860	98 580	89 220	-9 360

ANNUAL TARGET	EAS			COID			TOTAL		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
Eastern Cape	1 624	1 746	122	1 172	1 188	16	31 884	30 802	-1 082
Free State	1 632	1 617	-15	828	848	20	26 472	26 473	1
Gauteng	3 060	2 945	-115	1 404	1 436	32	60 696	48 390	-12 306
Kwa-Zulu Natal	2 352	2 238	-114	1 392	1 407	15	62 688	51 514	-11 174
Limpopo	1 620	849	-771	816	825	9	28 128	20 990	-7 138
Mpumalanga	1 620	1 625	5	816	719	-97	21 216	15 345	-5 871
Northern Cape	1 620	1 753	133	816	602	-214	12 720	9 536	-3 184
North West	1 440	1 730	290	816	833	17	20 268	18 668	-1 600
Western Cape	2 340	2 428	88	1 176	1 189	13	32 544	30 245	-2 299
HO	0	0	0	0	0	0	288	279	-9
TOTAL	17 308	16 931	-377	9 236	9 047	-189	296 904	252 242	-44 662

LINKING PERFORMANCE WITH BUDGETS

The programme spent R546.6 million of the R650.9 million allocated budget which amounts to an 84% expenditure rate. The under expenditure is due to vacant posts, reduced traveling due to employer/workplaces availability, accommodation, S&T; foreign travel by Department's officials and attendance for workshops was drastically reduced. It can also be attributed to the delays in the delivery of laptops and desktops due to the global shortage from suppliers.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2021/2022			2020/2021		
	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
Management and Support Services: IES	20 140	17 477	2 663	6 473	4 473	2 000
Occupational Health and Safety	34 107	10 632	23 475	33 247	22 798	10 449
Registration: IES	91 863	89 998	1 865	75 251	73 479	1 772
Compliance, Monitoring and Enforcement Services	487 814	413 638	74 176	461 144	391 272	69 872
Training of Staff: IES	6 919	6 919	-	3 268	1 459	1 809
Statutory and Advocacy	10 059	7 984	2 075	9 066	5 950	3 116
Total	650 902	546 648	104 254	588 449	499 431	89 018

The Programme utilised 84.0% of its allocated budget to carry out its mandated objective and deliverables and achieved 25% (1 of 4) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

- Streamlining of processes and effective change management, both internally and externally.
- Prioritise the filling of vacancies
- Training and development of new inspectors to be complemented with coaching and monitoring.
- Develop and implement a catch up strategy.
- All role players in the Case Management System to do their work effectively. The system to be enhance to ensure that users are fully enabled to capture all the relevant data.

4.3 PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

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

Objectives

- Provide public employment services and collaborate with the Program Management Office, the UIF, other departments to support work seekers. PES will contribution through:
 - Registering 800 000 work seekers on ESSA by 31 March 2022
 - Registering 100 000 work opportunities on the employment services of South Africa database system by 31 March 2022
 - Providing employment counselling to 230 000 work seekers by 31 March 2022
 - Filling 50 000 registered employment opportunities by 31 March 2022
 - Conclude 20 partnership agreements with various stake holders, by 31 March 2022
 - Develop National Employment Policy with various sub-themes and where necessary develop draft amendments to the Employment Services Act 2014 by 31 March 2022.
- Provide funding and monitors use of allocated funds to promote employment in:
 - Supported Employment Factories to increase employment levels of Persons with Disabilities
 - Non-governmental organisations employing Persons with Disabilities subsidies
 - The Public sector through re-imbursements to the Compensation Fund for administration of public sector medical claims
 - The private and public sector productivity promotion and Turn Around Solutions initiated by Productivity South Africa
 - The public sector through re-imburement of UIF Claims that were payable to the public servants.

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 subprogrammes.
- **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.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Public Employment Services Branch was able to achieve its targets set out in the AOP 2021-22, as reflected below:

More than 936 621 work seekers were registered in the Departments ESSA system, 281 801 work seekers were provided with counselling mediation, 131 522 work opportunities were canvassed with opportunity providers, and 67 058 placements were done into jobs. The Branch also provided subsidies to designated workshops in an effort to create employment, for persons with disabilities, 1 037 (constant through the year) employment opportunities were created of which 508 were youth. With a total of 166 464 placements done into jobs, against the MTSF (2019-24) target so far, the Department is confident that Programme 3 will achieve the target of 190 000 jobs as detailed in the Strategic Plan.

The Branch also committed to develop the Labour Migration Policy, which it has done and successfully launched for public comment, before being considered for approval by Parliament. The Amendments to give effect to the policy has also been drafted and presented to Cabinet. The policy has sparked keen interest amongst stakeholders, and there are early signs of re-alignment by employers towards employing more local workers.

The National Employment Policy has also been drafted, and has been presented to the ES board, the Deputy Minister, Minister and Top management. The regulatory impact assessment was done as planned.

PES Equity focus and prioritisation of designated groups resulted in the following;

- 59% (553 160) of registered work seekers are young persons aged 15-35 years
- 41% (383 461) are adults aged 36 years and above
- work seekers registered is 54% females and 46% males.
- 66% (44 460) of work seekers placed are young persons aged 15-35 years.
- 34% (22 597) aged 36 years and above placed in work and learning opportunities.
- 0.2% (2 335) of work seekers registered on ESSA have different forms of disabilities:
 - 1 001 blindness
 - 457 physical disability
 - 298 chronic condition
 - 115 mental, neurological
 - 148 deafness
 - 95 Partially sighted.

Challenges experienced include:

- Skills mismatch
- Number of work seekers lack required experience
- COVID-19 pandemic lockdown impacted the economy negatively and led to closure of some businesses

Interventions:

- Employment counselling and intensified profiling of work seekers on ESSA database
- Partnership Agreements (Collaboration) with business and other departments to identify and fill new employment opportunities
- Employment Schemes to be implemented as soon as budget is available.

TABLE 4.3.1: PROGRAMME PERFORMANCE INDICATORS

PROGRAMME: PUBLIC EMPLOYMENT SERVICES									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT		DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
			2019/2020	2020/2021		2021/2022	2021/2022		
MTSF Outcome: More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Work seekers registered	1.1 Number of work-seekers registered on Employment Services of South Africa per year	Achieved	Achieved	800 000	Achieved	936 621	136 621	High levels of unemployment in the country. Companies are closing down due to COVID-19.
			929 770	938 505					
	Work and learning opportunities registered	2.1 Number of employment opportunities registered on the Employment Services South Africa per year	Achieved	Achieved	100 000	Achieved	131 522	31 522	Increase in registered employment opportunities
			153 973	83 782					
	Employment counselling provided	3.1 Number of registered work-seekers provided with employment counselling per year	Achieved	Achieved	230 000	Achieved	281 801	51 801	High levels of unemployment necessitated that more persons be provided with employment counselling
			264 044	246 454					
Work seekers placed in work and learning opportunities	4.1 Number of registered employment opportunities filled by registered work seekers per year	Achieved	Achieved	50 000	Achieved	67 058	17 058	Improved employer confirmation of placement	
		62 213	37 193						
Partnerships agreements concluded	5.1 Number of partnerships agreements concluded with various stakeholders per year	N/A	Achieved	20	Achieved	20	None	None	
National Employment Policy developed and approved	6.1 Number of policies developed and approved per year	N/A	Not Achieved	1	Not Achieved	0	-1	The draft policy has been presented to Cabinet.	

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES: ADDITIONAL INFORMATION ANNUAL ACHIEVEMENT FOR 2021/22 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	96 000	110 909	14 909	13 682	22 855	9 173
Free State	56 000	68 713	12 713	7 896	10 124	2 228
Gauteng	208 000	195 751	-12 249	19 158	21 271	2 113
Kwa-Zulu Natal	136 000	135 863	-137	15 790	20 338	4 548
Limpopo	56 000	64 207	8 207	10 526	14 644	4 118
Mpumalanga	64 000	76 335	12 335	8 422	8 954	532
Northern Cape	32 000	37 915	5 915	6 106	9 364	3 258
North West	48 000	52 725	4 725	6 842	9 380	2 538
Western Cape	104 000	112 355	8 355	11 578	12 548	970
*Online		81 848	81 848		2 044	2 044
TOTAL	800 000	936 621	136 621	100 000	131 522	31 522
* 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
Eastern Cape	29 206	35 025	5 819	6 842	9 978	3 136
Free State	20 080	23 239	3 159	3 947	5 770	1 823
Gauteng	47 460	63 553	16 093	9 579	10 048	469
Kwa-Zulu Natal	29 206	39 026	9 820	7 895	10 017	2 122
Limpopo	23 730	26 512	2 782	5 263	10 018	4 755
Mpumalanga	27 381	33 079	5 698	4 211	4 693	482
Northern Cape	12 778	16 016	3 238	3 053	4 965	1 912
North West	18 254	23 081	4 827	3 421	5 116	1 695
Western Cape	21 905	22 262	357	5 789	6 453	664
*Online		8	8		-	-
TOTAL	230 000	281 801	51 801	50 000	67 058	17 058
*Online refers to registered work seekers who received counselling services and modified their profiles through kiosk stations and internet						

Note on Data:

The BW reports, that is the source document for reporting, reflects against the user that have captured the data. Due to the fact that DEL users transfer between provinces after a quarterly report, the statistics as reported will change as the data will reflect under the new province. This has been the situation from the 2018 when the BW reports is the only source of verification for reporting quarterly and annually.

The difference between the Annual Report and the sum of the quarterly reports is due to the data cleansing exercise that have to be executed as advised by the AG in 2018. (Data cleansing takes time, as the process involves SITA, therefore it is not easy to always do it before submitting Quarterly Reports). The data that is deleted, is for records of persons below the age of 16 years, data that does not reflect an ID number and data where the date of death is before the date of registration. As the AG does a CAAT audit on the data base of ESSA the records should be the same as what is reported in the Annual Report. The PES Branch has reported the reasons for the difference in the Annual Report for the past 3 years, which was accepted by the AG.

In addressing this problem (going forward), the Branch has changed the TID and reporting of Registration of Work Seekers for 2022/2023 to reflect cumulative targets and reporting, which will permanently sort out this query.

Linking performance with budgets

Below is the summary of the actual expenditure in comparison to the adjusted appropriation for both the current and previous year. The Management and Support Services: PES budget reflects underspend, which is due to the Presidential Youth Employment Fund that was included in this sub programme late in the financial year 2021-22, and therefore the disbursement system could not be finalised timeously. Employer Services has a saving due to a number of issues, including; (i) Skills mismatch, (ii) work seekers not meeting criteria set by employers and (iii) some employers not filling some of their vacant positions due to the downturn brought by COVID-19 pandemic and low employment growth. Work Seeker Services slightly over spent its budget due to continued utilisation of SPEEXS and establishment of new Employment Centres. Designated Groups Special Services reflects a saving emanating from some payments withheld due to non-submission of required documents by the organisations. Training of staff budget was also overspent, as the training plans for the year were overloaded by the backlog that accumulated when plans for 2020-21 could not be executed due to the COVID-19 pandemic.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2021/2022			2020/2021		
	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
Management and Support Services: PES	300 540	62 442	238 098	49 745	47 507	2 238
Employer Services	123 762	104 315	19 447	106 307	97 926	8 381
Work-Seeker Services	204 384	204 384	-	174 326	174 298	28
Designated Groups Special Services	24 245	20 954	3 291	22 709	21 996	713
Supported Employment Enterprises and Subsidies to Designated Workshops	162 266	162 266	-	202 848	199 272	3 576
Productivity South Africa	59 853	59 853	-	56 309	56 309	-
Unemployment Insurance Fund	1	-	1	1	-	1
Compensation Fund	18 040	-	18 040	305	-	305
Training of Staff: PES	1 658	1 658	-	1 114	1 090	24
Total	894 749	615 872	278 877	613 664	598 398	15 266

The Programme utilised 68.8% of its allocated budget to carry out its mandated objective and deliverables and achieved 83% (5 of 6) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The draft policy will be presented to Cabinet for pre-approval as soon as a pre-certificate is obtained from the Presidency (Indicator 6).

Finalisation of the National Employment Policy (indicator 8 –Work-plan indicator).

4.4 PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

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.

Objectives

- Improve employment equity implementation and compliance monitoring mechanisms in the labour market by:
 - Publishing the 2020/2021 employment equity annual report and public register by 30 June 2021; and
 - developing the 2021/2022 employment equity annual report and public register by 31 March 2022
- 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 registration of qualifying labour organisations by 31 March 2022

- 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 2022.

Subprogrammes

- **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 non-compliant, 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 through the development and promotion of employment equity policy instruments as mandated by the Employment Equity Act, 1998 as amended
- **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.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The EE Amendment Bill, 2020 is currently undergoing Parliamentary processes and the Select Committee of the National Council of Provinces (NCOP) has voted on all clauses of the EE Amendment Bill on 15 March 2022. As per the 2021 EE Reports submitted by designated employers, the representation of Africans in middle management increased by 0.2% and also by 0.9% in senior management levels. It is evident that self-regulation of EE Targets by designated employers has resulted in the slow pace of change observed at senior management level and also for the employment of persons with disabilities because the representation of this group remained around 1% over the 24 years of the Employment Equity Act.

Amongst others activities, the Labour Policy and Industrial Relations (LP&IR) Branch in the Department has continuously monitored the impact of labour legislation in the South African through the publication of labour market statistics and research reports. These reports form the basis of knowledge in developing evidence based labour policy decisions while the labour market remains dynamic. Targets achieved in line with monitoring the impact of labour legislation include producing a number of relevant annual labour market statistical reports (4) that are currently accessible using the DEL website. One of the statistical reports is the industrial action report that provides key results on the working days lost and worker's wage lost due to strike at the specific time. This is one of the key statistical reports regarding the level of moderating conflict at the workplace and negotiations at the Collective Bargaining.

Furthermore, there are research projects conducted to monitor the impact of labour legislation, of these, two research reports were completed. The first was looking at the new forms of work and the skills demand and supply in the changing world of work. The aim of this research was to determine jobs and skills that will be impacted by labour market shifts and to determine policy measures that will maximise the benefits and minimise the negative effects of labour market transitions. The second completed research was looking at employment schemes aimed at creating employment opportunities for young persons in particular, this research is necessary for the department to make informed intervention in curbing the resilient unemployment rate by interrogating existing measures to see if they need overhaul or replacement.

TABLE 4.4.1: PROGRAMME PERFORMANCE INDICATORS

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT		DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
			2019/2020	2020/2021		2021/2022	2021/2022		
MTSF Outcome: Equal opportunities, inclusion and redress Departmental Outcome: Promote Equity in the Labour Market	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 per annum	N/A	Achieved EE Amendment Bill, 2020 tabled in Parliament through publication of the Bill in Government Gazette dated 20 July 2020	EEA amendments finalised by 31 March 2022	Not Achieved The Select Committee of the National Council of Provinces (NCOP) published the Bill for public comments in December 2021, and hosted public hearings on the EE Amendment Bill on 22 February 2022. The Select Committee of the NCOP voted on all the clauses of the EE Amendments Bill on 15 March 2022. Bill still to be voted by the whole NCOP and the National Assembly before being assented to by the President.	EE Amendment Bill still to be voted by the whole NCOP and the National Assembly before being assented to by the President.	Parliamentary processes beyond department's control	
	A number of policy instruments developed and promoted to enhance the implementation of EEA per annum	2.1 Annual EE Report and Public Register published per annum	Achieved 2018-2019 Annual Employment Equity Report and Public Register published by 30 June 2019	Achieved 2019-2020 Annual EE Report published on 19 August 2020 and Public Register published in Government Gazette dated 17 July 2020	2020-2021 Annual Employment Equity Report and Public Register published by 30 June 2021	Achieved 2020-2021 Annual EE Report published and launched on 25 June 2021; and Public Register published in Government Gazette No. 44636 dated 28 May 2021.	None	None	
		2.2 Annual EE report and Public Register developed per annum	Achieved 2019-2020 Annual Employment Equity Report and Public Register developed by 26 March 2020	Achieved 2020-2021 Annual EE Report (21st CEE Annual Report) and Public Register developed on 29 March 2021 and 17 March 2021 respectively	2021-2022 Annual Employment Equity Report and Public Register developed by 31 March 2022	Achieved 2021-2022 Annual EE Report (22nd CEE Annual Report) developed and CEE Advisory to the Minister submitted through Ministerial submission on 24 March 2022 and Public Register developed and submitted through Ministerial Submission on 9 March 2022 (Minister approved Public Register for publication on 31 March 2022)	None	None	

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS							
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
			2019/2020	2020/2021	2021/2022	2021/2022	
		2.3 Income differential data collection tool (EEA4 form) for designated employers developed per annum	N/A	Achieved EEA4 form developed and implemented	N/A	N/A	N/A
		2.4 Law and policy interventions developed to protect specific groups of workers who are particularly vulnerable to specific forms of gender-based violence per annum	N/A	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	Code of good practice on elimination of harassment and violence in the world of work published by 31 March 2022	Achieved Code of Good Practice on the Prevention and Elimination of Harassment in the world of work developed and published in Government Gazette No.46056 dated 18 March 2022.	None
	Annually review the national minimum wage level	3.1 Review of the National Minimum Wage level per annum	Not Achieved Review of the national minimum wage not achieved by 1 January 2020, only reviewed on 1 March 2020	Achieved The National Minimum Wage level reviewed and amended on 1 March 2021 on government gazette number 44136 published on the 8 February 2021	Review of the National Minimum Wage level by 31 March 2022	Achieved National Minimum Wage amendments was published on 7 February 2022 in the Government Gazette no 45882	None

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS							
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	* ACTUAL ACHIEVEMENT 2021/2022	
	Collective agreements assessed and verified within 180 working days of receipt per annum	4.1 Percentage of collective agreements assessed and verified within 180 working days of receipt per annum	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	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	100% of collective agreements assessed and verified within 180 working days of receipt by 31 March 2022	Achieved Twenty-Six (26) collective agreement received. Twenty-Six (26) assessed and verified within 180 working days of receipt = 100% VS: Copy of LRA 3.5/3.6, Copy of signed submissions & Copy of full schedule published in Government notice	None None
	Labour organisations' applications for registration approved or refused within 90 working days of receipt per annum	5.1 Percentage of labour organisations' applications for registration approved or refused within 90 working days of receipt per annum	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	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	100% of labour organisations' applications for registration approved or refused within 90 working days of receipt by 31 March 2022	Achieved One Hundred and Thirty-Four (134) applications were received • One Hundred and Twenty-Seven (127) – Refused within 90 working days of receipt • Seven (07) – Approved within 90 working days of receipt = 100% VS: Copy of LRA Form 6.1 or 6.2. Copy of approval/refusal letter & printout from Labour Organisation system	None None

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	* ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
<p>MTSF OUTCOME: A Better South Africa</p> <p>Departmental Outcome: Strengthen multilateral and bilateral</p>	<p>Number of progress reports on bilateral cooperation and multilateral obligations submitted to the minister annually</p>	<p>6.1 Progress reports on bilateral cooperation and multilateral obligations submitted to the minister annually</p>	<p>Achieved</p> <p>2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister</p>	<p>Achieved</p> <p>1 Annual implementation report was submitted to the Minister for sign-off by 30 April 2020</p> <p>1 Mid-term implementation report was submitted to the Minister by 31 October 2020 for sign-off</p>	<p>2 Reports on the implementation of bilateral cooperation and multilateral obligations submitted to the Minister annually</p> <ul style="list-style-type: none"> 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2021 1 Mid-term implementation report submitted to the Minister by 31 October 2021 for sign-off 	<p>Achieved</p> <p>1 Annual implementation report submitted to the Minister for sign off by 30 April 2021. VS: Ref No: 65221/1</p> <p>Not Achieved</p> <p>The Mid-term report was produced and submitted to the Minister for signoff however didn't meet the agreed deadline.</p>	<p>None</p> <p>The report was delayed due to unforeseen new commitments which impacted on the submission date.</p>	<p>None</p> <p>Revised early collation dates for 2022 to ensure consolidation is timeous</p>

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	* ACTUAL ACHIEVEMENT 2021/2022		
			REASONS FOR DEVIATIONS	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022				
<p>MTSF Outcome: More decent jobs created and sustained, with youth, women and persons with disabilities prioritised</p> <p>Departmental Outcome: Monitor the impact of legislation</p>	Analyse and report on the labour market trends annually	7.1 Number of labour market trend reports produced per annum	Achieved All (4) four annual labour market trend reports were produced: (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 2018/19 (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	Not Achieved 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	4 Annual labour market trend reports produced	Achieved The consolidated Annual Labour Market Bulletin 2021 report was completed and submitted to the CD-LMP on the 28 June 2021 towards the Minister's approval. Not Achieved The annual Job Opportunity and Unemployment in the SA labour market was produced and submitted on 15 July 2021, two weeks later after the agreed deadline of 30 June 2021. Achieved Two annual labour market trend reports: Annual Industrial Action (2021) and Annual Administrative Statistics (2021) were produced and submitted to CD-LMP by 31 March 2022 towards the Minister's approval.	Access external data as per the release of the latest statistics, e.g. QLFS by Statistics South Africa Discuss UI data quality with the UIF managers; Request and receive UI quality data and analyse/consolidate the updated report. None	The production of JOI annual report 2020/21 was delayed due to work scheduled restrictions, released of external data and provincial data submission to HO and UIF quality data (the report was delayed by the late release of source documents and the disputed numbers of the UIF claims by the acting UIF commissioner). None

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS							
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	* ACTUAL ACHIEVEMENT	REASONS FOR DEVIATIONS
			2019/2020	2020/2021	2021/2022	2021/2022	
	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 per annum	Not Achieved Only 4 evaluation packs out of 5 were finalized and submitted to SCM in preparation for panel meeting that is aimed at taking decision for recommendation of two service providers to DBA	Achieved Research service provider recommended to DBAC • Draft literature review submitted	2 Research reports and two data collection instruments in line with RME Agenda produced by 31 March 2022	Achieved Two Final research reports completed for the following research studies: 1. Youth employment creation and retention schemes: Final report completed and submitted. 2. New forms of work.	None
			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		Two data collection instruments completed for the following research studies: 1. Policy intervention on Youth Employment creation interventions 2. Gender stereotype and Sexism within the Department of Employment and Labour 3. Ethics in the Department of Employment and Labour 4. Benchmark study on Silicosis in non-mining sectors 5. Youth employment creation and retention schemes.		

LINKING PERFORMANCE WITH BUDGETS

In this context, the original budget for LP&IR was R1 258 556. The budget expenditure in the LP&IR was mostly on transfers to the CCMA and NEDLAC. Budget expenditure was 96.4% as at 31 March 2022.

SUB-PROGRAMME EXPENDITURE

SUB-PROGRAMME NAME	2021/2022			2020/2021		
	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
Management and Support Services: LP&IR	18 472	14 170	4 302	14 123	13 035	1 088
Strengthen Civil Society	21 122	21 045	77	13 500	13 500	-
Collective Bargaining	18 714	16 071	2 643	17 082	15 583	1 229
Employment Equity	12 504	10 061	2 443	9 249	8 218	1 031
Employment Standards	17 681	8 784	8 897	24 251	21 963	2 288
Commission for Conciliation, Mediation and Arbitration	994 984	994 984	-	935 810	935 810	-
Research, Policy and Planning	12 359	8 861	3 498	10 895	7 874	3 021
Labour Market Information and Statistics	51 658	43 822	7 836	43 394	41 476	1 918
International Labour Matters	51 969	36 356	15 613	46 596	38 050	8 546
National Economic Development and Labour Council	59 093	59 093	-	55 478	55 478	-
Total	1 258 556	1 213 247	45 309	1 170 378	1 151 257	19 121

The Programme utilised 96.4% of its allocated budget to carry out its mandated objective and deliverables and achieved 73% (8 of 11) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Underperformance in the Branch was mostly associated with the reprioritisation of activities and budget. External and internal factors were ineffectively managed on time throughout the ongoing COVID-19 pandemic. Thus, the budget allocation was not fully used because of the changes that occurred during the financial year 2021/22 which resulted in accumulated additional saving that had to be surrendered to the National Treasury.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The Branch Administration was coordinating the Department's institutional response to the COVID-19 Pandemic through the prescribed Crisis Management Committee (CMT) that was set up by the Director- General at the onset of the pandemic. The CMT drove the responses to the different alert levels to ensure that the employees are kept safe from contracting the virus as much as possible. All offices within the department had to continuously assess the risk and provide mitigating factors in terms of exposure levels to the virus in the different localities. The CMT convened after every change in terms of the alert levels driven by the infection rates within the country. The department made provision for protective measures in terms of the prescribed regulations by the Department of Health as well as directives from the Department of Public Service and Administration. The department also ensured that the labour representatives were part of the CMT's both at Head office and in the provincial offices. The Department's Employee Health and Wellness unit also coordinated the psychosocial support to the employees that got affected or infected by the virus. There was a concerted effort to ensure that the work place remained as safe as possible by also managing the number of employees at the office. The department identified key personnel that had to continue providing the departmental services to the clients while managing the impact of COVID-19.

The COVID-19 pandemic with its lockdown measures remained the key challenge across all Branches in the department. Mostly the Department was affected by the delay in the submission and rapid processing of our activities. This was associated with limited tools of trade to work remotely, broadband connection (IT related issues), human resources (health related issues, absenteeism, delay in filling vacancies, delay in responding to parliamentary questions etc.), huge savings (cancellation of other activities and reprioritisation etc.) but the Department reprioritised and refocused to improve its performance from the setback of the hard lockdown at the onset of the pandemic. The Department's has remained consistent in achieving key activities as captured in the APP 2021/22. Mostly, the department's support in supplying tools of trade to enable and enhance remote work amongst officials was effective in assisting officials achieve critical activities. Meetings were effective through MS Teams to address critical issues and agree on policy responses in time.

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.

5. TRANSFER PAYMENTS

5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY	AMOUNT SPENT BY THE PUBLIC ENTITY	ACHIEVEMENTS OF THE PUBLIC ENTITY
Productivity SA (PSA)	<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>	R59 853 000	R60 669 303	<p>Number of jobs saved in companies facing economic distress every year (7 697)</p> <p>Number of companies facing economic distress supported through Turnaround Strategies to retain jobs (nurturing) per annum (83)</p> <p>Number of SMMEs and other enterprises supported through Competitiveness Improvement Services by 31 March each year (2 849)</p> <p>(1 546) Number of entrepreneurs, workers and managers capacitated to promote the culture of productivity by 31 March each year (2 849)</p> <p>Number of Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa by 31 March each year (621)</p>
National Economic Development and Labour Council (NEDLAC)	Input by social partners on the development of policy and legislation before being finalised by the executive and/or going into the parliamentary process. Reaching agreement on important socio-economic issues where each social partner has a role to play	R59 093 000	R 55 751 000	<ul style="list-style-type: none"> Ongoing and intensive engagements to respond to the COVID-19 pandemic Responding urgently to the public violence that broke out in Gauteng and KwaZulu Natal (KZN) in July 2021 Concluding the Nedlac Fit for Purpose study and the subsequent mandating by the Nedlac Executive Council of the Governance Task Team to oversee the redrafting of the Nedlac Founding Documents which should enable Nedlac to be more efficient and effective Concluding Nedlac Reports on eleven matters pertaining to policy and legislation and holding nine dialogue sessions The restructuring of the organisation and revision of the remuneration structure Revision of a significant number of ICT, finance and risk policies were reviewed and updated and introduction of an Ethics Code

NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY	AMOUNT SPENT BY THE PUBLIC ENTITY	ACHIEVEMENTS OF THE PUBLIC ENTITY
<p>Commission for Conciliation, Mediation and Arbitration (CCMA).</p>	<p>Implement the legislated mandate of the CCMA effectively and efficiently; Enhance and expand the Employment Security mechanisms to save jobs and alleviate business distress; Facilitate improved Collective Bargaining to promote orderly and healthy labour relations; Intensify Dispute Management and Prevention interventions to reduce conflict in the workplace and transform workplace relations; and Improve organizational and governance processes, strive for maximum compliance and mitigate risks in order to ensure maximum organizational performance.</p>	<p>R994 984 000</p>	<p>R 980 317 614</p>	<ul style="list-style-type: none"> • During the 2021/22 financial year, the CCMA heard 99.76% (101 014/101 253) 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) • 99.95% (15 938/15 946) arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (excludes extensions granted and heads of arguments filed) • During the 2021/22 financial year, the CCMA resolved 58.25% (2 384/4 093) mutual interest disputes. CCMA saved 39.86% (18 715/46 953) of jobs compared to employees likely to be retrenched (as per cases referred to the CCMA). The CCMA also prioritises return to work outcomes in conciliated settled matters and recorded 8.35% (3 485/41 713) • A total of eight (8) Collective Bargaining support processes were conducted for strategically identified users • CCMA conducted five (5) Collective Bargaining Conferences for strategically identified users • CCMA identified and engaged nine (9) 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 eight (8) vulnerable sector projects were conceptualised and delivered to targeted sectors: Agriculture, Domestic, Retail, private Security and Mining. In its quest to achieve intended impact • The CCMA achieved an overall 99.79% positive rating on its participant evaluation outcomes • A total of 219 awareness raising, and outreach activities were delivered in support of this campaign through Users, sectors, and stakeholder forum meetings, as well as radio talk-shows and the distribution of information sheets and promotional materials • During the 2021/22 financial year, the CCMA implemented 114.81% (62/54) of the Risk Management Plan to sustain level 5.00 risk maturity level. In addition, CCMA has implemented 133.33% (56/42) of Compliance Management Plan to maintain an optimum compliance maturity level 5 • The CCMA made huge strides by achieving 50% automation and integration of case disbursement. The average uptime of all critical systems was 97.34%

5.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

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 TRANSFERRED R VALUE	AMOUNT SPENT BY THE PUBLIC ENTITY R VALUE	ACHIEVEMENTS OF THE PUBLIC ENTITY
SEE	Trading Entity	Functions of the SEE as per the Employment Services Act 4 of 2014: (a) Facilitate supported employment (b) Provide work opportunities for persons with disabilities (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 (d) Perform any other function as may be prescribed by the Minister.	Yes	R162 266 000	R162 266 000	Manufacturing of goods for sale Appointment of additional employment for PwDs Operations of the entity
Designated Group Special Services	Registered Protective Workshops	Subsidies to individual PwD at the Workshops	Yes	20 898 245	20 898 245	PES entered into SLA's with 10 Workshops for the subsidies paid to PwD.
Strengthening Civil Organisation	Non-profit Organisations	Worker education Conducting workshops on labour laws in various communities and farms	Yes	21 045 243	21 045 243	N/a
ILO	International Organisations	Membership fee	Yes	15 770 211	15 770 211	N/a
ARLAC	International Organisations	Membership fee	Yes	1 115 665	1 115 665	N/a

The table below reflects the transfer payments which were budgeted for in the period 1 April 2021 to 31 March 2022, but no transfer payments were made.

NAME OF TRANSFEREE	PURPOSE FOR WHICH THE FUNDS WERE TO BE USED	AMOUNT BUDGETED FOR R VALUE	AMOUNT SPENT BY THE PUBLIC ENTITY R VALUE	ACHIEVEMENTS OF THE PUBLIC ENTITY
GTAC	Transfers to GTAC to appoint an ecosystem manager, to establish an innovation fund and appoint intermediaries to register and support placement of young persons into work and learning opportunities	238 000 000	0	Signatories to the PYEI have developed a Draft Business Case and committed the allocated funding toward the appointment of an ecosystem manager and additional intermediaries through the innovation fund to register and support young persons placement into learning and employment opportunities as to contribute towards the PYEI and MTSF targets
Unemployment Insurance Fund		1 000	0	Incorrect allocation
Compensation Fund	Claims against the state	18 040 000	0	No medical claims were received from Compensation Fund

6 CONDITIONAL GRANTS

6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The conditional grants and earmarked funds paid by the department - None.

6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The conditional grants and earmarked funds received by the department – None.

7 DONOR FUNDS

7.1. DONOR FUNDS RECEIVED

The donor funds received by the department – None.

8 CAPITAL INVESTMENT

8.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The Department has seven (7) main capital projects, namely Taung Labour Centre, Ulundi Labour Centre, Ermelo Labour Centre and Carolina Labour Centre, Standerton Labour Centre, Prospecton 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	October 2022
2	Ulundi Labour Centre	Currently under designs	December 2024
3	Ermelo Labour Centre	At tender stage	December 2024
4	Carolina Labour Centre	At sketch plan stage	December 2024
5	Prospecton Labour Centre	At sketch plan stage	December 2024
6	Standerton Labour Centre	Currently Under Construction	June 2023
7	Installation of water tanks at Atlantis; Roodepoort; Krugersdorp; Carletonville; Sandton; Atteridgeville; Soshanguve; Atlantis, and Phuthaditjaba	Under designs and construction	March 2023

There were no infrastructure projects completed in the financial year in question. The seven (7) projects, as indicated above, is envisaged to be completed as per the anticipated completion dates respectively. 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 is were no adverse impact on its assets holding. No assets will be scrapped or disposed and no theft can be reported, as all assets are recorded in an Asset Register, in accordance to the GIAMA Act, Act 19 of 2007 and in accordance to the National Treasury requirements.

As far as maintenance are concerned in relations to the immovable assets, the maintenance backlog has grown, as there is no real progress in addressing all the maintenance challenges. Furthermore, there is no real maintenance plan provided by the DPWI.

A joint Task Team on immovable assets has been established in order to plan all capital, refurbishment and maintenance challenges on all infrastructure projects. The task team was the Director-General of NDPWI and the Office of the CFO (DEL) initiative. Regular meetings with all project managers take place to track progress.

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

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

INFRASTRUCTURE PROJECTS	2021/2022			2020/2021		
	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
Capital Projects	17 854	14 005	3 849	17 662	17 662	0
PO: EC - Lusikisiki	0	0	0	15	15	0
PO:GT-Soshanguve	1 100	348	752			0
PO:GT-Temba	1 000	0	1 000			0
PO:KZN-Prospecton	1 150	241	909			0
PO:KZN-Ulundi	0	260	-260	306	306	0
PO:LP-Seshego	250	0	250	9	9	0
PO:MP-Mashishing	350	0	350			0
PO:MP-Standerton	4 350	6 183	-1 833	1 575	1 575	0
PO:MP-Ermelo	1 750	0	1 750	902	902	0
PO:MP-Bethal	180	0	180			0
PO:MP-Mkondo	915	0	915			0
PO:MP-eMalahleni	1 000	0	1 000			0
PO:NC-Upington	0	45	-45	10	10	0
PO:NW-Rustenburg	0	86	-86			0
PO:NW-Brits	480	0	480			0
PO:NW-Vryburg	500	0	500	349	349	0
PO:NW-Taung	2 280	6 590	-4 310	13 707	13 707	0
PO:WC-Atlantis	0	93	-93	218	218	0
PO:WC-Swellendam	2 480	90	2 390	535	535	0
NO PROJECTS	69	69	0	36	36	0
Maintenance and repairs	2 411	758	1 653	3 247	556	2 691
No Project	2 411	758	1 653	3 247	556	2 691
Total	20 265	14 763	5 502	20 909	18 218	2 691





PART C

GOVERNANCE

DEPARTMENT OF EMPLOYMENT AND LABOUR

1. INTRODUCTION

The Department is committed to maintain the highest standards of governance which is fundamental to the management of public finances and resources. As assurance 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

Sections 38(1)(a)(i) of the PFMA, which requires the Accounting Officers to ensure that their Institutions have and maintain effective, efficient and transparent systems of risk management. The Accounting Officer of the Department have taken the responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF).

The Department has an approved risk management framework, risk management policy and implementation plan. Risk Management Committee (RMC) Charter was reviewed during the 2021/22 financial year for relevance and applicability and the RMC Charter was approved by the Accounting Officer.

Risk Management conducted annual risk assessment in line with the department's strategic and operational objectives and monitoring on quarterly basis to determine the effectiveness of its risk management strategy and to identify new and emerging risks.

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.

Risk management has played an integral part in the Department Employment and Labour, environment to adequately identify and deal with potential risks. The Department have regularly assessed significant risks that could have an impact on the achievement of its outcomes, at a strategic and operational level, and monitor progress on a quarterly basis. Risks were prioritised based on likelihood and impact (inherently and residually) and additional mitigations were agreed upon to reduce risks to acceptable levels.

The Department has noted progress on the implementation of the Compliance Universe Management, Combined Assurance Model and Business Continuity Strategy and Plan.

The Risk Management Committee is responsible for assisting the Accounting Officer in addressing its oversight requirements of risk management and monitoring and evaluation the Department performance with regards to risk management. The Risk Management Committee (RMC) of the Department is fully constituted and have complied with its responsibilities arising from Public Sector Risk Management Framework and its approved Charter, and it has regulated its affairs in compliance with its charter and has discharged all its responsibilities as contained therein. The RMC is continually advising management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.

The responsibilities of the Audit Committee with respect to risk management are formally defined in its charter. The Audit Committee is responsible for oversight of the Department control, governance and risk management. Furthermore, the Committee have provided the Accounting Officer and management with independent counsel, advice and direction in respect of risk management.

Risk Management continues to be embedded into the strategic and operational processes of the Department. The Department is committed to maintaining an effective, efficient and transparent system of risk management, as required in terms of Section 38 (1)(a)(i) of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA) and Treasury regulations TR3.2.1, that supports the achievement of the Department's strategic and operational objectives. This concerted effort is attributed to the Department improved performance and the risk culture.

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) and 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.

The Department of Labour's Anti-Fraud and Corruption strategy is organised in four main pillars, namely: Prevention, Detection, Investigation and Resolution.

As part of fraud and corruption detection mechanism, the department has 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 thorough investigation including amongst others:

- Disciplinary steps/action 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 service 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 their financial 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.

The Department established a system that encourages and allows employees and citizens to report allegations of corruption and other unethical conduct. Several combined initiatives result in an overall preventative environment in respect of minimising conflict of interest. Any person, involved in any decision-making process, who may have a conflict of interest, shall be declare such a conflict in writing and withdraw from any further procedures.

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 appointment and attend orientation programs. Ethics advocacy sessions include training on the Code of Conduct to assist in prevention, detection and reporting of fraud and corruption by raising the level of awareness as to how breach of Code of Conduct is manifested in the workplace.

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 is 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 in accordance with the relevant legislative prescripts and Departmental Disciplinary Code and Procedures. In all matters with findings which confirm misconduct, the Department shall ensure that corrective action is taken while acting within the confines of relevant legislation.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department, including its 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. The Health and Safety committee members, Health and Safety representatives and Chief Directors: Provincial Operations participated in the advocacy training session held on 13 September 2021. Monthly Health and Safety reports were submitted and a year planner for the scheduled Health and Safety Committee meetings was compiled. Health and Safety representatives, First Aiders and Firefighters at various offices were trained towards the end of the financial year.

To aid in combatting the spread of the COVID 19-pandemic, all officials and frontline staff have been provided with PPE's, hand sanitisers, as well as surface disinfectants for offices. Regular cleaning and sanitising of office entrances was done and social distancing marks are visible at all offices. The Screening App and questionnaires are being used and monitored by Security personnel upon entry into premises.

Challenges

- Defective light fixtures and burned-out globes that are not replaced regularly
- Damaged furniture and broken chairs
- Leakages in ablution facilities and storm water/drainage pipes

- Empty printer cartridges not being disposed of
- Insufficient ventilation in some offices due to defective central air conditioning systems and windows that cannot open
- Cracked walls, broken windows and doors
- Unlabelled electrical distribution boards and boxes
- Poor housekeeping, dirty and loose carpets, windows and blinds, cracked and/or missing floor tiles
- Obstruction of emergency exit routes and fire-fighting equipment
- Cluttered cables, exposed wires and detached plug points
- Untidy cabling presenting tripping hazards
- Expired First-Aid box contents and poorly re-stocked First-Aid boxes
- Offices without First-aid boxes
- Emergency/exit doors are locked
- Expired Fire extinguishers and poorly management of fire equipment such as water hoses not regularly checked for disintegration
- No valid certificate of compliance
- Not all offices are Persons with Disabilities friendly for example no ablutions, missing handrails for ramps
- Staircase handrails that are loose, loose/missing non-slip strips on stairs
- Landlords of rented offices reluctant to fix the property to required standards
- Social distancing of waiting clients at Labour Centres
- Poor maintenance of heaters, fans and air conditioners could cause fire hazards.

7. PORTFOLIO COMMITTEES

MEETING DATE	PORTFOLIO COMMITTEE SUBJECT	RESPONSE BY THE DEPT	RESOLVED (YES/NO)
13/04/2021	Oral presentation on the Employment Equity Amendment Bill	LP&IR	Yes
14/04/2021	Oral presentation on the Employment Equity Amendment Bill	LP&IR	Yes
15/04/2021	Oral presentation on the Employment Equity Amendment Bill	LP&IR	Yes
05/05/2021	Briefing on the Strategic and Annual Performance Plan of the: Department of Employment & Labour; Unemployment Insurance Fund (UIF); and Commission for Conciliation, Mediation and Arbitration (CCMA).	DEL UIF CCMA	Yes
26/05/2021	Briefing by Department of Employment and Labour on the: ILO convention 190 Response by Department of Employment and Labour on the written and oral submissions received on the COID and EE Amendment Bills	LP&IR CF	Yes
28/05/2021	Briefing by the Auditor-General on the Unemployment Insurance Fund (UIF) and Compensation Fund (CF) matters before SCOPA	DG	Yes
02/06/2021	Response by Department of Employment and Labour on the written and oral submissions received on the Compensation for Occupational Injuries and Diseases Amendment Bill	CF	Yes
08/06/2021	Briefing by department on the: Matters raised by AGSA Compensation Fund and the Unemployment Insurance Fund	CF UIF	Yes
09/06/2021	Deliberations on Employment Equity Amendment Bill	LP&IR	Yes
10/06/2021	Deliberations on Employment Equity Amendment Bill	LP&IR	Yes

MEETING DATE	PORTFOLIO COMMITTEE SUBJECT	RESPONSE BY THE DEPT	RESOLVED (YES/NO)
23/06/2021	Deliberations on Compensation for Occupational Injuries and Diseases Amendment Bill.	CF	Yes
11/08/2021	Oversight Visit in Durban United Phosphorus Limited (UPL) Warehouse	IES	Yes
25/08/2021	Clause-by-clause consideration of the Compensation for Occupational Injuries and Diseases and the Employment Equity Amendment Bills.	CF	Yes
17/11/2021	Briefing on the Annual Reports of the: Department of Employment and Labour (DEL) National Economic Development and Labour Council (Nedlac) Productivity SA (PSA) Commission for Conciliation, Mediation and Arbitration (CCMA)	DEL NEDLAC PSA CCMA	Yes
30/11/2021	Department of Employment and Labour on employment patterns in the tourism sector	IES PES UIF	Yes
02/02/2022	2021/22 Quarterly Performance Report of: Department of Employment and Labour Compensation Fund's Audit Action Plan.	COO CF	Yes
09/02/2022	2021/22 First Quarterly Performance Report of: Unemployment Insurance Fund NEDLAC Productivity SA	UIF NEDLAC PSA	Yes
17/02/2022	2021/22 First Quarterly Performance Report of: Compensation Fund CCMA	CF CCMA	Yes
23/02/2022	Expanded mandate into the Department of Employment and Labour	COO	Yes
09/03/2022	SONA and Budget Report response	ALL	Yes
16/03/2022	Budget Review Department of Employment and Labour (DEL) Supported Employment Enterprises (SEE):	COO SEE	Yes
23/03/2022	Budget Review Briefing by the Department of Employment and Labour (DEL) (Incl. Strategic Plans and Annual Performance Plans) of the following entities: Nedlac; Productivity SA CCMA	NEDLAC; PSA CCMA	Yes
30/03/2022	Budget Review Briefing by the Department of Employment and Labour (DEL) (Incl. Strategic Plans and Annual Performance Plans) of the following entities: Compensation Fund (CF); Unemployment Insurance Fund (UIF)	CF UIF	Yes

8. SCOPA RESOLUTIONS

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
19/05/2021	Compensation Fund Annual Report and Financial Statements for the financial year 2019/20, as well as irregular, fruitless and wasteful expenditure as stated in the Annual Report.	All correspondence that has led to irregular, fruitless and wasteful expenditure, which must include: a. Date of incident b. Company involved c. Amount involved d. Official/s involved e. Action taken against the official/s	All correspondence submitted on 21 February 2022 and SCOPA acknowledged receipt of all correspondence on the same day.	Yes
25/05/2021	UIF annual report and financial statements of the Unemployment Insurance Fund (UIF), for the financial year 2019/20, as well as irregular, fruitless and wasteful expenditure	All correspondence that has led to irregular, fruitless and wasteful expenditure, which must include: a. Date of incident; b. Company involved c. Amount involved d. Official/s involved e. Action taken against the official/s.	All correspondence submitted on 21 May 2021 and SCOPA acknowledged receipt of all correspondence on the same day.	Yes
16/02/2022	Compensation Fund Annual Report and Financial Statements for the financial year 2020/21, as well as irregular, fruitless and wasteful expenditure as stated in the Annual Report.	All correspondence that has led to irregular, fruitless and wasteful expenditure, which must include: a. Date of incident b. Company involved c. Amount involved d. Official/s involved e. Action taken against the official/s.	All correspondence submitted on 10 February 2022 and additional correspondence submitted on 22 February 2022 and SCOPA acknowledged receipt of all correspondence on the same day.	Yes

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
Unqualified with findings	Unqualified opinion for the prior 3 financial years	N/A
Matters of non-compliance	2019/20	Audit action plan developed to address the matters of non-compliance findings, however was not fully effective
Emphasis of matter	2020/21	Audit action plan drafted to address the emphasis of matter findings, however was not fully effective
Restatement of corresponding figures 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	2019	The financial statements were subsequently corrected and accepted by the AGSA The Department developed an audit action plan to address the findings in the current financial year
Underspending of the vote As disclosed in the appropriation statement, the department materially underspent the budget by R89 million on Programme 2 – Inspection and Enforcement Services	2020	The Department, after finalisation of the financial statements and endorsement thereof by the AGSA, the surplus was surrendered to the National Revenue Fund The Department developed an audit action plan to address the findings in the current financial 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 the Annual Performance Report		
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	2019	Bi-weekly meetings to be held with Statutory Services to monitor implementation of the Standard Operating Procedures. All streams (Labour Centres and Provincial Office) must monitor SOP timeframes/notices of non-compliant employers weekly; Second level of control of information to be introduced to ensure accurate and credible information. Monthly monitoring report by the Provincial Chief Inspector to be effective on the 25th of every month. To develop two separate registers to indicate prosecuted cases within 30 days and cases prosecuted after 30 days All referrals for prosecution of non-compliant employers must be checked by Team Leaders, Supervisors, Principal Inspectors, finally DD: LCOs and Specialists must refer only competent files to Statutory Services (SS) for prosecution weekly; Statutory Services will provide a weekly update every Monday on progress made with prosecutions of non-compliant employers. Such report will cover age analysis of all cases referred for prosecution
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		
Report on the audit of compliance with legislation		
Annual financial statements		
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	2019/20	The financial statements were subsequently corrected and accepted by the Auditor-General.
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.	2021	The statements were subsequently corrected and accepted by the Auditor-General.
Expenditure management		
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.	2018	Identify officials dealing with the awarding of procurement in Head Office and Provincial Offices All deviation requests will be submitted to National Treasury for evaluation and review as per National Treasury Instructions

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
Consequence management		
<p>The Auditor-General 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.</p> <p>The Auditor-General 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.</p>	2018	<p>The Department resuscitated the Loss Control Committee (LCC) to investigate possible irregular expenditure to determine liability.</p> <p>Subsequent to the investigation, should it be determined that the expenditure is indeed irregular in nature, the case is redirected to Legal Services and through the State Attorney have to prove liability in law before a debt can be recovered.</p> <p>The aforementioned is directed to Employment Relations to determine the appropriate sanction based on the evidence presented by the Directorate: Legal Services for all the offices of the Department.</p> <p>A request for condonation is done to National Treasury, should the investigation conclude that the expenditure was for the benefit of the Department and no official(s) was found liable for the expenditure.</p>
Internal control deficiencies		
<p>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.</p>	2019	<p>The statements and the performance report were corrected and subsequently accepted by the Auditor-General.</p>

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 AGSA. The objective of the session is to develop audit action plans from AGSA management reports
- 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.

Performance Management controls in place are:

- Performance Reporting Templates and Annual Circular was issued to all Branches to utilise for Quarterly Performance Reports
- Branch IES started to utilise only system generated reports to verify performance data. However, this was the first year that the Case Management System Reports were used and there were some teething problems. The Branch did perform a data cleansing exercise to ensure that the data used for QPR are authentic
- The Branch PES only utilised data from the ESSA system generated reports to compile their QPR. PES performs regular data cleansing to ensure data are authentic
- The different Branche's quarterly performance reports are scrutinised to ensure that the calculations are correct, motivations for over and under achievements are valid and that the timeframes are met. Incorrect and incomplete reports were returned for corrections and sign-offs
- Lessons learned from past audit findings were implemented in the Annual Performance Plan for the next financial year
- The Branch QPR templates were compiled to consolidate the various types of performance reports that the department have to submit.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

The Directorate: Internal Audit obtains its mandate from the PFMA and the Treasury Regulations as amended.

The Internal Audit services provides independent, objective assurance and consulting services designed to add value and improve the department's operations. It helps the department to accomplish its objectives by providing a systematic, disciplined approach in evaluating and improving the effectiveness of risk management, control and governance processes. The Internal Audit Function reports to the Audit Committee and, administratively to the Accounting Officer (Director-General). The purpose, authority and responsibility of the Internal Audit function is defined in the internal audit charter approved by the Audit Committee.

The Internal Audit Function provides its services for both the Department of Labour and Supported Employment Enterprise (SEE) by providing objective assurance and consulting services on risk management, governance processes and control to ascertain the following.

- Risks are appropriately identified and managed
- The reliability and integrity of financial, operational and performance information
- Compliance with laws, regulations, policies and contracts
- Safeguarding of assets
- The economical and efficient use of resources
- Establishment and achievement of operational goals and objectives
- The reliability and integrity of Information Technology.

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
- Quarter reporting to the Audit Committee
- Perform secretarial functions to the Audit Committee
- Review the Audit Charter's (Internal Audit and Audit Committee)
- Tracking of the implementation of the management action plans to improve on the control environment.

The 2021/22 Internal Audit annual plan was approved by the Audit Committee. Internal Audit completed 31 audits, of which 20 are from the Department's annual plan and 11 audits from the SEE annual plan. Three (3) ICT audits were still at final draft audit report stage and three (3) audits were not conducted due to the SEE management request to postpone the audits.

The internal audit scope of work completed covered the following areas:

Department of Employment and Labour

- Compliance Audits, i.e. Probity, Physical Security, Facility Management
- Financial Audits, i.e. Interim Financial Statements
- Performance Information, i.e. Quarter performance information
- Follow-up Audits, i.e. Risk management, Governance, 2020/21 Audit Action Plan adequacy and effectiveness review.

Supported Employment Enterprise

- Compliance Audits, i.e. Supply Chain Management Policy Review
- Financial Audits, i.e. Draft Financial Statements
- Performance Information, i.e. Quarter Performance Information
- Follow-up, i.e. Asset Management, Payroll, Audit Action Plan adequacy and effectiveness review

Due to the lack of ICT internal audit structure, funding, internal skills and competencies, ICT audits commenced at the latter part of quarter 4 which resulted in the audits still in progress at year end.

Key activities and objectives of the audit committee

The objectives of the Audit Committee are to assist the Accounting Officer in fulfilling its responsibilities by:

- Overseeing the Department's risk, control and governance processes
- Overseeing the financial reporting and disclosure process
- Monitoring of accounting policies and principles
- Provide direction and guidance to the Internal Audit Function
- Overseeing over the work of external (independent) auditors

Committee Composition

The Department of Employment and Labour has a constituted Audit Committee, comprising of four independent members and remained instrumental in providing independent advice to the Department. The Committee also provides oversight responsibilities to the Supported Employment Enterprise (SEE).

Details pertinent to the Committee are contained in the table below, which discloses relevant information on the audit committee members:

ATTENDANCE OF AUDIT COMMITTEE MEETINGS BY AUDIT COMMITTEE MEMBERS

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED	NO. 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)	N/A	May 2021	N/A	4/5
Jane Masite	<ul style="list-style-type: none"> • B. Com • CMIIA • QIAL • CIA • CFE 	Member (External)	N/A	December 2020	N/A	5/5
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)	N/A	June 2020	N/A	5/5
L Mangquku	<ul style="list-style-type: none"> • Chartered Accountant (South Africa) • Master of Business Leadership • Advanced Company Law I&II • Honours: Bachelor of Commerce (Accounting) • Honours: Bachelor of Accounting Sciences 	Member (External)	N/A	May 2021		4/5

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

Audit Committee Responsibility

Informed by its regulatory posture, as based particularly on Section 38(1)(a)(ii) of the PFMA and Treasury regulation 3.1.13, the Audit Committee delivered on its responsibilities in compliance with these. In addition, mindful of the essence of best practice, the reviewed and updated Charter that served to regulate the AC affairs took into consideration not only the regulator requirements but market trends as well.

The Effectiveness of Internal Control

Integral to an organisation's control environment architecture is an effective Internal Audit Function (IAF) that derives its authority from an AC approved Charter – and plays a key role within the combined assurance model/framework. Instrumental to the impact of such an IAF is, amongst others, the adequacy of its resource capacitation, both financially and in terms of skills and competencies - which were both found to be lacking in some aspects - as well as its hierarchical positioning. In the context of the Department, basics such as the approval of a risk-based internal audit plan, the delivery against such plan, as well as monitoring the implementation of audit recommendations.

However, the continued stagnation in terms of the audit opinion, as expressed by the AGSA, remains of concern to the audit committee. In this regard, failure to implement audit recommendations, leading to repeat findings in some instances, points to inadequacies within the control environment. For the SEE, the situation has deteriorated in comparison to the previous year. As such, the control environment within both entities generally requires improvement. Key areas that require priority focus, if the control environment is to improve, remain largely unchanged and include:

- The IAF capacitation, the need of which has now been further compounded by results of the recent External Quality Assurance Review (EQAR) – pointing a Partial Conformance status. Critically concerning is the fact that this is the same result that was emerged from the 2015 EQAR. Effective implementation of some of the EQAR recommendations inevitably requires such capacitation.
- Despite the significance of digitisation in relation to organisational strategy delivery, especially in the context of customer service and the coordination of interdependencies, the ICT function remains an area of concern. The quality of quarterly reporting to the AC remains red flagged, to a point of potentially compromising the AC's undertaking of oversight responsibilities.

Effectiveness of the overall system of risk management

Given the existence of a National Risk Management Committee (NRMCM) that is Chaired by an external member, the Department continued to place emphasis on risk profiling and other ERM initiatives. In this context, whilst the Chief Risk Officer led both the strategic and operational risk profiling there is room for improvement, e.g. the undertaking of environmental scanning that feeds into a strategic risk workshop both did not take place. As such, these could point to a risk culture that requires further deepening or strengthening.

In-Year Management and Monthly/Quarterly Report

Responsive to the PFMA requirements, both the Supported Employment Enterprises (SEE) and the Department continued reporting to National Treasury and the Executive Authority. Further, recommendations of the AC and other assurance providers, as stipulated in terms of the combined assurance framework, were implemented - in an effort to enhance the quality of financial and performance information. As such, the AC was largely satisfied with the quality of monthly and quarterly reports submitted during the year under review.

Evaluation of Financial Statements

Informed by the approved recently updated Charter, the AC delivered on responsibilities that include the following reviews, in relation to both the Supported Employment Enterprise (SEE) and the Department:

- The AGSA audit and management reports, duly considering responses provided by management, the committee was naturally concerned at the reality that the stagnancy of the audit opinion as well as the recurring repeat findings undermined the efforts towards the development and implementation of the audit action plan.
- The audited financial statements, together with information on pre-determined objectives that was to be included in the annual report. In this context, the integrity of information/reporting risk, as punctuated by the material misstatements in aspects such as irregular expenditure,

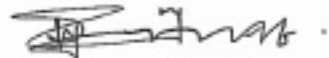
intangible assets, etc. constitute a red flag – even though these were corrected, and an unqualified opinion consequently obtained. Our concern is more-grave in relation to the SEE on the quality of the submitted financial statements and the numerous material corrected and uncorrected misstatements that lead to a qualified opinion .

- The areas on which the IAF provided independent assurance and, in this context, serving to reinforce assurance by management. Specifically, this pertains to both the unaudited financial statements as well as the unaudited information on performance objectives.
- Changes in accounting policies and practices, which is reinforced by the reality that the Department is a policy organisation.
- The basis for going concern assumption, including any financial sustainability risks and issues.
- Compliance with legal and regulatory provisions – particularly given the fact that the Department is a national brand that contributes towards co-shaping the legislative landscape within our country.

Auditor General’s Report

Further progressing the Department’s combined assurance journey, the AGSA carried out the statutory audit for the year under review. The AC remains concerned at the stagnancy of the AGSA’s audit opinion, viz. unqualified opinion with findings on compliance for the Department, and a qualified opinion with findings on predetermined objectives and compliance for SEE. A more energised effort is required towards undertaking the root cause analysis, with the aim of ensuring that the basics – including implementation of the audit action plan - are undertaken with better focused precision.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements, predetermined objectives and compliance is of the opinion that the audited annual financial statements and the annual performance report be accepted and read together with the report of the Auditor-General.


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Sikhuthali Nyangintsimbi

Chairperson of the Audit Committee
Department of Employment and Labour
August 10th, 2022

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

HAS THE DEPARTMENT / PUBLIC ENTITY 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 services 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	



PART D
HUMAN RESOURCE
MANAGEMENT

DEPARTMENT OF EMPLOYMENT AND LABOUR

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 has continued with the implementation of some automated Human Resource Management systems and processes. This has yielded positive results in that, these system and relevant administrative processes enabled some of the officials who were impacted by COVID-19 and therefore had to carry out their duties with minimal interruptions.

While there are some achievements registered, the challenge of officials who were classified to be at highest risk of COVID-19 resulted in some officials having to work from home to perform duties that call for them to be at the office. To ensure minimal interruption of service, the department adopted staff rotation work arrangement with the aim of countering the rate of infections. With the national relaxation of COVID-19 Alert levels, the work arrangements have been constantly adjusted, this resulting in an increase of the number of employees in the workplace at the time. Furthermore, the department embarked on a drive of encouraging employees to go for vaccinations, this resulting in the increase of the number of those that have vaccinated.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The department hereby provides the following key information on its human resources. All the financial amounts agree with the amounts disclosed in the annual financial statements. Reasons for any variances are provided.

3.1 PERSONNEL RELATED EXPENDITURE

The following tables summarises 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 2021 and 31 March 2022

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	856 399	416 645	2 809	5 554	48.65	443
Inspection & Enforcement Services	546 648	444 633	636	497	81.34	423
Public Employment Services	615 872	314 912	1 008	1 594	51.13	543
Labour Policy & Industrial Relations	1 213 247	101 559	240	4 907	8.37	664
Total	3 232 166	1 277 749	4 693	12 552	39.53	469

TABLE 3.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

SALARY BAND	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Skilled (level 3-5)	118 188	9.25	538	220
Highly skilled production (levels 6-8)	695 345	54.42	1 674	415
Highly skilled supervision (levels 9-12)	363 056	28.41	442	821
Senior and Top management (levels 13-16)	101 160	7.92	72	1 405
Total	1 277 749	100.00	2 726	469

*Excludes CF, UIF and SEE

TABLE 3.1.3 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

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	273 575	21.41	12 171	0.95	13 096	1.02	25 224	1.98
Inspection & Enforcement Services	305 982	23.95	181	0.01	15 900	1.25	30 394	2.38
Public Employment Services	216 486	16.94	565	0.05	8 178	0.64	14 995	1.17
Labour Policy & Industrial Relations	68 651	5.37	21	0.00	2 299	0.18	4 462	0.35
Total	864 694	67.67	12 938	1.01	39 473	3.09	75 075	5.88

TABLE 3.1.4 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

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
Skilled (level 3-5)	76 889	6.02	3 494	0.27	6 294	0.49	11 779	0.92
Highly skilled production (levels 6-8)	475 543	37.21	6 507	0.51	29 132	2.28	52 304	4.10
Highly skilled supervision (levels 9-12)	250 176	19.58	2 481	0.19	4 039	0.32	10 139	0.79
Senior management (level 13-16)	62 086	4.86	456	0.04	8	0.00	853	0.07
Total	864 694	67.67	12 938	1.01	39 473	3.09	75 075	5.88

3.2 EMPLOYMENT AND VACANCIES

TABLE 3.2.1 EMPLOYMENT AND VACANCIES BY PROGRAMME AS ON 31 MARCH 2022

PROGRAMME	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Administration	964	867	10.06%	118
**PES	776	699	9.92%	65
LP&IR	156	142	8.97%	0
IES	1 113	1 018	8.53%	2
UIF	3 767	3 472	7.83%	156
CF	3 221	2 843	11.74%	130
Total	9 997	9 041	9.56%	471

*Inclusive of Department, UIF, CF and SEE. Posts filled for the Department is 2726.

**159 Administrative posts for SEE

TABLE 3.2.2 EMPLOYMENT AND VACANCIES BY SALARY BAND AS ON 31 MARCH 2022

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Skilled (3-5)	1 262	1 115	11.65%	445
Highly skilled production (6-8)	7 097	6 520	8.13%	3
Highly skilled supervision (9-12)	1 473	1 259	14.53%	16
Senior management (13-16)	165	147	10.91%	7
Total	9 997	9 041	9.56%	471

*Inclusive of Department, UIF, CF and SEE. Posts filled for the Department is 2726 as per table 3.1.2

TABLE 3.2.3 EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS ON 31 MARCH 2022

CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Inspectors	1 862	1 713	8.0%	0
ESPs & Counsellors	332	317	4.52%	0
Medical Practitioners	95	71	25.26%	0
Total	2 289	2 101	8.21%	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 2022

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 15	8	7	87.5%	1	12.5%
Salary Level 14	33	31	93.94%	2	6.06%
Salary Level 13	123	108	87.80%	15	12.20%
Total	*165	147	89.09%	18	10.91%

*Inclusive of Department, UIF, CF and SEE. One Director post was created in December 2021

TABLE 3.3.2 SMS POST INFORMATION AS ON 30 SEPTEMBER 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 15	8	7	87.5%	1	12.5%
Salary Level 14	33	32	96.97%	1	3.03%
Salary Level 13	122	104	85.25%	18	14.75%
Total	164	144	87.80%	20	12.20%

TABLE 3.3.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

PROGRAMME	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 15	1	0	0
Salary Level 14	3	0	0
Salary Level 13	6	1	4
Total	10	1	4

*Inclusive of Department, 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 2021 AND 31 MARCH 2022

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS
Review of job profiles and delays from Line Managers to complete and submit request to advertise.
REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS
Unavailability of selection committee.
Delays in signing of shortlisting and interview minutes.
SMS competency assessment.
Delay in finalisation of capturing of applications.

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 2021 AND 31 MARCH 2022

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS
Deputy Director-General: Corporate Services issued a letters requesting the Chairperson to provide reasons why the recruitment and selection processes were delayed in filling of some of the SMS posts.
Disciplinary action was not taken because the posts were initially advertised and the selection committee did not find suitable candidates. They recommended for re-advertising and headhunting.
REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTHS
Restrictions of COVID-19 regulations, dependence on SAPS for security screening outcomes, availability of service provider for competency assessments.

*Inclusive of Department, UIF, CF and SEE

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. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 3.4.1 JOB EVALUATION BY SALARY BAND FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

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
Skilled (Levels 3-5)	1 262	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	7 097	1	0.01	0	0	0	0
Highly skilled supervision (Levels 9-12)	1 473	3	0.20	0	0	0	0
Senior Management Service Band A	123	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	9 997	4	0.04	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 3.4.2 PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	2	0	0	0	2
Male	2	0	2	0	4
Total	4	0	2	0	6

Employees with a disability	0
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*Inclusive of Department, UIF, CF and SEE

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 3.4.3 EMPLOYEES WITH SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION BY OCCUPATION FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
ICT Project Manager	1	13	14	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 14. When the post was measured it was lower than the salary earned.
Director	1	11	14	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 14. When the post was measured it was lower than the salary earned.
Business Analyst	2	11	12	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the post was measured it was lower than the salary earned.
DD: Solution and Application Development	1	11	12	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 12. When the post was measured it was lower than the salary earned.
DD: Data Centre Network and Security	1	11	12	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 12. When the post was measured it was lower than the salary earned.
ICT Project Manager	2	11	12	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the post was measured it was lower than the salary earned.
System Engineer	2	8	12	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the post was measured it was lower than the salary earned.
SAP Analyst	4	9	11	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 11. When the post was measured it was lower than the salary earned.
Contract and Licence Controller	1	9	11	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 11. When the post was measured it was lower than the salary earned.
System Engineer	3	8	11	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 11. When the post was measured it was lower than the salary earned.
Network Engineer	1	8	11	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 11. When the post was measured it was lower than the salary earned.
ASD: Configurations Management	1	9	10	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 10. When the post was measured it was lower than the salary earned.
Field ICT Technicians	8	8	10	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 10. When the post was measured it was lower than the salary earned.
System Security Engineer	1	8	10	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 10. When the post was measured it was lower than the salary earned.
System Engineer	2	8	10	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 10. When the post was measured it was lower than the salary earned.
Field ICT Technicians	14	8	9	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 9. When the post was measured it was lower than the salary earned.
Network Engineer	1	8	9	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 9. When the posts were measured it was lower than the salary earned.
Remote ICT Technician	1	8	9	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 9. When the posts were measured it was lower than the salary earned.
Total number of employees whose salaries exceeded the level determined by job evaluation			47	
Percentage of total employed			0.51%	

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 3.4.4 PROFILE OF EMPLOYEES WHO HAVE SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	7	0	0	3	10
Male	14	5	2	16	37
Total	21	5	2	19	47
Employees with a disability	0	0	0	1	1

*Inclusive of Department, UIF, CF and SEE

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.

TABLE 3.5.1 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-1 APRIL 2021	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Skilled (Levels 3-5)	1 091	135	32	2.93%
Highly skilled production (Levels 6-8)	6 366	359	248	3.89%
Highly skilled supervision (Levels 9-12)	1 255	45	74	5.89%
Senior Management Service Bands A	100	9	2	2.0%
Senior Management Service Bands B	32	0	3	9.37%
Senior Management Service Bands C	8	0	1	12.5%
Senior Management Service Bands D	1	0	0	0%
Contracts	258	550	413	160%
Total	9 111	1 098	773	8.48%

*Inclusive of Department, UIF, CF and SEE as well as Contract workers and differs from table 3.5.5

The opening balance of this table, 9111 differs from the closing balance of the previous financial year 9121 due to the 10 termination that became effective at midnight 31 March 2021, and are included as part of the current year terminations and this is a recurring issue annually.

TABLE 3.5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2021	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Inspectors	1 623	165	63	3.88%
ESPs & Counsellors	321	6	3	0.93%
Medical Practitioners	76	6	10	13.15%
TOTAL	2 020	177	76	3.76%

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 2021 AND 31 MARCH 2022

TERMINATION TYPE	NUMBER	% OF TOTAL RESIGNATIONS
Death	50	6.47%
Resignation	199	25.74%
Expiry of contract	374	48.38%
Dismissal – operational changes	0	0%
Dismissal – misconduct	19	2.46%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	7	0.91%
Retirement	100	12.94%
Transfer to other Public Service Departments	24	3.10%
Other	0	0%
Total	773	100%
Total number of employees who left as a % of total employment	9 111	8.48%

*Inclusive of Contract workers

TABLE 3.5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

OCCUPATION	EMPLOYEES 1 APRIL 2021	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	1 623	58	3.57%	0	0%
ESPs & Counsellors	321	5	1.56%	7	2.18%
Medical Practitioners	76	0	0%	1	1.32%
Total	2 020	63	3.12%	8	0.40%

TABLE 3.5.5 PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

SALARY BAND	EMPLOYEES 1 APRIL 2021	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 (Levels3-5)	1 091	7	0.64%	0	0%
Highly skilled production (Levels 6-8)	6 366	216	3.39%	1	0.02%
Highly skilled supervision (Levels 9-12)	1 255	53	4.22%	7	0.56%
Senior Management (Level 13-16)	141	3	2.13%	0	0%
Total	8 853	279	3.15%	8	0.09%

*Inclusive of Department, UIF, CF and SEE. Excludes Contract workers

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 2022

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers (SR 13 – 16)	61	2	7	3	62	3	3	7	148
Professionals (SR 11 -12)	228	13	10	16	220	16	2	22	528
Technicians and associate professionals (SR 7 – 10)	1 560	104	41	69	1 570	136	43	185	3 708
Clerks (SR 4 – 6)	1 722	194	53	52	2 017	244	52	115	4 449
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 (SR 3)	79	9	1	2	108	9	0	1	209
Total	3 650	322	112	142	3 977	408	100	330	9 041
Employees with disabilities	91	10	6	17	69	9	4	21	227

*Inclusive of Department, UIF, CF and SEE

TABLE 3.6.2 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2022

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management (SR 15 – 16)	5	0	0	0	2	0	0	1	8
Senior Management (SR 13– 14)	56	2	7	4	58	3	3	6	139
Professionally qualified and experienced specialists and mid-management (SR 9 – 12)	550	29	26	45	543	38	11	44	1 286
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (SR 6 – 8)	2 636	251	68	80	2 937	324	79	254	6 629
Semi-skilled and discretionary decision making (SR 3 – 5)	403	40	11	13	437	43	7	25	979
Unskilled and defined decision making (SR 1 – 2)	0	0	0	0	0	0	0	0	0
Total	3 650	322	112	142	3 977	408	100	330	9 041

*Inclusive of Department, UIF, CF and SEE

TABLE 3.6.3 RECRUITMENT FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	4	0	0	0	4	1	0	0	9
Professionally qualified and experienced specialists and mid-management	22	1	0	1	16	4	1	0	45
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	64	1	0	0	44	1	1	0	111
Semi-skilled and discretionary decision making	180	13	2	2	148	10	0	5	360
Unskilled and defined decision making	9	2	0	0	12	0	0	0	23
Total	279	17	2	3	224	16	2	5	548
Employees with disabilities	0	0	1	0	1	0	0	0	2

*Inclusive of Department, UIF, CF and SEE

Excludes Contract workers

TABLE 3.6.4 PROMOTIONS FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

OCCUPATIONAL CATEGORY	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	3	0	0	0	3
Professionally qualified and experienced specialists and mid-management	25	1	0	1	24	2	0	0	53
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	97	4	1	1	56	5	0	0	164
Semi-skilled and discretionary decision making	36	2	0	0	19	2	0	0	59
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	158	7	1	2	102	9	0	0	279
Employees with disabilities	2	1	0	1	0	0	0	0	4

TABLE 3.6.5 TERMINATIONS FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	0	1	0	0	0	0	0	0	1
Senior Management	2	0	1	1	1	0	0	0	5
Professionally qualified and experienced specialists and mid-management	41	2	0	4	20	2	0	5	74
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	58	5	3	6	48	6	3	21	150
Semi-skilled and discretionary decision making	64	6	0	1	43	4	2	2	122
Unskilled and defined decision making	2	1	0	0	4	1	0	0	8
Total	167	15	4	12	116	13	5	28	360
Employees with Disabilities	3	0	0	0	0	0	0	4	7

*Excludes Contract workers

TABLE 3.6.6 DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Total	182	16	3	3	121	2	1	10	338

*Inclusive of Department, UIF, CF and SEE

TABLE 3.6.7 SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	32	1	0	1	29	1	1	1	66
Professionals	52	3	0	0	84	0	0	0	139
Technicians and associate professionals	93	9	0	1	154	6	2	5	270
Clerks	98	9	1	2	143	8	2	3	266
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	1	0	0	4	0	0	0	8
Total	278	23	1	4	414	15	5	9	749
Employees with disabilities	0	0	0	0	0	0	0	0	0

*Inclusive of Department, 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 2021

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	0	0%
Salary Level 15	8	8	7	87%
Salary Level 14	33	32	30	93%
Salary Level 13	122	103	99	96%
Total	164	144	136	94%

*Inclusive of Department, UIF, CF and SEE

TABLE 3.7.2 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MARCH 2022

REASONS
System Challenges
Long Sick Leave
Non Compliance

*Inclusive of Department, UIF, CF and SEE

TABLE 3.7.3 DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 31 MARCH 2022

REASONS
Consequence management implemented for 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 2021 TO 31 MARCH 2022

SALARY BAND	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE R
African					
Male	323	3 536	9.1	9 120	28 235
Female	397	3 871	10.3	11 391	28 693
Asian					
Male	59	114	51.7	1 632	27 661
Female	22	102	21.6	699	31 773
Coloured					
Male	37	322	11.5	1 118	30 216
Female	59	405	14.6	1 632	27 661
White					
Male	23	152	15.1	682	29 652
Female	14	351	4.0	432	30 857
Total	934	8 853	10.5	26 706	28 593

*Inclusive of Department, UIF, CF and SEE

Excludes Contract workers

Expenditure for performance bonuses spending for the Department is R11 841 000

TABLE 3.8.2 PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

SALARY BAND	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE	
Skilled (level 3-5)	84	1 091	7.7	1 522	18 119	5.7%
Highly skilled production (level 6-8)	706	6 366	11.1	18 493	26 194	69.2%
Highly skilled supervision (level 9-12)	144	1 255	11.5	6 705	46 562	25.1%
Total	934	8 712	10.7	26 720	90 875	100%

TABLE 3.8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST		AVERAGE COST PER EMPLOYEE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST (R'000)		
Inspectors	95	1 713	6.6	2 482	26 129	
ESP's & Councillors	66	317	23.70	2 423	36 706	
Medical Practitioners	0	71	0	0	0	
Total	161	2101	30.3	4 905	30 465	

None of the SMS members were paid performance incentives for the performance cycle 2020/2021.

NB: It should be noted that for the performance year under review, performance bonuses for SMS members are not yet paid since the process submission is not yet signed, however the moderation process has since concluded.

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 2021 AND 31 MARCH 2022

SALARY BAND	01 APRIL 2021		31 MARCH 2022		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Highly skilled production (Lev. 6-8)	1	50	1	25	0	0
Highly skilled supervision (Lev. 9-12)	1	50	2	50	1	50
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	1	25	1	50
Total	2	100	4	100	2	100

*Inclusive of Department, UIF, CF and SEE

TABLE 3.9.2 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

SALARY BAND	01 APRIL 2021		31 MARCH 2022		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Top Management	0	0	1	50	1	50
Professional and managers	1	50	1	50	1	50
Technicians and associated professionals	1	50	0	0	0	0
Total	2	100	2	100	2	100

*Inclusive of Department, UIF, CF and SEE

3.10 LEAVE UTILISATION

TABLE 3.10.1 SICK LEAVE FOR THE PERIOD 1 JANUARY 2021 TO 31 DECEMBER 2021

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)
Skilled (levels 3-5)	4 174	69.90	620	10.98	7	3 744
Highly skilled production (levels 6-8)	29 032	69.20	4 166	73.80	7	39 930
Highly skilled supervision (levels 9 -12)	5 349	67.30	793	14.05	7	14 687
Top and S19enior management (levels 13-16)	407	54.50	66	1.17	6	1 835
Total	38 962	65.23	5 645	100	7	60 196

*Inclusive of Department, UIF, CF and SEE. *Sourced from VULINDLELA and excludes contract workers

TABLE 3.10.2 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2021 TO 31 DECEMBER 2021

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)
Skilled (Levels 3-5)	344	100	9	9.60	38	294
Highly skilled production (Levels 6-8)	2 175	100	72	76.60	30	3 260
Highly skilled supervision (Levels 9-12)	634	100	13	13.80	49	1 911
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	3 153	100	94	100	34	5 465

*Inclusive of Department, 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 2021 TO 31 DECEMBER 2021

SALARY BAND	TOTAL DAYS TAKEN	NUMBER OF EMPLOYEES USING ANNUAL LEAVE	AVERAGE PER EMPLOYEE
Skilled (Levels 3-5)	19 899	1 023	19
Highly skilled production (Levels 6-8)	149 220	6 556	23
Highly skilled supervision(Levels 9-12)	30 990	1 337	23
Senior management (Levels 13-16)	3 500	150	23
Total	203 609	9 066	22

*Inclusive of Department, UIF, CF and SEE

*Sourced from VULINDLELA and excludes contract workers

TABLE 3.10.4 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2021 TO 31 DECEMBER 2021

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 2021
Skilled (Levels 3-5)	1	1	1	33
Highly skilled production (Levels 6-8)	114	26	4	23
Highly skilled supervision(Levels 9-12)	18	6	3	30
Senior management (Levels 13-16)	0	0	0	32
Total	133	33	4	25

* Inclusive of Department, UIF, CF and SEE.

*Sourced from VULINDLELA and excludes contract workers

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

TABLE 3.10.5 LEAVE PAY-OUTS FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PER EMPLOYEE (R'000)
Annual – Discounting with Resignation (Work Days)	2 746	102	27
Annual – Gratuity: Death/Retirement/Medical Retirement (Work Days)	4 454	101	44
Capped – Gratuity: Death/ Retirement/Medical Retirement (Work Days)	5 520	81	68
Total	12 720	284	45

*Inclusive of Department, 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	1. HIV/AIDS awareness 2. HIV/AIDS Screening and Testing 3. Male and Female Condom Distributions
Youth	1. HIV/AIDS awareness 2. HIV/AIDS Screening and Testing 3. Male and Female Condom Distributions
Employees with high level of stress	1. HIV/AIDS awareness 2. HIV/AIDS Screening and Testing 3. Male and Female Condom Distributions
Employees abuses substances and alcohol	1. HIV/AIDS awareness 2. HIV/AIDS Screening and Testing 3. Male and Female Condom Distributions
Uncircumcised males	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

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.	Yes		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.	Yes		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. There are five Deputy Director for compliance and EHWP at the following provinces: 1. Limpopo 2. Mpumalanga 3. North West 4. Free state 5. Gauteng
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.	Yes		Implementation of the employee's Health and wellness programme in order to reduce absenteeism/ presentism and to improve employee's productivity and performance.
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.	Yes		The committee consist of EHWP practitioners from Head office, UIF and CF. their names are as follows: Head Office: Ms Hellen Letsoalo, Ms Mmaphuti Nkoana, Ms Samkelisiwe Ndlala, Noko Mailula. Director HRM Ms Philisiwe Mthethwa. UIF: Mr Semakaleng Makwela, Mr. Emanuel Moalusi, Mr. Mukhethwa Netshivhumbé, Ms. Bella Setshedi, Ms Mpho Mushupi, Cawekazi Diaho Director HRM Ms Petro Roux. CF: Mr Isaac Makala, Nzama Shirinda, Glory Thenga, Khathu Tshikalaha, Thabo Nyezi Director HRM: Phindile Makhubu Skakeholder: Qumana, Noxolo 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.	Yes		HIV/AIDS and Health and Productivity management policies are reviewed and approved.

QUESTION	YES	NO	DETAILS, IF YES
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.	Yes		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/AIDS positive.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Due to COVID-19 lockdown restriction we were unable to conduct HIV/AIDS testing and Screening onsite, however, employees encouraged to do VCT at nearest health care facilities.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Health promotion programmes are monitored through monthly, quarterly, annually and system monitoring tool.

3.12 LABOUR RELATIONS

TABLE 3.12.1 COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

Total number of Collective agreements	0
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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 2021 AND 31 MARCH 2022

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	11	5.3%
Verbal warning	3	1.4%
Written warning	89	42.8%
Final written warning	55	26.4%
Dismissal	7	3.4%
Case withdrawn	43	20.7%
Total	208	100%

TABLE 3.12.3 TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Abscondment	5	1.5%
Absenteeism	20	5.9%
Abuse Of State Asset	8	2.4%
Irregular Transfer	3	0.9%
Damage of State Vehicle	63	18.6%
Improper Conduct	27	8.0%
Contravention of Departmental Policy	17	5.0%
Corruption	2	0.6%
Dereliction of Duty	49	14.5%
Distribution of State Asset Without Permission	1	0.3%
Insubordination	22	6.5%
Misrepresentation	5	1.5%
Fraud	8	2.4%
Fruitless and Wasteful Expenditure	13	3.8%
Negligence	20	5.9%
Discrimination	2	0.6%
Irregular Appointment	10	3.0%
Irregular Expenditure	4	1.2%

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
None Disclosure of Financial Interest	50	14.8%
Theft	1	0.3%
Remunerative Work Without Permission	2	0.6%
Underperformance	2	0.6%
None Submission of Performance Agreement	1	0.3%
Soliciting a Bribe	1	0.3%
None Payment of Invoice Within 30 Days	1	0.3%
Sharing SMARTGOV	1	0.3%
Total	338	100%

TABLE 3.12.4 GRIEVANCES LOGGED FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

GRIEVANCES	NUMBER	% OF TOTAL
Number of disputes upheld	112	59.3%
Number of disputes dismissed	77	40.7%
Total number of disputes lodged	189	100%

TABLE 3.12.5 DISPUTES LOGGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	9	30%
Number of grievances not resolved	21	70%
Total number of grievances lodged	30	100%

*Inclusive of Department, UIF, CF and SEE

TABLE 3.12.6 STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

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 2021 AND 31 MARCH 2022

Number of persons suspended	6
Number of persons whose suspension exceeded 30 days	6
Average number of days suspended	66
Cost of suspension	R815 516

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 2021 AND 31 MARCH 2022

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2021	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			TOTAL
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	
Legislators, senior officials and managers	Female	67	0	37	0	37
	Male	73	0	39	0	39
Professionals	Female	263	0	53	0	53
	Male	284	0	41	0	41
Technicians and associate professionals	Female	1 990	0	288	0	288
	Male	1 718	0	316	0	316
Clerks	Female	2 295	0	287	0	287
	Male	1 961	0	359	0	359
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	114	0	19	0	19
	Male	88	0	14	0	14
Sub Total	Female	4 729	0	684	0	684
	Male	4 124	0	769	0	769
Total		8 853	0	1 453	0	1 453

*Inclusive of Department, UIF, CF and SEE

Excludes Contract workers

TABLE 3.13.2 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2021	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	67	0	32	0	32
	Male	73	0	34	0	34
Professionals	Female	263	0	84	0	84
	Male	284	0	55	0	55
Technicians and associate professionals	Female	1 990	0	167	0	167
	Male	1 718	0	103	0	103
Clerks	Female	2 295	0	156	0	156
	Male	1 961	0	110	0	110
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	114	0	4	0	4
	Male	88	0	4	0	4
Sub Total	Female	4 729	0	443	0	443
	Male	4 124	0	306	0	306
Total		8 853	0	749	0	749

*Inclusive of Department, UIF, CF and SEE.

Excludes Contract workers

3.14 INJURY ON DUTY

TABLE 3.14.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	17	89.4%
Temporary Total Disablement	0	0%
Permanent Disablement	1	5.3%
COVID -19	1	5.3%
Total	19	100%

*Inclusive of Department, UIF, CF and SEE

3.15 UTILISATION OF CONSULTANTS

TABLE 3.15.1 REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	CONTRACT VALUE IN RAND
Reduction of silicosis in the non-mining sector	27	12 months	R5,500,577.93
To investigate the different policy solutions adopted by the South Africa government to facilitate the entry of youth persons into employment and assess how successful they have been.	16	12 months	R2,286,371.19
A comprehensive study of existing youth employment schemes and schemes to minimise the retrenchment of employees in South Africa	6	8 months	R350 000.00
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
3	49	32 months	R8,136,949.12

INFORMATION TECHNOLOGY CONSULTANTS

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
ALTERAM SOLUTIONS			
Schedule A - Maintenance and Support - SAP landscape	Various (service)	23/11/2018 to 22/11/2023	R 178 851 041,86
Schedule B - SAP ERF Deployment into Production	Various (milestone based)	23/11/2018 to 22/11/2023	R 36 302 963,98
Schedule C - ICD Clean-up and Refresh	Various (milestone based)	23/11/2018 to 22/11/2023	R 25 910 783,40
Schedule D - Service Management and Skill	14	23/11/2018 to 22/11/2023	R 105 496 824,11
Schedule E - Resourcing	21	23/11/2018 to 22/11/2023	R 217 305 080,18
TOTAL			R 563 866 693,53
TECH MAHINDRA			
Project Diphetogo (Average Onsite and Offshore)	48	240	R 316 064 486,63
TOTAL	48	240	R 316 064 486,63

TABLE 3.15.2 ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS) FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Reduction of silicosis in the non-mining sector	0 %	85.1%	24 %
To investigate the different policy solutions adopted by the South Africa government to facilitate the entry of youth persons into employment and assess how successful they have been	0 %	13%	13 %
A comprehensive study of existing youth employment schemes and schemes to minimise the retrenchment of employees in South Africa	0 %	66%	4 %
Project Dipheto (Tech M) (only onsite consultant taken for calculation)	35%	35%	8 %

TABLE 3.15.3 REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Nil	Nil	Nil	Nil

TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION WORK DAYS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Nil	Nil	Nil	Nil

TABLE 3.15.4 ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIs) FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Nil	Nil	Nil	Nil

3.16 SEVERANCE PACKAGES

TABLE 3.16.1 GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2021 AND 31 MARCH 2022

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





PART E
FINANCIAL
INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

1. 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 106 to 164, which comprise the appropriation statement, statement of financial position as at 31 March 2022, 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 2022 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 32 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2022.

Underspending of the vote

8. As disclosed in the appropriation statement, the department materially underspent the budget by R104 million on programme 2: Inspection and Enforcement Services and R279 million on programme 3: Public Employment 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 165 to 174 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 2022:

PROGRAMME	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 2: Inspection and Enforcement Services	38-43

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. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
 - Programme 2: Inspection and Enforcement Services

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages 38 to 43 for information on the achievement of planned targets for the year and management's explanations provided for the under/overachievement of targets.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2: Inspection and Enforcement Services. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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 intangible assets, immovable tangible assets, irregular expenditure and operating lease commitments disclosure notes identified by the auditors in the submitted financial statements were corrected, which resulted in the financial statements receiving an unqualified audit opinion.

Expenditure management

27. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R18 816 000, 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.
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.

Procurement and contract management

30. Some of the IT related goods and services, classified as mandatory, were not procured through SITA as required by Treasury Regulation 16A6.3(e) and section 7(3) of the SITA Act.

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 the selected programme 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. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
35. 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

36. 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 compliance with legislation included in this report.
37. Management did not adequately review the financial statements to ensure reliable reporting.
38. Preventative controls were not implemented to ensure compliance with applicable laws and regulations, as instances of non-compliance were identified during the audit process.

Other reports

39. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on compliance with legislation.
40. The department's risk unit investigated allegations of improper conduct and other human resource related matters by two officials at the request of the department, which covered the period 2020-21 financial year. One investigation was concluded on 24 May 2021 and the report recommended a full scale investigation by the Public Service Commission. The second investigation is in progress.

Auditor-General

Pretoria

31 July 2022



ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the 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 DEPARTMENT OF EMPLOYMENT AND LABOUR FOR THE YEAR ENDED 31 MARCH 2022
2.1 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

APPROPRIATION PER PROGRAMME										
	2021/22					2020/21				
	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	1 025 979	-	(13 693)	1 012 286	856 399	155 887	84.6%	926 814	854 004	
2. Inspection & Enforcement Services	648 801	-	2 101	650 902	546 648	104 254	84.0%	588 449	499 431	
3. Public Employment Services	883 157	-	11 592	894 749	615 872	278 877	68.8%	613 664	598 398	
4. Labour Policy & Industrial Relations	1 258 556	-	-	1 258 556	1 213 247	45 309	96.4%	1 170 378	1 151 257	
TOTAL	3 816 493	-	-	3 816 493	3 232 166	584 327	84.7%	3 299 305	3 103 090	
TOTAL (brought forward)										
Reconciliation with statement of financial performance										
ADD: Departmental receipts				9 109				9 182		
Actual amounts per statement of financial performance (total revenue)				3 825 602				3 308 487		
Actual amounts per statement of financial performance (total expenditure)					3 232 166				3 103 090	

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

		2021/22						2020/21		
		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	2 124 447	(4 742)	(10 534)	2 109 171	1 813 761	295 410	86.0%	1 906 874	1 738 839	
Compensation of employees	1 440 093	(4 160)	-	1 435 933	1 277 749	158 184	89.0%	1 351 527	1 224 273	
Salaries and wages	1 209 727	112	-	1 209 839	1 090 527	119 312	90.1%	1 137 601	1 041 401	
Social contributions	230 366	(4 272)	-	226 094	187 222	38 872	82.8%	213 926	182 872	
Goods and services	684 354	(582)	(10 534)	673 238	536 012	137 226	79.6%	555 347	514 566	
Administrative fees	5 881	135	26	6 042	4 905	1 137	81.2%	3 455	2 322	
Advertising	16 670	4	-	16 674	2 808	13 866	16.8%	21 089	17 212	
Minor assets	8 494	(1 954)	-	6 540	5 703	837	87.2%	7 396	4 979	
Audit costs: External	24 200	(4 268)	-	19 932	17 788	2 144	89.2%	15 064	15 064	
Bursaries: Employees	3 268	3 771	-	7 039	6 632	407	94.2%	5 130	5 028	
Catering: Departmental activities	6 548	(1 454)	32	5 126	3 035	2 091	59.2%	1 556	1 088	
Communication	46 000	(4 356)	-	41 644	32 009	9 635	76.9%	31 777	27 557	
Computer services	132 248	(39 085)	-	93 163	60 495	32 668	64.9%	91 345	87 781	
Consultants: Business and advisory services	17 696	(745)	-	16 951	12 552	4 399	74.0%	15 617	11 519	
Scientific and technological services	108	-	-	108	-	108	-	100	-	
Legal services	4 809	11 742	-	16 551	15 844	707	95.7%	9 479	9 443	
Contractors	4 046	390	-	4 436	3 044	1 392	68.6%	3 491	1 995	
Agency and support / outsourced services	3 549	(105)	-	3 444	3	3 441	0.1%	119	-	
Entertainment	219	(27)	-	192	84	108	43.8%	106	78	
Fleet services	23 145	17 661	-	40 806	37 940	2 866	93.0%	34 656	33 699	

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22							2020/21	
	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
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	5 102	2 056	-	7 158	5 819	1 339	81.3%	19 985	19 680
Consumable: Stationery, printing and office supplies	18 811	(1 341)	-	17 470	10 426	7 044	59.7%	13 287	10 673
Operating leases	162 552	(1 941)	(10 693)	149 918	138 116	11 802	92.1%	158 161	156 804
Property payments	91 347	11 068	-	102 415	83 616	18 799	81.6%	71 777	71 062
Transport provided: Departmental activity	955	174	-	1 129	195	934	17.3%	-	-
Travel and subsistence	73 754	17 746	504	92 004	80 827	11 177	87.9%	36 982	29 390
Training and development	14 474	(4 465)	(403)	9 606	4 693	4 913	48.9%	5 634	2 791
Operating payments	11 139	(3 451)	-	7 688	6 135	1 553	79.8%	6 182	5 410
Venues and facilities	8 672	(2 594)	-	6 078	2 539	3 539	41.8%	2 622	871
Rental and hiring	667	457	-	1 124	804	320	71.5%	337	120
Transfers and subsidies	1 609 940	4 396	-	1 614 336	1 343 135	271 201	83.2%	1 314 791	1 305 221
Provinces and municipalities	715	140	-	855	855	-	100.0%	776	770
Municipalities	715	140	-	855	855	-	100.0%	776	770
Municipal bank accounts	715	140	-	855	855	-	100.0%	776	770
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22					2020/21			
	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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	1 366 971	3 016	-	1 369 987	1 113 946	256 041	81.3%	1 048 040	1 047 734
Social security funds	18 041	-	-	18 041	-	18 041	-	306	-
Departmental agencies and accounts	1 348 930	3 016	-	1 351 946	1 113 946	238 000	82.4%	1 047 734	1 047 734
Foreign governments and international organisations	28 467	-	-	28 467	16 886	11 581	59.3%	28 095	19 557
Non-profit institutions	210 691	(3 000)	-	207 691	204 265	3 426	98.4%	231 758	231 045
Households	3 096	4 240	-	7 336	7 183	153	97.9%	6 122	6 115
Social benefits	2 824	4 160	-	6 984	6 831	153	97.8%	5 281	5 274
Other transfers to households	272	80	-	352	352	-	100.0%	841	841
Payments for capital assets	82 106	247	10 534	92 887	75 171	17 716	80.9%	77 571	58 961
Buildings and other fixed structures	17 785	-	69	17 854	14 005	3 849	78.4%	17 662	17 662
Buildings	17 785	-	69	17 854	14 005	3 849	78.4%	17 662	17 662
Machinery and equipment	64 321	(14 533)	(7 126)	42 662	28 795	13 867	67.5%	49 766	31 156
Transport equipment	6 073	-	-	6 073	6 034	39	99.4%	8 517	6 689
Other machinery and equipment	58 248	(14 533)	(7 126)	36 589	22 761	13 828	62.2%	41 249	24 467
Software and other intangible assets	-	14 780	17 591	32 371	32 371	-	100.0%	10 143	10 143
Payments for financial assets	-	99	-	99	99	-	100.0%	69	69
Total	3 816 493	-	-	3 816 493	3 232 166	584 327	84.7%	3 299 305	3 103 090

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22							2020/21	
	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
Sub programme									
1. Ministry	36 967	-	(231)	36 736	32 312	4 424	88.0%	33 368	32 176
2. Management	284 867	26 679	231	311 777	311 777	-	100.0%	285 743	279 469
3. Corporate Services	335 849	(26 679)	(3 000)	306 170	211 418	94 752	69.1%	267 642	222 737
4. Office of the Chief Financial Officer	139 432	-	-	139 432	113 567	25 865	81.4%	138 291	117 852
5. Office Accommodation	228 864	-	(10 693)	218 171	187 325	30 846	85.9%	201 770	201 770
Total for sub programmes	1 025 979	-	(13 693)	1 012 286	856 399	155 887	84.6%	926 814	854 004

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21		
	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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	968 752	(1 425)	(10 693)	956 634	814 178	142 456	85.1%	868 890	803 505
Compensation of employees	455 170	(1 098)	-	454 072	416 645	37 427	91.8%	439 373	393 519
Salaries and wages	386 651	1 265	-	387 916	356 770	31 146	92.0%	373 003	335 327
Social contributions	68 519	(2 363)	-	66 156	59 875	6 281	90.5%	66 370	58 192
Goods and services	513 582	(327)	(10 693)	502 562	397 533	105 029	79.1%	429 517	409 986
Administrative fees	3 504	(87)	-	3 417	2 439	978	71.4%	2 212	1 387
Advertising	10 618	(243)	-	10 375	1 726	8 649	16.6%	2 191	250
Minor assets	3 625	460	-	4 085	3 894	191	95.3%	5 170	3 546
Audit costs: External	24 200	(4 268)	-	19 932	17 788	2 144	89.2%	15 064	15 064
Bursaries: Employees	2 649	3 640	-	6 289	6 289	-	100.0%	4 949	4 860
Catering: Departmental activities	1 483	(104)	-	1 379	749	630	54.3%	800	669
Communication	23 412	4 653	-	28 065	19 496	8 569	69.5%	16 754	14 043
Computer services	127 607	(36 969)	-	90 638	58 312	32 326	64.3%	87 791	85 546
Consultants: Business and advisory services	6 954	(1 400)	-	5 554	5 554	-	100.0%	7 898	7 356
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4 036	11 742	-	15 778	15 778	-	100.0%	9 416	9 416
Contractors	3 162	(348)	-	2 814	1 497	1 317	53.2%	2 524	1 085
Agency and support / outsourced services	3 028	(106)	-	2 922	1	2 921	0.0%	82	-
Entertainment	135	(12)	-	123	57	66	46.3%	57	57
Fleet services	11 939	16 939	-	28 878	27 288	1 590	94.5%	25 936	25 726

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21		
	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
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	2 305	1 484	-	3 789	3 249	540	85.7%	17 664	17 629
Consumable: Stationery, printing and office supplies	9 315	(856)	-	8 459	4 360	4 099	51.5%	6 408	5 689
Operating leases	158 219	(736)	(10 693)	146 790	136 751	10 039	93.2%	155 466	154 294
Property payments	75 727	2 051	-	77 778	59 364	18 414	76.3%	49 826	49 233
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	27 756	5 214	-	32 970	26 108	6 862	79.2%	13 843	10 956
Training and development	7 107	(376)	-	6 731	2 809	3 922	41.7%	2 012	724
Operating payments	3 605	(347)	-	3 258	3 041	217	93.3%	2 580	2 155
Venues and facilities	2 823	(706)	-	2 117	854	1 263	40.3%	607	221
Rental and hiring	373	48	-	421	129	292	30.6%	267	80
Transfers and subsidies	1 934	1 326	-	3 260	3 260	-	100.0%	4 130	4 124
Provinces and municipalities	715	140	-	855	855	-	100.0%	775	769
Municipalities	715	140	-	855	855	-	100.0%	775	769
Municipal bank accounts	715	140	-	855	855	-	100.0%	775	769
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21		
	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
Departmental agencies and accounts	-	15	-	15	15	-	100.0%	121	121
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	15	-	15	15	-	100.0%	121	121
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 219	1 171	-	2 390	2 390	-	100.0%	3 234	3 234
Social benefits	947	1 098	-	2 045	2 045	-	100.0%	2 643	2 643
Other transfers to households	272	73	-	345	345	-	100.0%	591	591
Payments for capital assets	55 293	-	(3 000)	52 293	38 862	13 431	74.3%	53 725	46 306
Buildings and other fixed structures	17 785	-	69	17 854	14 005	3 849	78.4%	17 662	17 662
Buildings	17 785	-	69	17 854	14 005	3 849	78.4%	17 662	17 662
Machinery and equipment	37 508	-	(7 866)	29 642	20 060	9 582	67.7%	25 920	18 501
Transport equipment	6 073	-	-	6 073	6 034	39	99.4%	8 517	6 689
Other machinery and equipment	31 435	-	(7 866)	23 569	14 026	9 543	59.5%	17 403	11 812
Software and other intangible assets	-	-	4 797	4 797	4 797	-	100.0%	10 143	10 143
Payments for financial assets	-	99	-	99	99	-	100.0%	69	69
Total	1 025 979	-	(13 693)	1 012 286	856 399	155 887	84.6%	926 814	854 004

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

		2021/22						2020/21		
		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
Sub programme										
1. Management & Support Services: Inspection & Enforcement Services		6 933	11 106	2 101	20 140	17 477	2 663	86.8%	6 473	4 473
2. Occupational Health & Safety		34 107	-	-	34 107	10 632	23 475	31.2%	33 247	22 798
3. Registration: Inspection & Enforcement Services		76 456	15 407	-	91 863	89 998	1 865	98.0%	75 251	73 479
4. Compliance, Monitoring & Enforcement		515 255	(27 441)	-	487 814	413 638	74 176	84.8%	461 144	391 272
5. Training of Staff: Inspection & Enforcement Services		5 991	928	-	6 919	6 919	-	100.0%	3 268	1 459
6. Statutory & Advocacy Services		10 059	-	-	10 059	7 984	2 075	79.4%	9 066	5 950
Total for sub programmes		648 801	-	2 101	650 902	546 648	104 254	84.0%	588 449	499 431

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21		
	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	630 068	(2 392)	-	627 676	524 261	103 415	83.5%	568 566	490 336
Compensation of employees	535 443	(2 144)	-	533 299	444 633	88 666	83.4%	514 318	445 349
Salaries and wages	447 098	(3 848)	-	443 250	373 922	69 328	84.4%	428 453	373 803
Social contributions	88 345	1 704	-	90 049	70 711	19 338	78.5%	85 865	71 546
Goods and services	94 625	(248)	-	94 377	79 628	14 749	84.4%	54 248	44 987
Administrative fees	1 344	586	-	1 930	1 798	132	93.2%	956	734
Advertising	1 341	(1)	-	1 340	75	1 265	5.6%	58	42
Minor assets	1 711	64	-	1 775	1 318	457	74.3%	1 226	726
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	619	28	-	647	240	407	37.1%	123	110
Catering: Departmental activities	3 148	(614)	-	2 534	1 134	1 400	44.8%	320	320
Communication	17 805	(9 660)	-	8 145	7 306	839	89.7%	8 502	7 495
Computer services	-	150	-	150	150	-	100.0%	-	-
Consultants: Business and advisory services	365	184	-	549	497	52	90.5%	272	272
Scientific and technological services	108	-	-	108	-	108	-	100	-
Legal services	758	-	-	758	66	692	8.7%	48	27
Contractors	366	350	-	716	658	58	91.9%	516	459
Agency and support / outsourced services	521	-	-	521	1	520	0.2%	3	-
Entertainment	22	-	-	22	9	13	40.9%	20	9
Fleet services	9 652	(213)	-	9 439	8 201	1 238	86.9%	7 135	6 429

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21		
	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
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	2 520	-	-	2 520	1 751	769	69.5%	1 849	1 613
Consumable: Stationery, printing and office supplies	3 431	328	-	3 759	2 416	1 343	64.3%	2 510	2 054
Operating leases	941	4	-	945	110	835	11.6%	286	277
Property payments	6 885	4 605	-	11 490	11 408	82	99.3%	10 094	10 007
Transport provided: Departmental activity	955	-	-	955	21	934	2.2%	-	-
Travel and subsistence	29 425	10 892	-	40 317	39 367	950	97.6%	14 688	11 935
Training and development	4 725	(4 089)	-	636	636	-	100.0%	2 243	712
Operating payments	3 504	(1 782)	-	1 722	1 205	517	70.0%	1 731	1 521
Venues and facilities	4 451	(1 458)	-	2 993	883	2 110	29.5%	1 505	212
Rental and hiring	28	378	-	406	378	28	93.1%	63	33
Transfers and subsidies	804	2 145	-	2 949	2 943	6	99.8%	1 977	1 970
Provinces and Municipalities	-	-	-	-	-	-	-	1	1
Municipalities	-	-	-	-	-	-	-	1	1
Municipal bank accounts	-	-	-	-	-	-	-	1	1
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21			
	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	
Economic classification										
Departmental agencies and accounts	-	1	-	1	1	-	100.0%	16	16	
Social security funds	-	-	-	-	-	-	-	-	-	
Departmental agencies	-	1	-	1	1	-	100.0%	16	16	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	804	2 144	-	2 948	2 942	6	99.8%	1 960	1 953	
Social benefits	804	2 144	-	2 948	2 942	6	99.8%	1 712	1 705	
Other transfers to households	-	-	-	-	-	-	-	248	248	
Payments for capital assets	17 929	247	2 101	20 277	19 444	833	95.9%	17 906	7 125	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	-	-	
Machinery and equipment	17 929	(10 859)	-	7 070	6 237	833	88.2%	17 906	7 125	
Transport equipment	-	-	-	-	-	-	-	-	-	
Other machinery and equipment	17 929	(10 859)	-	7 070	6 237	833	88.2%	17 906	7 125	
Software and other intangible assets	-	11 106	2 101	13 207	13 207	-	100.0%	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	648 801	-	2 101	650 902	546 648	104 254	84.0%	588 449	499 431	

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22							2020/21	
	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
Sub programme									
1. Management & Support Services: Public Employment Services	290 934	(1 087)	10 693	300 540	62 442	238 098	20.8%	49 745	47 507
2. Employer Services	126 390	(2 716)	88	123 762	104 315	19 447	84.3%	106 307	97 926
3. Work Seeker Services	200 017	3 715	652	204 384	204 384	-	100.0%	174 326	174 298
4. Designated Groups Special Services	24 245	-	-	24 245	20 954	3 291	86.4%	22 709	21 996
5. Supported Employment Enterprises	162 266	-	-	162 266	162 266	-	100.0%	202 848	199 272
6. Productivity South Africa	59 853	-	-	59 853	59 853	-	100.0%	56 309	56 309
7. Unemployment Insurance Fund	1	-	-	1	-	1	-	1	-
8. Compensation Fund	18 040	-	-	18 040	-	18 040	-	305	-
9. Training Of Staff: Public Employment Services	1 411	88	159	1 658	1 658	-	100.0%	1 114	1 090
Total for sub programmes	883 157	-	11 592	894 749	615 872	278 877	68.8%	613 664	598 398

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22					2020/21				
	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	376 166	(847)	159	375 478	356 080	19 398	94.8%	332 439	318 192	
Compensation of employees	335 052	(840)	-	334 212	314 912	19 300	94.2%	300 203	289 216	
Salaries and wages	276 759	2 773	-	279 532	271 688	7 844	97.2%	252 238	249 100	
Social contributions	58 293	(3 613)	-	54 680	43 224	11 456	79.0%	47 965	40 116	
Goods and services	41 114	(7)	159	41 266	41 168	98	99.8%	32 236	28 976	
Administrative fees	886	(374)	26	538	538	-	100.0%	179	179	
Advertising	759	246	-	1 005	1 005	-	100.0%	1 255	1 191	
Minor assets	2 745	(2 306)	-	439	439	-	100.0%	742	668	
Audit costs: External	-	-	-	-	-	-	-	-	-	
Bursaries: Employees	-	103	-	103	103	-	100.0%	49	49	
Catering: Departmental activities	1 767	(736)	32	1 063	1 063	-	100.0%	297	90	
Communication	3 749	657	-	4 406	4 406	-	100.0%	4 518	4 170	
Computer services	4 299	(2 266)	-	2 033	2 033	-	100.0%	2 700	2 025	
Consultants: Business and advisory services	1 137	457	-	1 594	1 594	-	100.0%	1 788	723	
Scientific and technological services	-	-	-	-	-	-	-	-	-	
Legal services	-	-	-	-	-	-	-	-	-	
Contractors	384	355	-	739	739	-	100.0%	389	389	
Agency and support / outsourced services	-	1	-	1	1	-	100.0%	-	-	
Entertainment	19	(15)	-	4	4	-	100.0%	16	7	
Fleet services	1 367	813	-	2 180	2 180	-	100.0%	1 397	1 397	

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21		
	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
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	209	561	-	770	770	-	100.0%	363	363
Consumable: Stationery, printing and office supplies	1 960	(813)	-	1 147	1 137	10	99.1%	725	725
Operating leases	1 124	(1 080)	-	44	44	-	100.0%	173	118
Property payments	7 175	4 412	-	11 587	11 587	-	100.0%	10 625	10 625
Transport provided: Departmental activity	-	174	-	174	174	-	100.0%	-	-
Travel and subsistence	8 998	1 640	504	11 142	11 142	-	100.0%	4 922	4 272
Training and development	1 411	-	(403)	1 008	1 008	-	100.0%	1 082	1 058
Operating payments	1 717	(1 322)	-	395	307	88	77.7%	581	539
Venues and facilities	1 142	(539)	-	603	603	-	100.0%	429	382
Rental and hiring	266	25	-	291	291	-	100.0%	6	6
Transfers and subsidies	502 959	847	-	503 806	244 327	259 479	48.5%	275 723	274 704
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21		
	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
Departmental agencies and accounts	315 894	-	-	315 894	59 853	256 041	18.9%	56 615	56 309
Social security funds	18 041	-	-	18 041	-	18 041	-	306	-
Departmental agencies	297 853	-	-	297 853	59 853	238 000	20.1%	56 309	56 309
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	186 511	-	-	186 511	183 220	3 291	98.2%	218 258	217 545
Households	554	847	-	1 401	1 254	147	89.5%	850	850
Social benefits	554	840	-	1 394	1 247	147	89.5%	848	848
Other transfers to households	-	7	-	7	7	-	100.0%	2	2
Payments for capital assets	4 032	-	11 433	15 465	15 465	-	100.0%	5 502	5 502
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 032	(2 678)	740	2 094	2 094	-	100.0%	5 502	5 502
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 032	(2 678)	740	2 094	2 094	-	100.0%	5 502	5 502
Software and other intangible assets	-	2 678	10 693	13 371	13 371	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	883 157	-	11 592	894 749	615 872	278 877	68.8%	613 664	598 398

**DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022**

PROGRAMME4: LABOUR POLICY & INDUSTRIAL RELATIONS										
	2021/22					2020/21				
	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	
Sub programme										
1. Management & Support Services: Labour Policy & Industrial Relations	17 476	996	-	18 472	14 170	4 302	76.7%	14 123	13 035	
2. Strengthen Civil Society	24 122	(3 000)	-	21 122	21 045	77	99.6%	13 500	13 500	
3. Collective Bargaining	18 714	-	-	18 714	16 071	2 643	85.9%	17 082	15 853	
4. Designated Groups Special Services	12 504	-	-	12 504	10 061	2 443	80.5%	9 249	8 218	
5. Employment Standard	17 681	-	-	17 681	8 784	8 897	49.7%	24 251	21 963	
6. Commission for Conciliation, Mediation & Arbitration	991 984	3 000	-	994 984	994 984	-	100.0%	935 810	935 810	
7. Research, Policy & Planning	12 359	-	-	12 359	8 861	3 498	71.7%	10 895	7 874	
8. Labour Market Information & Statistic	52 654	(996)	-	51 658	43 822	7 836	84.8%	43 394	41 476	
9. International Labour Matters	51 969	-	-	51 969	36 356	15 613	70.0%	46 596	38 050	
10. National Economic development & Labour Council	59 093	-	-	59 093	59 093	-	100.0%	55 478	55 478	
Total for sub programmes	1 258 556	-	-	1 258 556	1 213 247	45 309	96.4%	1 170 378	1 151 257	

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21		
	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	149 461	(78)	-	149 383	119 242	30 141	79.8%	136 979	126 806
Compensation of employees	114 428	(78)	-	114 350	101 559	12 791	88.8%	97 633	96 189
Salaries and wages	99 219	(78)	-	99 141	88 147	10 994	88.9%	83 907	83 171
Social contributions	15 209	-	-	15 209	13 412	1 797	88.2%	13 726	13 018
Goods and services	35 033	-	-	35 033	17 683	17 350	50.5%	39 346	30 617
Administrative fees	147	10	-	157	130	27	82.8%	108	22
Advertising	3 952	2	-	3 954	2	3 952	0.1%	17 585	15 729
Minor assets	413	(172)	-	241	52	189	21.6%	258	39
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	9	9
Catering: Departmental activities	150	-	-	150	89	61	59.3%	139	9
Communication	1 034	(6)	-	1 028	801	227	77.9%	2 003	1 849
Computer services	342	-	-	342	-	342	-	854	210
Consultants: Business and advisory services	9 240	14	-	9 254	4 907	4 347	53.0%	5 659	3 168
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	15	-	-	15	-	15	-	15	-
Contractors	134	33	-	167	150	17	89.8%	62	62
Agency and support / outsourced services	-	-	-	-	-	-	-	34	-
Entertainment	43	-	-	43	14	29	32.6%	13	5
Fleet services	187	122	-	309	271	38	87.7%	188	147

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22							2020/21	
	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
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	68	11	-	79	49	30	62.0%	109	75
Consumable: Stationery, printing and office supplies	4 105	-	-	4 105	2 513	1 592	61.2%	3 644	2 205
Operating leases	2 268	(129)	-	2 139	1 211	928	56.6%	2 236	2 115
Property payments	1 560	-	-	1 560	1 257	303	80.6%	1 232	1 197
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	7 575	-	-	7 575	4 210	3 365	55.6%	3 529	2 227
Training and development	1 231	-	-	1 231	240	991	19.5%	297	297
Operating payments	2 313	-	-	2 313	1 582	731	68.4%	1 290	1 195
Venues and facilities	256	109	-	365	199	166	54.5%	81	56
Rental and hiring	-	6	-	6	6	-	100.0%	1	1
Transfers and subsidies	1 104 243	78	-	1 104 321	1 092 605	11 716	98.9%	1 032 961	1 024 423
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

DEPARTMENT OF EMPLOYMENT AND LABOUR VOTE NO. 31

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22						2020/21		
	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
Departmental agencies and accounts	1 051 077	3 000	-	1 054 077	1 054 077	-	100.0%	991 288	991 288
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	1 051 077	3 000	-	1 054 077	1 054 077	-	100.0%	991 288	991 288
Foreign governments and international organisations	28 467	-	-	28 467	16 886	11 581	59.3%	28 095	19 557
Non-profit institutions	24 180	(3 000)	-	21 180	21 045	135	99.4%	13 500	13 500
Households	519	78	-	597	597	-	100.0%	78	78
Social benefits	519	78	-	597	597	-	100.0%	78	78
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	4 852	-	-	4 852	1 400	3 452	28.9%	438	28
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 852	(996)	-	3 856	404	3 452	10.5%	438	28
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 852	(996)	-	3 856	404	3 452	10.5%	438	28
Software and other intangible assets	-	996	-	996	996	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 258 556	-	-	1 258 556	1 213 247	45 309	96.4%	1 170 378	1 151 257

2.2 NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

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-H) 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	956 634	814 178	142 456	14.9%
Transfers and subsidies	3 260	3 260	-	0.0%
Payment for capital assets	52 293	38 862	13 431	25.7%
Payment for financial assets	99	99	-	0.0%
Total	1 012 286	856 399	155 887	15.4%

The variances are mainly attributed to:

Current payments including:

Compensation of Employees: Underspending is mainly due to vacant posts.

Goods & Services: Underspending is mainly attributed to reduced travelling, accommodation, S&T; foreign travel by Department's officials and attendance to workshops was drastically reduced as well.

Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops due to the global shortage from supplier.

PROGRAMME 2	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
Inspection & Enforcement Services	R'000	R'000	R'000	%
Current payments	627 676	524 261	103 415	16.5%
Transfers and subsidies	2 949	2 943	6	0.2%
Payment for capital assets	20 277	19 444	833	4.1%
Total	650 902	546 648	104 254	16.0%

The variances are mainly attributed to:

Current payments including:

Compensation of Employees: Underspending is mainly due to vacant posts.

Goods & Services: Underspending is mainly attributed due to reduced travelling, accommodation, S&T; foreign travel by Department's officials and attendance for workshops was drastically reduced.

Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops due to the global shortage from supplier.

PROGRAMME 3	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
Public Employment Services	R'000	R'000	R'000	%
Current payments	375 478	356 080	19 398	5.2%
Transfers and subsidies	503 806	244 327	259 479	51.5%
Payment for capital assets	15 465	15 465	-	0.0%
Total	894 749	615 872	278 877	31.2%

The variances are mainly attributed to:

Current payments including:

Compensation of Employees: Underspending is mainly due to vacant posts and the delay in the creation of Healthcare Professional's internships.

Goods & Services: Underspending is mainly attributed due to reduced travelling, accommodation, S&T; foreign travel by Department's officials.

Transfers and Subsidies: Underspending is mainly due to delays with transfer payment towards the Presidential Employment Stimulus funding to GTEC and no claims to Compensation Fund for injuries on duty. Request to roll-over funds submitted to Treasury for R238 million.

Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops due to the global shortage from supplier.

PROGRAMME 4	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
Labour Policy & Industrial Relations	R'000	R'000	R'000	%
Current payments	149 383	119 242	30 141	20.2%
Transfers and subsidies	1 104 321	1 092 605	11 716	1.1%
Payment for capital assets	4 852	1 400	3 452	71.1%
Total	1 258 556	1 213 247	45 309	3.6%

The variances are mainly attributed to:

Current payments including:

Compensation of Employees: Underspending is mainly due to vacant posts.

Goods & Services: Underspending is mainly attributed due to reduced travelling, accommodation, S&T; foreign travel by Department's officials.

Attendance to workshops and campaigns was drastically reduced and the eradication of child labour conference was postponed to 2022/23 financial year.

Transfers and Subsidies: Underspending is mainly due to exchange rate fluctuations.

Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops due to the global shortage from supplier.

4.2 PER ECONOMIC CLASSIFICATION

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	1 435 933	1 277 749	158 184	11.0%
Goods and services	673 238	536 012	137 226	20.4%
Transfers and subsidies				
Provinces and municipalities	855	855	-	0.0%
Departmental agencies and accounts	1 369 987	1 113 946	256 041	18.7%
Foreign governments and international organisations	28 467	16 886	11 581	40.7%
Non-profit institutions	207 691	204 265	3 426	1.6%
Households	7 336	7 183	153	2.1%
Payments for capital assets				
Buildings and other fixed structures	17 854	14 005	3 849	21.6%
Machinery and equipment	42 662	28 795	13 867	32.5%
Software and other intangible assets	32 371	32 371	-	0.0%
Payments for financial assets	99	99	-	0.0%
Total	3 816 493	3 232 166	584 327	15.3%

Refer to reasons for variances in the above-mentioned programmes.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2022

	NOTE	2021/22	2020/21
REVENUE		R'000	R'000
Annual appropriation	1	3 816 493	3 299 305
Departmental revenue	2	9 109	9 182
TOTAL REVENUE		3 825 602	3 308 487
EXPENDITURE			
Current expenditure			
Compensation of employees	3	1 277 749	1 224 273
Goods and services	4	536 012	514 566
Total current expenditure		1 813 761	1 738 839
Transfers and subsidies			
Transfers and subsidies	6	1 343 135	1 305 221
Total transfers and subsidies		1 343 135	1 305 221
Expenditure for capital assets			
Tangible assets	7	42 800	48 818
Intangible assets	7	32 371	10 143
Total expenditure for capital assets		75 171	58 961
Payments for financial assets	5	99	69
TOTAL EXPENDITURE		3 232 166	3 103 090
SURPLUS/(DEFICIT) FOR THE YEAR		593 436	205 397
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		584 327	196 215
Annual appropriation		584 327	196 215
Departmental revenue and NRF Receipts	12	9 109	9 182
SURPLUS/(DEFICIT) FOR THE YEAR		593 436	205 397

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	NOTE	2021/22	2020/21
		R'000	R'000
ASSETS			
Current assets		640 950	534 035
Cash and cash equivalents	8	241 933	858
Prepayments and advances	9	9 116	7 328
Receivables	10	389 901	525 849
Non-current assets		43 588	104 537
Receivables	10	43 588	104 537
TOTAL ASSETS		684 538	638 572
LIABILITIES			
Current liabilities		670 381	626 820
Voted funds to be surrendered to the Revenue Fund	11	584 327	196 215
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	501	669
Bank overdraft	13	-	424 659
Payables	14	85 553	5 277
Non-current liabilities		292	572
Payables	15	292	572
TOTAL LIABILITIES		670 673	627 392
NET ASSETS		13 865	11 180
Represented by:			
Recoverable revenue		13 865	11 180
TOTAL		13 865	11 180

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2022

	NOTE	2021/22 R'000	2020/21 R'000
RECOVERABLE REVENUE			
Opening balance		11 180	10 115
Transfers:		2 685	1 065
Debts revised		(8 795)	(301)
Debts recovered (included in departmental receipts)		(1 198)	(1 099)
Debts raised		12 678	2 465
TOTAL		13 865	11 180
Prior period error			
Nature of prior period error			
Relating to 2020/21			
Debts revised (AFS 2020/21)			-
Debts recovered (AFS 2020/21)			1 087
Debts raised (AFS 2020/21)			(2 152)
Debts revised (AFS 2020/21)			(301)
Debts recovered (AFS 2020/21)			(1 099)
Debts raised (AFS 2020/21)			2 465
Total			-

Prior year error that affected opening balance included above.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	NOTE	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 824 966	3 308 349
Annual appropriated funds received	1.1	3 816 493	3 299 305
Departmental revenue received	2	7 665	8 259
Interest received	2.3	808	785
Net (increase)/decrease in working capital		214 436	(185 526)
Surrendered to RDP Fund/Donor		(205 492)	(226 482)
Current payments		(1 813 761)	(1 738 839)
Payments for financial assets		(99)	(69)
Transfers and subsidies paid		(1 343 135)	(1 305 221)
Net cash flow available from operating activities	16	676 915	(147 788)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(75 171)	(58 961)
Proceeds from sale of capital assets	2.4	636	138
(Increase)/decrease in non-current receivables	10	60 949	(95 018)
Net cash flows from investing activities		(13 586)	(153 841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		2 685	1 064
Increase/(decrease) in non-current payables		(280)	572
Net cash flows from financing activities		2 405	1 636
Net increase/(decrease) in cash and cash equivalents		665 734	(299 993)
Cash and cash equivalents at beginning of period		(423 801)	(123 808)
Cash and cash equivalents at end of period	17	241 933	(423 801)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF EMPLOYMENT AND LABOUR FOR THE YEAR ENDED 31 MARCH 2022

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	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>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.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>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.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>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.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>

7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • 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. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the Department's debt write-off policy.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
8.2	<p>Other expenditure</p> <p>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.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p> <p>Due to the nature of activities, costs may be split between 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</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>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.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p> <p>Due to the nature of activities, costs may be split between 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.</p>
8.4.2	<p>Finance leases</p> <p>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.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • 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. <p>Due to the nature of activities, costs may be split between 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.</p>
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>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.</p> <p>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</p>

9.2	<p>Aid assistance paid</p> <p>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.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash.</p> <p>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.</p> <p>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.</p> <p>Due to the nature of activities, costs may be split between 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.</p>
12	<p>Loans and receivables</p> <p>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.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere)</p> <p>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.</p> <p>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.</p>
14.2	<p>Impairment of financial assets</p> <p>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.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>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.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>

16.3	<p>Intangible assets</p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>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.</p> <p>Where the Department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>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.</p>
17.2	<p>Contingent liabilities</p> <p>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.</p>
17.3	<p>Contingent assets</p> <p>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.</p>
17.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p> <p>Due to the nature of activities, costs may be split between 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.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • 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. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>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.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>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.</p>

20	<p>Irregular expenditure</p> <p>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.</p> <p>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.</p> <p>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.</p>
21	<p>Changes in accounting estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p>Events after the reporting date</p> <p>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.</p>
23	<p>Principal-Agent arrangements</p> <p>The Department is not party to a principal-agent arrangement.</p>
24	<p>Departures from the MCS requirements</p> <p>The financial statements present fairly the Department's primary and secondary information</p>
25	<p>Capitalisation reserve</p> <p>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.</p>
26	<p>Recoverable revenue</p> <p>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.</p>
27	<p>Related party transactions</p> <p>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.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p> <p>Due to the nature of activities, costs may be split between 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.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>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.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>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.</p> <p>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.</p>

30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p> <p>Due to the nature of activities, costs may be split between 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.</p>
31	<p>Transfer of functions</p> <p>Transfer 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.</p> <p>Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p>Mergers</p> <p>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.</p> <p>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.</p>

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):

			2021/22		2020/21
	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	1 012 286	1 012 286	-	926 814	926 814
Inspection & Enforcement Services	650 902	650 902	-	613 449	613 449
Public Employment Services	894 749	894 749	-	588 664	588 664
Labour Policy & Industrial Relations	1 258 556	1 258 556	-	1 170 378	1 170 378
Total	3 816 493	3 816 493	-	3 299 305	3 299 305

2. DEPARTMENTAL REVENUE

	NOTE	2021/22	2020/21
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	5 140	4 774
Fines, penalties and forfeits	2.2	76	100
Interest, dividends and rent on land	2.3	808	785
Sales of capital assets	2.4	636	138
Transactions in financial assets and liabilities	2.5	2 449	3 385
Departmental revenue collected		9 109	9 182

2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

	NOTE	2021/22	2020/21
	2	R'000	R'000
Sales of goods and services produced by the department		5 121	4 766
Sales by market establishment		123	133
Administrative fees		2 322	2 019
Other sales		2 676	2 614
Sales of scrap, waste and other used current goods		19	8
Total		5 140	4 774

2.2 FINES, PENALTIES AND FORFEITS

	NOTE	2021/22	2020/21
	2	R'000	R'000
Fines		76	100
Total		76	100

2.3 INTEREST, DIVIDENDS AND RENT ON LAND

	NOTE	2021/22	2020/21
	2	R'000	R'000
Interest		808	785
Total		808	785

2.4 SALE OF CAPITAL ASSETS

	NOTE	2021/22	2020/21
	2	R'000	R'000
Tangible assets			
Machinery and equipments	29	636	138
Total		636	138

2.5 SALE OF CAPITAL ASSETS

	NOTE	2021/22	2020/21
	2	R'000	R'000
Receivables		1 041	924
Other Receipts including Recoverable Revenue		1 408	2 461
Total		2 449	3 385

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

	2021/22	2020/21
	R'000	R'000
Basic salary	864 694	874 067
Performance award	11 841	1 595
Service Based	1 966	2 170
Compensative/circumstantial	16 149	10 467
Other non-pensionable allowances	195 877	153 102
Total	1 090 527	1 041 401

3.2 Social contributions

	2021/22	2020/21
Employer contributions	R'000	R'000
Pension	111 555	111 764
Medical	75 075	70 722
Bargaining council	292	285
Insurance	300	101
Total	187 222	182 872
Total compensation of employees	1 277 749	1 224 273
Average number of employees	2 726	2 807

4. GOODS AND SERVICES

	NOTE	2021/22	2020/21
		R'000	R'000
Administrative fees		4 905	2 322
Advertising		2 808	17 212
Minor assets	4.1	5 703	4 979
Bursaries (employees)		6 632	5 028
Catering		3 035	1 088
Communication		32 009	27 556
Computer services	4.2	60 495	87 781
Consultants: Business and advisory services	4.8	12 552	11 519
Legal services		15 844	9 443
Contractors		3 044	1 996
Agency and support / outsourced services		3	-
Entertainment		84	78
Audit cost – external	4.3	17 788	15 064
Fleet services		37 940	33 699
Consumables	4.4	16 245	30 352
Operating leases		138 116	156 804
Property payments	4.5	83 616	71 063
Rental and hiring		804	120
Transport provided as part of the departmental activities		195	-
Travel and subsistence	4.6	80 827	29 390
Venues and facilities		2 539	871
Training and development		4 693	2 791
Other operating expenditure	4.7	6 135	5 410
Total		536 012	514 566

4.1 MINOR ASSETS

	NOTE	2021/22	2020/21
Tangible assets	4	R'000	R'000
Machinery and equipment		5 703	4 979
Total		5 703	4 979

4.2 COMPUTER SERVICES

	NOTE	2021/22	2020/21
	4	R'000	R'000
SITA computer services		19 163	23 347
External computer service providers		41 332	64 434
Total		60 495	87 781

4.3 AUDIT COST – EXTERNAL

	NOTE	2021/22	2020/21
	4	R'000	R'000
Regularity audits		15 336	13 594
Computer audits		2 452	1 470
Total		17 788	15 064

4.4 CONSUMABLES

	NOTE	2021/22	2020/21
	4	R'000	R'000
Consumable supplies		5 819	19 679
Uniform and clothing		1 354	3 536
Household supplies		2 209	6 912
Building material and supplies		782	380
IT consumables		325	1 668
Other consumables		1 149	7 183
Stationery, printing and office supplies		10 426	10 673
Total		16 245	30 352

4.5 PROPERTY PAYMENTS

	NOTE	2021/22	2020/21
	4	R'000	R'000
Municipal services		36 902	30 590
Property management fees		1 933	1 699
Property maintenance and repairs		7 341	3 231
Other		37 440	35 543
Total		83 616	71 063

4.6 TRAVEL AND SUBSISTENCE

	NOTE	2021/22	2020/21
	4	R'000	R'000
Local		77 046	24 657
Foreign		3 781	4 733
Total		80 827	29 390

4.7 OTHER OPERATING EXPENDITURE

	NOTE	2021/22	2020/21
	4	R'000	R'000
Professional bodies, membership and subscription fees		137	147
Resettlement costs		1 948	852
Other		4 050	4 411
Total		6 135	5 410

4.8 REMUNERATION OF MEMBERS OF A COMMISSION OR COMMITTEE (INCLUDED IN CONSULTANTS: BUSINESS AND ADVISORY SERVICES)

Name of Commission / Committee	NO. OF MEMBERS	NOTE	2021/22	2020/21
		4	R'000	R'000
Audit Committee	4		791	
National Risk Management Committee	3		195	
Provincial Risk Management Committee	7		8	
ICT Advisory Committee (DEL)	5		1 804	
Environmental Regulation Technical Committee	6		382	
Employment Services Board	10		201	
Employment Equity Committee	6		429	
National Minimum Wages	13		253	
Total*			4 063	-

*New disclose requirement, no 2020/21 comparative figures required

5. PAYMENTS FOR FINANCIAL ASSETS

	NOTE	2021/22	2020/21
		R'000	R'000
Other material losses written off	5.1	99	69
Total		99	69

5.1 OTHER MATERIAL LOSSES WRITTEN OFF

	NOTE	2021/22	2020/21
		R'000	R'000
Receivables relating to:			
Damaged vehicles		98	64
Traffic fines		-	5
Petty cash		1	-
Total		99	69

6. TRANSFERS AND SUBSIDIES

	NOTE	2021/22	2020/21
		R'000	R'000
Provinces and municipalities	Annexure 1A	855	770
Departmental agencies and accounts	Annexure 1B	1 113 946	1 047 734
Foreign governments and international organisations	Annexure 1C	16 886	19 557
Non-profit institutions	Annexure 1D	204 265	231 045
Households	Annexure 1E	7 183	6 115
Total		1 343 135	1 305 221

7. EXPENDITURE FOR CAPITAL ASSETS

	NOTE	2021/22	2020/21
		R'000	R'000
Tangible assets		42 800	48 818
Buildings and other fixed structures	31	14 005	17 662
Machinery and equipment	29	28 795	31 156
Intangible assets		32 371	10 143
Software	30	32 371	10 143
Total		75 171	58 961

7.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2021/22

	VOTED FUNDS	AID ASSISTANCE	TOTAL
	R'000	R'000	R'000
Tangible assets	42 800	-	42 800
Buildings and other fixed structures	14 005	-	14 005
Machinery and equipment	28 795	-	28 795
Intangible assets	32 371	-	32 371
Software	32 371	-	32 371
Total	75 171	-	75 171

7.2 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

7.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS

	2021/22	2020/21
	R'000	R'000
Tangible assets	3 112	2 158
Machinery and equipment	3 112	2 158
Total	3 112	2 158

8. CASH AND CASH EQUIVALENTS

	2021/22	2020/21
	R'000	R'000
Consolidated Paymaster General Account	241 420	-
Disbursements	-	357
Cash on hand	513	501
Total	241 933	858

9. PREPAYMENTS AND ADVANCES

	NOTE	2021/22	2020/21
		R'000	R'000
Travel and subsistence		8	-
Advances paid (Not expensed)	9.1	9 108	7 328
Total		9 116	7 328

9.1. ADVANCES PAID (NOT EXPENSED)

	Note	BALANCE AS AT 1 APRIL 2021	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2022
		R'000	R'000	R'000	R'000	R'000
National departments	9	5 910	(5 839)	(4 497)	12 377	7 951
Public entities		1 418	(261)	-	-	1 157
Total		7 328	(6 100)	(4 497)	12 377	9 108

	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	24 281	(27 065)	511	8 183	5 910
Public entities		1 676	(258)	-	-	1 418
Total		25 957	(27 323)	511	8 183	7 328

9.1.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
	R'000
Relating to 2020/21	
2020/21 Adjustment due to incorrect rounded-off opening balance	1
Total prior period errors	1

Prior year error that affected opening balance included above.

9.2 PREPAYMENTS (EXPENSED)

	AMOUNT AS AT 1 APRIL 2021	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services*	5 512	(14 640)	-	11 434	2 306
Total	5 512	(14 640)	-	11 434	2 306

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

	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	(15 911)	-	18 500	5 512
Total	2 923	(15 911)	-	18 500	5 512

9.2.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
Relating to 2020/21	R'000
2020/21 Adjustment due to incorrect rounded-off opening balance	(1)
Total prior period errors	(1)

Prior year error that affected opening balance included above.

9.3 ADVANCES PAID (EXPENSED)

	AMOUNT AS AT 1 APRIL 2021	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2022
	R'000	R'000	R'000	R'000	R'000
Public entities	3 581	(42 343)	-	43 230	4 468
Total	3 581	(42 343)	-	43 230	4 468

	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)	-	1 343	3 581
Total	2 298	(60)	-	1 343	3 581

9.3.1 Prior period error

NATURE OF PRIOR PERIOD ERROR	2020/21
Relating to 2020/21	R'000
2020/21 Correcting a duplicate advance payment	(1)
Total prior period errors	(1)

Prior year error that affected opening balance included above.

10. RECEIVABLES

	Note	2021/22			2020/21		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	384 220	21 681	405 901	522 019	85 007	607 026
Recoverable expenditure	10.2	2 027	3 477	5 504	2 760	3 786	6 546
Staff debt	10.3	1 408	17 698	19 106	675	15 110	15 785
Fruitless and wasteful expenditure	10.5	1	29	30	4	19	23
Other receivables	10.4	2 245	703	2 948	391	615	1 006
Total		389 901	43 588	433 489	525 849	104 537	630 386

10.1 CLAIMS RECOVERABLE

	Note	2021/22	2020/21
	10	R'000	R'000
National departments		164	56
Provincial departments		240	185
Public entities		405 497	606 785
Total		405 901	607 026

10.2 RECOVERABLE EXPENDITURE (DISALLOWANCE ACCOUNTS)

	NOTE	2021/22	2020/21
	10	R'000	R'000
Damaged vehicles		2 384	1 972
Salary clearing accounts		541	2 335
Damage & losses		1 121	1 027
Private telephone account		1 412	1 212
Disallowance account		46	-
Total		5 504	6 546

10.3 STAFF DEBT

	Note	2021/22	2020/21
	10	R'000	R'000
Losses & damages		1 655	1 758
Travel & subsistence		78	108
Bursaries		4 726	3 355
Salary overpayment (in-service)		4 383	3 278
Salary overpayment (out of service)		1 744	1 643
Leave without pay		5 815	4 885
Other		705	758
Total		19 106	15 785

10.4 OTHER RECEIVABLES

	Note	2021/22	2020/21
	10	R'000	R'000
Salary clearing accounts		183	95
Transport payment suspense account		2 245	391
Supplier debt		520	520
Total		2 948	1 006

10.5 FRUITLESS AND WASTEFUL EXPENDITURE

	Note	2021/22	2020/21
	10	R'000	R'000
Opening balance		23	467
Less amounts recovered		(2)	(444)
Less amounts written off		-	-
Transfers from note 25 Fruitless and Wasteful Expenditure		9	-
Total		30	23

10.6 IMPAIRMENT OF RECEIVABLES

	2021/22	2020/21
	R'000	R'000
Estimate of impairment of receivables	31 719	94 107
Total	31 719	94 107

11. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	2021/22	2020/21
	R'000	R'000
Opening balance	196 215	217 323
Transfer from statement of financial performance (as restated)	584 327	196 215
Paid during the year	(196 215)	(217 323)
Closing balance	584 327	196 215

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

	2021/22	2020/21
	R'000	R'000
Opening balance	669	646
Transfer from Statement of Financial Performance (as restated)	9 109	9 182
Paid during the year	(9 277)	(9 159)
Closing balance	501	669

13. BANK OVERDRAFT

	2021/22	2020/21
	R'000	R'000
Consolidated Paymaster General Account	-	424 659
Total	-	424 659

14. PAYABLES – CURRENT

	Note	2021/22	2020/21
		R'000	R'000
Amounts owing to other entities		81 725	66
Clearing accounts	14.1	3 269	4 931
Other payables	14.2	559	280
Total		85 553	5 277

14.1 CLEARING ACCOUNTS

	NOTE	2021/22	2020/21
		R'000	R'000
Salary clearing accounts	14	3 269	4 931
Total		3 269	4 931

14.2 OTHER PAYABLES

	Note	2021/22	2020/21
		R'000	R'000
Arrear wages	14	452	280
Unpaid receipts		107	-
Total		559	280

15. PAYABLES – NON-CURRENT

		2021/22			2020/21
		One to two years	Two to three years	More than three years	Total
	Note	R'000	R'000	R'000	R'000
Other payables	15.1	87	205	-	572
Total		87	205	-	572

15.1 OTHER PAYABLES

	Note	2021/22	2020/21
		R'000	R'000
Damaged vehicle	15	193	572
Garnishee order		7	-
Pension fund		92	-
Total		292	572

16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	2021/22	2020/21
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	593 436	205 397
Add back non cash/cash movements not deemed operating activities	83 479	(353 185)
(Increase)/decrease in receivables	135 948	(205 655)
(Increase)/decrease in prepayments and advances	(1 788)	18 749
Increase/(decrease) in payables – current	80 276	1 380
Proceeds from sale of capital assets	(636)	(138)
Expenditure on capital assets	75 171	58 961
Surrenders to Revenue Fund	(205 492)	(226 482)
Net cash flow generated by operating activities	676 915	(147 788)

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

	2021/22	2020/21
	R'000	R'000
Consolidated Paymaster General account	241 420	(424 659)
Disbursements	-	357
Cash on hand	513	501
Total	241 933	(423 801)

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

			2021/22	2020/21
Liable to	Nature	Note	R'000	R'000
Housing loan guarantees	Employees	<i>Annex 2A</i>	427	1 352
Claims against the department		<i>Annex 2B</i>	15 916	3 108
Intergovernmental payables (unconfirmed balances)		<i>Annex 4</i>	-	2 349
Total			16 343	6 809

18.1.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
	R'000
Relating to 2020/21	
Claims against the department	
Prior year settlement of claim: Denzel Kock v Minister of Employment and Labour	(24)
Total prior period errors	(24)
Prior year error that affected opening balance included above.	

18.2 CONTINGENT ASSETS

	2021/22	2020/21
Nature of contingent asset	R'000	R'000
Third party litigations – motor vehicle accidents	1 755	1 630
Third party litigations – bursary claim	25	25
Total	1 780	1 655

19. CAPITAL COMMITMENTS

	2021/22	2020/21
	R'000	R'000
Intangible assets	193 556	257 565
Total	193 556	257 565

*Capital commitments: Total includes Unemployment Insurance Fund for R 108 147 152.30, Compensation Fund for R 19 828 942.25 and Supported Employment Enterprises for R 5 163 685.33.

*Capital commitments (2020/21): Total includes Unemployment Insurance Fund for R 122 216 026.96, Compensation Fund for R37 420 546.46 and Supported Employment Enterprises for R 5 141 397.64.

19.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
Relating to 2020/21	R'000
Adjustment to prior period capital commitment	(23 310)
Total prior period errors	(23 310)

Prior year error that affected opening balance included above.

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

	2021/22			2020/21
	R'000	R'000	R'000	R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	34 649	17 061	51 710	48 357
Capital assets	2 052	442	2 494	362
Total	36 701	17 503	54 204	48 719

	2021/22	2020/21
Listed by programme level	R'000	R'000
Programme 1 – Administration	19 673	22 394
Programme 2 – Inspection & Enforcement Services	1 742	2 591
Programme 3 – Public Employment Services *	31 932	22 983
Programme 4 – Labour Policy & Industrial Relations	857	751
Total	54 204	48 719

*Accruals: Total includes Unemployment Insurance Fund for R15 175 629.61 & Compensation Fund for R15 061 047.56.

*Accruals (2020/21): Total includes Unemployment Insurance Fund for R 14 948 941.09 and Compensation Fund for R 14 833 875.56.

Reasons for material accruals: Accruals for Cleaning, Security & Other (R 8.9 mil), Computer Services (R 19.7 mil), Travel & Accommodation (R 7.3 mil), DPW Capital Works (R 1.6 mil) and Cell Phone (R 6.2 mil).

20.2 PAYABLES NOT RECOGNISED

	2021/22		2020/21
	R'000	R'000	R'000
Listed by economic classification	30 Days	30+ Days	Total
Goods and services	336	-	336
Capital assets	-	-	-
Total	336	-	336

	2021/22	2020/21
Listed by programme level	R'000	R'000
Programme 1 – Administration	132	1 412
Programme 2 – Inspection & Enforcement Services	27	49
Programme 3 – Public Employment Services *	176	619
Programme 4 – Labour Policy & Industrial Relations	1	174
Total	336	2 254

*Payables: Total includes Unemployment Insurance Fund for R76 464.62 and Compensation Fund for R73 842.28.

*Payables (2020/21): Total includes Unemployment Insurance Fund for R 90 774.00 and Compensation Fund for R 57 727.22.

		2021/22	2020/21
Included in the above totals are the following:	<i>Note</i>	R'000	R'000
Confirmed balances with other departments	<i>Annex 4</i>	601	2 687
Total		601	2 687

*Confirmed balances disclosed in Annexure 4 to the AFS

21. EMPLOYEE BENEFITS

	2021/22	2020/21
	R'000	R'000
Leave entitlement*	70 158	83 240
Service bonus	36 215	37 196
Performance awards	12 021	22 767
Capped leave	20 256	23 818
Long service award	355	367
Total	139 005	167 388

*During January 2022 to March 2022, leave is at times taken in excess of the accrued leave days (one quarter of leave entitlement) and these result in negative balances at year-end. Included in the leave entitlement of R 70 157 598.28 for the year-ended 31 March 2022, the value of leave with negative balances amounts to R 420 166.09.

22. LEASE COMMITMENTS**22.1 OPERATING LEASES**

2021/22	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Not later than 1 year	95 861	6 038	101 899
Later than 1 year and not later than 5 years	167 491	9 587	177 078
Later than five years	9 920	-	9 920
Total lease commitments	273 272	15 625	288 897

Buildings & other fixed structures: Total includes Unemployment Insurance Fund for R 81 981 631.00 and Compensation Fund for R 43 723 536.53.

Machinery & equipment: Total includes Unemployment Insurance Fund for R 10 282.37.

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

The main leasing arrangement is for leasing of 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 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.

22.2 FINANCE LEASES **

2021/22	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Not later than 1 year	-	2 007	2 007
Later than 1 year and not later than 5 years	-	1	1
Later than five years	-	-	-
Total lease commitments	-	2 008	2 008

*Total Includes Unemployment Insurance Fund for R 203 743.05, Compensation Fund for R 304 532.30 and Support Employment Enterprises for R 15 901.49.

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
Later than five years	-	-	-
Total lease commitments	-	6 090	6 090

**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

	2021/22	2020/21
	R'000	R'000
Tax revenue		
Sales of goods and services other than capital assets	17	15
Interest, dividends and rent on land	39	-
Total	56	15

23.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

	2021/22	2020/21
	R'000	R'000
Opening balance	15	169
Less: amounts received	(15)	(169)
Add: amounts recorded	56	15
Closing balance	56	15

24. IRREGULAR EXPENDITURE

24.1 RECONCILIATION OF IRREGULAR EXPENDITURE

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		70 655	40 248
Prior period error		-	45
As restated		70 655	40 293
Add: Irregular expenditure – relating to current year	24.2	873	-
Add: Irregular expenditure – relating to current year	24.2	17 943	32 703
Less: Prior year amounts condoned		-	(2)
Less: Current year amounts not condoned and removed		(100)	(2 337)
Less: Amounts recoverable (current and prior year)	10	-	(2)
Closing balance		89 371	70 655

	UNDER ASSESSMENT	AWAITING WRITE-OFF & REMOVAL	AWAITING CONDONATION	AWAITING RECOVERY	2021/22	2020/21
	R'000	R'000	R'000	R'000	R'000	R'000
Current year	18 816	-	-	-	18 816	32 703
Prior years	67 820	100	2 630	5	70 555	37 911
Total	86 636	100	2 630	5	89 371	70 614

24.2 DETAILS OF CURRENT AND PRIOR YEAR IRREGULAR EXPENDITURE

INCIDENT	DISCIPLINARY STEPS TAKEN/ CRIMINAL PROCEEDINGS	2021/22
		R'000
Other SCM processes not followed – discovered by SCM		17 766
SCM processes not followed – discovered by AG		1 050
Total		18 816

24.3 DETAILS OF IRREGULAR EXPENDITURE REMOVED - (NOT CONDONED)

INCIDENT	NOT CONDONED BY (RELEVANT AUTHORITY)	2021/22
		R'000
Other SCM processes not followed – discovered by SCM		(100)
Total		(100)

24.4 DETAILS OF IRREGULAR EXPENDITURES UNDER ASSESSMENT (NOT INCLUDED IN THE MAIN NOTE)

INCIDENT	2021/22
	R'000
Other SCM processes not followed - discovered by SCM	14
Total	14

24.5 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
Relating to 2020/21	R'000
Correction of irregular expenditure incorrectly disclosed in prior year	45
Total prior period errors	45
Prior year error that affected opening balance included above.	

25. FRUITLESS AND WASTEFUL EXPENDITURE

25.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		2 281	2 636
Prior period error	25.5	-	(970)
As restated		2 281	1 666
Fruitless and wasteful expenditure – relating to prior year	25.2	25 548	655
Fruitless and wasteful expenditure – relating to current year	25.2	263	72
Less: Amounts recoverable	10.5	(9)	(3)
Less: Amounts written off	25.4	(4)	(109)
Closing balance		28 079	2 281

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 show - accommodation	In process	1
No show - other	In process	9
Vehicle related damages/accidents	In process	252
Procurement related	In process	25 548
Interest, penalties & fines	In process	1
Total		25 811

25.3 DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE RECOVERABLE

INCIDENT	2021/22
	R'000
No shows - accommodation	(1)
No shows - other	(3)
Vehicle related damages/accidents	(4)
Interest, penalties & fines	(1)
Total	(9)

25.4 DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE WRITTEN OFF

INCIDENT	2021/22
	R'000
Vehicle related damages/accidents	(4)
Total	(4)

25.5 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
Relating to 2020/21	R'000
Removal of prior year cases for damages/accidents to government fleet	(301)
Prior year recovery and write-off	(14)
Removal of F&WE in respect of de-scoped SEE	(655)
Total prior period errors	(970)

Prior year error that affected opening balance included above.

26. RELATED PARTY TRANSACTIONS

PAYMENTS MADE IN KIND TO SEE		2021/22	2020/21
Item classification	Nature of payment	R'000	R'000
Compensation of employees	Employee costs	1 369	5 911
Compensation of employees	Internal audit costs	263	277
Compensation of employees	Risk management costs	2	-
Goods and services	Municipal costs	639	831
Goods and services	Employee costs	7	50
Total		2 280	7 069

GOODS AND SERVICE RECEIVED IN KIND		2021/22	2020/21
List of goods and services	Related parties	R'000	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.

Public Entity controlled by the Department of 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)

Government Technical Advisory Centre (GTAC)

27. KEY MANAGEMENT PERSONNEL

	NO. OF INDIVIDUALS	2021/22	2020/21
		R'000	R'000
Political office bearers	2	4 423	4 246
Officials:			
DG to DDGs (Level 15 to 16)	9	12 902	13 553
Chief Directors (Level 14)	24	25 363	26 563
Directors (Level 13)	2	1 767	1 264
Acting positions	1	189	18
Total		44 644	45 644

28. PROVISIONS

	2021/22	2020/21
	R'000	R'000
Litigations against the state	566	307
Total	566	307

*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 – 2021/22

	LITIGATIONS	TOTAL PROVISIONS
	R'000	R'000
Opening balance	307	307
Increase in provision	259	259
Settlement of provision	-	-
Change in provision due to change in estimation of inputs	-	-
Closing balance	566	566

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

29. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022					
	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS*	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	560 914	-	27 251	(9 013)	579 152
Transport assets	230 196	-	6 034	(4 958)	231 272
Computer equipment	227 504	-	16 724	(3 040)	241 188
Furniture and office equipment	68 346	-	3 369	(307)	71 408
Other machinery and equipment	34 868	-	1 124	(708)	35 284
TOTAL CAPITAL ASSETS	560 914	-	27 251	(9 013)	579 152

*The total additions for R 27 251 563.68 includes Cash and Non-Cash transactions.

The total expenditure for R 28 794 698.32 as reported in Note 7.1 and this includes payments to finance lease amounting to R 3 111 939.87 and non-cash: includes Donations for R 1 179 315.00 and assets received but not yet paid (accruals) for R 389 490.23.

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*	211	6 839

*Vehicles damaged/stolen, under investigation.

*IT equipment stolen/lost, under investigation.

*Asset stolen/lost, under investigation.

29. 1 MOVEMENT FOR 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021					
	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	522 011	(711)	44 175	(4 561)	560 914
Transport assets	223 646	99	6 689	(238)	230 196
Computer equipment	197 129	(1 440)	34 342	(2 527)	227 504
Furniture and office equipment	66 972	672	1 183	(481)	68 346
Other machinery and equipment	34 264	(42)	1 961	(1 315)	34 868
TOTAL CAPITAL ASSETS	522 011	(711)	44 175	(4 561)	560 914

29.1.2 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
Relating to 2020/21	R'000
Reclassification of assets category and price corrections	(287)
Increase/Decrease of prior year assets (incomplete asset transfer transactions)	56
Adjustment to prior period additions (reconciliation of assets received/paid)	(480)
Total prior period errors	(711)

Prior year error that affected opening balance included above.

29.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022			
	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Opening balance	15	139 302	139 317
Additions*	-	10 225	10 225
Disposals	-	(6 308)	(6 308)
TOTAL MINOR ASSETS	15	143 219	143 234

*The total additions for R10 225 267.58 includes Cash and Non-Cash transactions.

Cash: Actual payments for R5 702 545.59 as reported in note 4.1 as recognised expenditure.

Non-Cash: Includes Donations for R966 190.09, receipt of mobile devices at the end of finance lease term for R3 415 146.00; and assets received but not yet paid (accruals) for R141 385.90.

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
Number of R1 minor assets	-	9 685	9 685
Number of minor assets at cost	4	106 989	106 993
TOTAL NUMBER OF MINOR ASSETS	4	116 674	116 678

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*	124	377

*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 2021

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Opening balance	15	135 772	135 787
Prior period error	-	(734)	(734)
Additions*	-	7 838	7 838
Disposals	-	(3 574)	(3 574)
TOTAL MINOR ASSETS	15	139 302	139 317

*The total additions for R7 838 626.55 includes Cash and Non-Cash transactions.

Cash: Actual payments for R4 978 885.06 as reported in note 4.1 as recognised expenditure.

Non-Cash: Includes Donations for R80 560.92, receipt of mobile devices at the end of finance lease term for R1 408 217.20; and assets received but not yet paid (accruals) for R1 370 963.37.

	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

29.2.1 Prior period error

NATURE OF PRIOR PERIOD ERROR	2020/21
	R'000
Relating to 2020/21	
Reclassification of assets category and price corrections	(159)
Increase/Decrease of prior year assets (incomplete asset transfer transactions)	1
Adjustment to prior period additions (reconciliation of assets received/paid)	(576)
Total prior period errors	(734)

Prior year error that affected opening balance included above.

29.3 MOVABLE ASSETS WRITTEN OFF**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2022**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	1 956	1 956
TOTAL MOVABLE ASSETS WRITTEN OFF	-	1 956	1 956

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

30. INTANGIBLE CAPITAL ASSETS**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	155 229	-	-	-	155 229
TOTAL INTANGIBLE ASSETS	155 229	-	-	-	155 229

*The total expenditure for R 32 370 996.78 as reported in Note 7.1 and this includes payments to Tech Mahindra & Alteram Schedules for work in progress amounting to R 32 370 996.78.

30.1 MOVEMENT FOR 2020/21**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	145 087	(1)	10 143	-	155 229
TOTAL INTANGIBLE ASSETS	145 087	(1)	10 143	-	155 229

30.1.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
	R'000
Relating to 2020/21	
2020/21 Intangible (rounding-off correction)	(1)
Adjustment to prior period work-in-progress	25 907
Development work-in-progress current costs	(25 907)
Total prior period errors	(1)

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 2022**

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	177	-	69	-	246
Non-residential buildings	177	-	69	-	246
TOTAL TANGIBLE CAPITAL ASSETS	177	-	69	-	246

*The total expenditure for R 14 005 351.34 as reported in Note 7.1 and this includes Department's assets (portable buildings) for R 69 298.20 and payments to DPW for capital project amounting to R 13 936 053.14.

31.1 MOVEMENT FOR 2020/21**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	141	(22)	58	-	177
Non-residential buildings	141	(22)	58	-	177
TOTAL TANGIBLE CAPITAL ASSETS	141	(22)	58	-	177

*The total expenditure for R 17 662 119.09 as reported in Note 7.1 and this includes Department's assets (portable buildings) for R 35 882.70, payments to DPW for capital project amounting to R 17 626 236.39 and assets received but not yet paid (accruals) for R 21 500.00.

31.1.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
Relating to 2020/21	R'000
Recognition of 2020/21 asset accruals received in 2020/21 and paid in 2021/22	(22)
Total prior period errors	(22)

Prior year error that affected opening balance included above.

31.2 CAPITAL WORK-IN-PROGRESS**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022**

	Note	Opening balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
		R'000	R'000	R'000	R'000
Intangible assets	Annexure 6	25 907	32 371	-	58 278
TOTAL		25 907	32 371	-	58 278

Current year Work-in-Progress for buildings was not included as it is accounted for by the Department of Public Works.

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening balance 1 April 2020	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Intangible assets	Annexure 6	-	25 907	-	-	25 907
TOTAL		-	25 907	-	-	25 907

Prior year error that affected opening balance included above.

31.2.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2020/21
Relating to 2020/21	R'000
Adjustment to prior period work-in-progress	25 907
Total prior period errors	25 907

Prior year error that affected opening balance included above.

32. PRIOR PERIOD ERRORS**32.1 CORRECTION OF PRIOR PERIOD ERRORS**

		AMOUNT BEF ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
	Note	2020/21	2020/21	2020/21
		R'000	R'000	R'000
Other:				
Advances paid (not expensed)	9.1.1	7 327	1	7 328
Prepayments (expensed)	9.2.1	5 513	(1)	5 512
Advances paid (expensed)	9.3.1	3 582	(1)	3 581
Contingent liabilities	18.1.1	6 833	(24)	6 809
Capital commitment	19.1	280 875	(23 310)	257 565
Irregular expenditure	24.4	70 610	45	70 655
Fruitless & wasteful expenditure	25.5	3 251	(970)	2 281
Movable tangible capital assets	29.1.1	561 625	(711)	560 914
Minor assets	29.2.1	140 051	(734)	139 317
Intangible capital assets	30.1.1	155 230	(1)	155 229
Immovable tangible capital assets	31.1.1	199	(22)	177
Capital work-in-progress	31.2.1	-	25 907	25 907
Net effect		1 235 096	179	1 235 275

For descriptions of the nature of the prior period errors, refer to the respective notes.

33. COVID-19 RESPONSE EXPENDITURE

	Note	2021/22	2020/21
		R'000	R'000
Goods and services	Annexure 8	1 879	18 618
Total		1 879	18 618

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal Vehicle Licences*	715	-	140	855	855	-	-	-	-	-	-	776	770
TOTAL	715	-	140	855	855	-	-	-	-	-		776	770

*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				TRANSFER		2020/21
	ADJUSTED APPROPRIATION	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Licences (Radio & TV)	-	-	16	16	16	100%	137
Compensation Fund (CF)	18 040	-	-	18 040	-	-	-
Unemployment Insurance Fund (UIF)	1	-	-	1	-	-	-
Commission for Conciliation, Mediation & Arbitration (CCMA)	991 984	-	3 000	994 984	994 984	100%	935 810
Productivity SA	59 853	-	-	59 853	59 853	100%	56 309
National Economic Development & Labour Council (NEDLAC)	59 093	-	-	59 093	59 093	100%	55 478
TOTAL	1 128 971	-	3 016	1 131 987	1 113 946		1 047 734

ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION
FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
International Labour Organisation (ILO)	27 073	-	-	27 073	15 770	58%	18 471
African Regional Labour Administration Centre (ARLAC)	1 394	-	-	1 394	1 116	80%	1 086
TOTAL	28 467	-	-	28 467	16 886		19 557

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Designated Groups Special Services	24 245	-	-	24 245	20 954	86%	21 996
Strengthen Civil Society	24 122	-	(3 000)	21 122	21 045	100%	13 500
Donations & Gifts NPI	58	-	-	58	-	-	-
TOTAL	48 425	-	(3 000)	45 425	41 999		35 496

Public Employment Services (PES) transfers funds to subsidised work centres for Persons with Disabilities.

(Supported Employment Enterprises - SEE)

ANNEXURE 1D (1)

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Workcentres for the Disabled	162 266	-	-	162 266	162 266	100%	195 549
TOTAL	162 266	-	-	162 266	162 266		195 549

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave gratuity	2 824	-	4 160	6 984	6 831	98%	5 274
Exgratia payments	272	-	80	352	352	100%	841
TOTAL	3 096	-	4 240	7 336	7 183		6 115

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
	R'000	R'000
Made in kind		
Office furniture and equipment		
Rookdale Primary School	434	-
Department of Education	2 500	-
Marumofase Secondary School	51	-
Semetse	40	-
Dithebele High School	30	-
Mankgatla High School	48	-
Mohlabi Primary School	179	-
Bapo Ba Mogale Tribal	26	-
Taung Youth Centre	11	-
TOTAL	3 319	-

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 – LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2021	GUARANTEES DRAWN DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR	REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS	CLOSING BALANCE 31 MARCH 2022	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2022
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Standard Bank of SA Limited	Housing Loan Guarantee	236	236	-	-	(87)	149	-	-
Nedbank Limited (former Cape of Good Hope)	Housing Loan Guarantee	16	16	-	-	(16)	-	-	-
Nedbank limited	Housing Loan Guarantee	158	158	-	-	(158)	-	-	-
Firststrand Bank Limited: FNB	Housing Loan Guarantee	173	173	-	-	(76)	97	-	-
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	-	-
Personss Bank (former FBC Fidelity Bank)	Housing Loan Guarantee	106	106	-	-	(91)	15	-	-
Nedbank LTD Incorporation (Former FBC Personss Bank NBS)	Housing Loan Guarantee	132	132	-	-	(73)	59	-	-
Firststrand Bank Limited: FNB (former Saambou)	Housing Loan Guarantee	194	194	-	-	(135)	59	-	-
Old Mutual Bank Division of Nedbank (former PERM)	Housing Loan Guarantee	135	135	-	-	(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	1 352	1 352	-	-	(925)	427	-	-

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

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 2021	R'000				R'000
Claims against the department						
Claims: Supplier-related	312		109	-	-	421
Claims: Employee-related	339		872	-	-	1 211
Civil Claims	2 481		11 827	-	-	14 284
TOTAL	3 132		12 808	-	-	15 916

**ANNEXURE 3
CLAIMS RECOVERABLE**

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	RECEIPT DATE UP TO SIX (6) WORKING DAYS AFTER YEAR END	2021/22*
	R'000	R'000	R'000	R'000	R'000	R'000		AMOUNT R'000
Department								
Statistics South Africa	15	-	-	-	15	-		-
National Department of Health	-	3	-	-	-	3		-
National Department of Water & Sanitation	65	-	-	-	65	-		-
National Department: Rural Development and Land Reform	13	13	-	-	13	13		-
Office of the Chief Justice	-	40	-	-	-	40		-
Department Provincial Sport, Arts & Culture: Limpopo	-	32	-	-	-	32		-
Department of Health: Eastern Cape	-	100	-	-	-	100		-
Department of Health: North West	21	21	-	-	21	21		-
Treasury: Gauteng	-	32	-	-	-	32		-
Department Provincial Sport, Arts & Culture: Eastern Cape	36	-	-	-	36	-		-
Cooperative Gov. & Trad. Affairs: North West	132	-	-	-	132	-		-
Other Government Entities								
Compensation Fund (CF)	381 914	194 620	1 218	64 563	383 132	259 183		-
Unemployment Insurance Funds (UIF)	-	326 946	20 429	20 429	20 429	347 375		-
Supported Employment Enterprises (SEE)	1 930	163	-	-	1 930	163		-
Government Pensions Administrations Agency	6	-	-	-	6	-		-
NEDLAC	-	64	-	-	-	64		-
TOTAL	384 254	522 034	21 647	84 992	405 901	607 026		-

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2021/22* PAYMENT DATE UP TO SIX (6) WORKING DAYS BEFORE YEAR END AMOUNT R'000
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	
	R'000	R'000	R'000	R'000	R'000	R'000	
Departments							
Current							
Public Service and Administration	459	-	-	-	459	-	-
Office of the Public Service Commission	17	-	-	-	17	-	-
Water and Sanitation	19	-	-	-	19	-	-
Trade, Industry and Competition	106	-	-	-	106	-	-
International Relations & Cooperation	-	-	-	187	-	187	-
Justice & Constitutional Development	-	2 540	-	2 162	-	4 702	-
South African Police Service	-	88	-	-	-	88	-
Police, Roads & Transport (Free State)	-	19	-	-	-	19	-
Mineral Resources & Energy	-	40	-	-	-	40	-
TOTAL INTERGOVERNMENT PAYABLES	601	2 687	-	2 349	601	5 036	-

ANNEXURE 5 INVENTORIES

	LEARNING, TEACHING AND SUPPORT MATERIAL	MATERIALS AND SUPPLIES	OTHER SUPPLIES	INVENTORY NOT YET CLASSIFIED	TOTAL
INVENTORIES FOR THE YEAR ENDED 31 MARCH 2022	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases – Cash	-	8	-	126	134
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-	(8)	-	(126)	(134)
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	-	-	-	-	-

	LEARNING, TEACHING AND SUPPORT MATERIAL	MATERIALS AND SUPPLIES	OTHER SUPPLIES	INVENTORY NOT YET CLASSIFIED	TOTAL
INVENTORIES FOR THE YEAR ENDED 31 MARCH 2021	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
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-	(3)	-	(80)	(83)
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	(260)	-	(260)
Closing balance	-	-	-	-	-

ANNEXURE 6 MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	OPENING BALANCE	CURRENT YEAR CAPITAL WIP	READY FOR USE (ASSET REGISTER) / CONTRACT TERMINATED	CLOSING BALANCE
	R'000	R'000	R'000	R'000
SOFTWARE	25 907	32 371	-	58 278
Software	25 907	32 371	-	58 278
TOTAL	25 907	32 371	-	58 278

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	OPENING BALANCE	PRIOR PERIOD ERROR	CURRENT YEAR CAPITAL WIP	READY FOR USE (ASSET REGISTER) / CONTRACT TERMINATED	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	25 907	-	-	25 907
Software	-	25 907	-	-	25 907
TOTAL	-	25 907	-	-	25 907

ANNEXURE 7 INTER-ENTITY ADVANCES PAID (NOTE 9)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Government Communication & Information Systems (GCIS)	7 711	5 258	-	-	7 711	5 258
International Relations & Co-operation (DIRCO)	240	652	-	-	240	652
PUBLIC ENTITIES						
SA Post Office (Permit Mail)	1 157	1 418	-	-	1 157	1 418
Supported Employment Enterprises (SEE)	77	77	-	-	77	77
National School of Government	4 092	3 458	-	-	4 092	3 458
SITA	-	11	-	-	-	11
SABC	1	36	-	-	1	36
SAPO (rental)	64	-	-	-	64	-
SANRAL	90	-	-	-	90	-
Municipal Licences	144	-	-	-	144	-
TOTAL	13 576	10 910	-	-	13 576	10 910

ANNEXURE 8 COVID-19 RESPONSE EXPENDITURE

Per quarter and in total

EXPENDITURE PER ECONOMIC CLASSIFICATION					2021/22	2020/21
	Q1	Q2	Q3	Q4	TOTAL	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services						
Cons Supplies	110	445	192	415	1 162	14 582
Cons: Sta, Print & Off Sup	-	-	-	-	-	-
Fleet Services (F/Ser)	-	-	-	-	-	8
Minor Assets	-	-	-	-	-	1 120
Property Payments	56	362	165	134	717	2 875
Contractors	-	-	-	-	-	33
TOTAL COVID-19 RESPONSE EXPENDITURE	166	807	357	549	1 879	18 618







PART F
SUPPORTED
EMPLOYMENT
ENTERPRISES

DEPARTMENT OF EMPLOYMENT AND LABOUR



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, were established through a Cabinet Memorandum back in 1943. The entity was re-established in terms of the Employment Services Act, 2014, Act No. 4 of 2014, to provide employment for persons 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. The 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

The SEE managed to achieve its first indicator by increasing its current factory staff establishment by 25 additional Persons with Disabilities and had a total of 1 014 as at 31 March 2022. The SEE sales performance during 2021/22 was a -33% decline which is a slight improved performance compared to prior year of -67% decline of 2020/2021 financial year. The target on new agreements concluded was also over achieved as 6 agreements were concluded compared to 5 planned and the next step is to ensure conversion of customer contracts into realizable sales output. Although the signed agreements have been achieved, the entity still required a bigger injection in the revenue funding to be able to operate efficiently across all factories.

The financial constraints continues to cripple the entity's operations as well as potential to achieve it's mandate fully. Although the entity is expected to generate additional revenue to augment the grant allocation, the lack of support on sales poses a challenge in achieving expected sales projection and had decline in sales which imposes cash flow difficulties to the entity. The factories states continues to deteriorate while the entity is battling to secure funding for off-ramp projects on repairs and maintenance.

The entity is still functioning on a structural limitation on human resource capacity as the current structure is not adequate for the manufacturing environment SEE is operating in, especially in Finance, SCM as well as factory level. The latter is an underlying reason on the weakening control environment as well as risk of occupational health and safety compliance at factories.

Overview of the human resources

The Supported Employment Enterprises has two categories of employees. Administrative officials employed in terms of the Public Services Act operating on a structure of 159 administrative posts of which 124 are suitably filled to support the 13 Factories. These staff members are part of the Department of Employment and Labour and have been accounted for under the Department, Branch Public Employment Services.

The second category of staff consisted of 1 014 Persons with Disabilities employed under the Basic Condition of Employment Services Act and are spread across the 13 Factories.

The following tables provides the staff establishment of the SEE factory workers during the financial year and the changes that occurred during the year, employment equity profile of staff within the entity, salary bands.

SEE FACTORY STAFF ESTABLISHMENT

FACTORY	PWDS AS AT 01/04/2021	ADDITIONAL EMPLOYMENT AS AT 31/03/2022	TERMINATIONS AS AT 31/03/2022	TOTAL AS AT 31/03/2022
All factories	1036	35	57	1014

SEE EE PROFILE

PROVINCE	FACTORY	RACE				GENDER		TOTAL
		AFRICAN	COLOURED	INDIAN	WHITE	FEMALE	MALE	
Free State	Bloemfontein	32	0	0	26	23	35	58
KZN	Durban	37	4	6	29	21	56	76
	Pietermaritzburg	39	2	4	18	26	37	63
Eastern Cape	East London	43	8	1	17	24	45	69
	Port Elizabeth	33	16	1	23	31	40	73
Northern cape	Kimberley	30	28	1	9	24	44	68
Western cape	Ndabeni	43	41	0	52	53	83	136
	Epping	46	58	1	4	31	78	109
North West	Potchefstroom	29	5	0	10	20	24	44
Limpopo	Seshego	39	0	0	0	21	18	39
Gauteng	Pretoria	64	2	0	33	38	61	99
	Rand	60	14	0	33	66	41	107
	Springfield	39	15	0	19	20	53	73
TOTAL								1014

SEE POST LEVEL STRUCTURE

SUPPORTED EMPLOYMENT ENTERPRISES POST LEVEL STRUCTURE

POST LEVEL	2018/2019 WAGES	INCREASE 5.3%	2019/2020 WAGES	2020/2021 0%	INCREASE 1.5%	2021/2022 WAGES
6	R6 410.79	R3 39.77	R6 750.56	R6 750.56	R1 01.26	R6 851.82
5	R5 882.24	R3 11.76	R6 194.00	R6 194.00	R92.91	R6 286.91
5	R5 763.81	R3 05.48	R6 069.29	R6 069.29	R91.04	R6 160.33
4	R5 645.38	R2 99.20	R5 944.58	R5 944.58	R89.17	R6 033.75
4	R5 526.95	R2 92.93	R5 819.88	R5 819.88	R87.30	R5 907.18
3	R5 408.52	R2 86.65	R5 695.17	R5 695.17	R85.43	R5 780.60
2	R5 290.08	R2 80.37	R5 570.45	R5 570.45	R83.56	R5 654.01
1	R5 171.66	R2 74.10	R5 445.76	R5 445.76	R81.69	R5 527.45
1	R5 053.27	R2 67.82	R5 321.09	R5 321.09	R79.82	R5 400.91

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 as well as additional income generated from sale of goods that are manufactured across all factories.

The grant allocation for 2021/2022 amounted to R162 266 000 which amounts to 72% of SEE revenue. Remaining 28% was generated through conversion of the current MOU largely with Western Cape Provincial Health Department for provision of hospital textile section.

The entity is still pursuing provincial departments of both Health and Education to participate in the existing MOUs with both National Departments of Health and Education ending in 2025, to augment current budget sales revenue. The current MOU Western Cape Provincial Health Department is in its third year of the contract ending in 2023.

The entity is continuing to experience gross loss on sale of goods due to high fixed and variable manufacturing costs incurred in conversion of stock. The main costs drivers in conversion of stock is as a results of direct material, direct labour and variable/fixed costs. The entity aims to embark on cost conversion analysis in 2022/2023 financial year to ensure costs allocation is addressed adequately through SYSPRO enhancement project. Procurement of raw material still remains a challenge in cutting down expenses. The salary bill for both factory workers as well as administrative officials still remains the highest operational expenditure for SEE amounting to R156 891 070 which accounts for over 97% grant allocation with little funds left for administrative expenses.

SUPPORTED EMPLOYMENT ENTERPRISES REVENUE

REVENUE	2021/2022			2020/2021		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION
	R	R	R	R	R	R
Sale of goods and services other than capital assets	41 884 301	28 647 993	13 236 308	207 793 039	41 891 762	165 901 277
Transfers received	162 271 000	162 266 000	5 000	153 049 000	153 049 000	-
Services in kind	-	32 542 015	-32 542 015	-	34 960 761	- 34 960 761
Grant income	20 479 911	184 511	20 295 400	111 828	42 843 559	- 42 731 731
Interest, dividends and rent on land	1 563 957	1 536 862	27 095	15 742 304	1 010 269	14 732 035
Total	226 199 169	225 177 381	1 021 788	376 696 171	273 755 351	102 940 820

REASONS FOR OVER/UNDER COLLECTION OF REVENUE

TOTAL REVENUE RECEIVED	2021/22	2020/21	VARIANCE	VARIANCE %	REASONS FOR VARIANCES
	R	R	R		
Sale of goods and services other than capital assets	28 647 993	41 891 762	-13 243 769	-33%	Less sales orders in 2021/2022 financial year than anticipated minimal orders received
Transfer Received	162 266 000	153 049 000	9 217 000	6%	An increase in transfer received in 2021/2022 to increase the baseline.
Services In Kind	32 542 015	34 960 761	-2 418 746	-7%	Difference is due to two additional officials accounted for as services in kind as well as minimal expected increase
Grant Income	184 511	42 843 559	-42 659 048	-99%	Conditional Grant received in 2020/2021 as bail out to the entity as well as MERSETA
Interest, dividends and rent on land	1 536 862	1 010 269	526 593	52%	Minimal interest received due to less cash reserves in the bank

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 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 received in the 2020/21 financial year 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 overheads 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.

SUPPORTED EMPLOYMENT ENTERPRISES EXPENDITURE

EXPENDITURE	2021/2022			2020/2021		
	FINAL BUDGET R	ACTUAL EXPENDITURE R	(OVER)/UNDER EXPENDITURE R	FINAL BUDGET R	ACTUAL EXPENDITURE R	(OVER)/UNDER EXPENDITURE R
Factory Salaries	114 459 773	30 664 171	83 795 602	130 887 012	21 474 944	109 412 068
Admin Salaries	61 166 939	126 226 899	-65 059 960	45 458 076	128 353 591	-82 895 515
Manufacturing Cost	47 372 311	69 782 137	-22 409 826	170 975 893	67 823 106	103 152 787
Operational Cost	21 772 393	90 497 330	2 275 063	29 375 190	27 054 101	2 321 089
Total	244 771 416	246 170 537	-1 399 121	376 696 171	*244 705 742	131 990 429

*The individual and the total expenditure of the prior year was resated based on the current years financial statement

Factory salaries were under spent due to reclassification of idle time salaries accounted for under admin salaries in terms of GRAP. Admin salaries reflects over spent due to latter to adhere to GRAP requirements. The overall salary budget was not overspent. Manufacturing costs were over spent due to the change in the allocation of fixed and variable manufacturing overheads. Also, services in kind expenditure in respect of the rental leases recognised was not budgeted for. Operational cost reflects an under spending mainly due to the decrease in depreciation due to the reassessment of the useful lives of assets as well as the derecognition of the depreciation on assets that were not installed.

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 2021/2022.

- **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 in 2021/2022 financial year.

- **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.

The entity does have SCM processes and systems in place to detect irregular, fruitless and wasteful expenditure. There is a need to improve on preventative controls as entity continues to experience instances of irregular, fruitless and wasteful expenditure. All procurements completed are aligned to an approved demand plan as well as procurement plan. SCM policy needs to be reviewed to be aligned with the latest changes in laws and regulations.

SCM is still experiencing under capacitation in human resource as well as budget constraints to implement training for SCM that officials are required by National Treasury prescripts. The Deputy Director SCM position became vacant , after the newly appointed official resigned. An Acting and Acting Deputy Director was appointed to address the gap.

- **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 2021/2022 financial year under review.

- **Exemptions and deviations received from the National Treasury**

There were no exemption and/or deviations granted by National Treasury in 2021/2022 financial year.

- **Events after the reporting date**

SEE closed Durban factory in 2022/2023 financial year due to factory not being Operational since the natural disaster in 2017. The closure came subsequent to discussion and agreement with the Union to allow for and implementation of salary increase in 2021/2022 financial year. The event of the closure happened subsequent to reporting date and considered non-adjusting event.

- **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 2022.

- **Approval and sign off**

The Annual Financial Statements for the 2021/2022 financial year are hereby approved by the Accounting Officer.



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T LAMATI
DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

Date: 22/08/2022

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 F2) 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 2022.



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T LAMATI
DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

Date: 22/08/2022

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 Report on the audit of the annual performance report section of the auditor's report.

Refer to page 195 - 196 of the Report of the Auditor General, published as Part SEE: 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).

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 Persons 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 DEL 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 DEL 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 DEL 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.

PRIOR MODIFICATIONS TO AUDIT REPORTS

The Supported Employment Enterprises has received qualified audit opinion emanating from below qualification paragraphs relating to prior year audit opinion modifications.

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 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.</p> <p>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.</p>	2018/19)	The entity is in the process of implementing 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>Inventories:</p> <p>The Auditor-General 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.</p>	2018/19	The review of run times capture on the 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>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. I was unable to determine the impact on the net carrying amount of assets as it was impracticable to do so. Consequently, I 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	Resolved
<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. I was unable to determine the full extent of the misstatement as it was impracticable to do so.</p>	2018/19	Resolved

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.

Objective: 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 DEL: 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 2022	N/A
				To increase revenue to 40% by 2025	Not achieved -33% Actual sales of R28 487 358 against last year's sales of R41 744 234	Negative variance, Order of R52 million in total from N/West Provincial Education Dept. was amended causing delays for delivery in Q4
				Increase SEE's market share	Achieved 6 customer agreements entered into by the end of March 2022	Improved marketing resulted in one additional agreement entered into

4. SEE PERFORMANCE INFORMATION

Purpose: The SEE is established in terms of the Employment Services Act to provide employment for persons 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.

Division

- **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 Persons with Disabilities
- Increase sales revenue
- Increase SEE's market share

PERFORMANCE INDICATORS

OBJECTIVE ECONOMIC TRANSFORMATION AND JOB CREATION									
DEL OUTCOME: CONTRIBUTE TO DECENT EMPLOYMENT CREATION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS	
Provide additional job opportunities for Persons 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	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	25 additional persons with disabilities employed in the SEE factories by the end of March 2022	Achieved 25 additional persons with disabilities employed in the SEE factories by the end of March 2022	N/A	N/A	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 67%	Not achieved -67% Actual sales R41 865 234 against last year's sales of R128 122 846	5% annual increase of sales revenue from goods and services by the end of March 2022	Not achieved -33% Actual sales of R28 487 358 against last year's sales of R41 744 234	Achieved Actual sales are R28 487 358 against last year's sale of R41 44 234	Negative variance, Order of 52 million in total from N/West Provincial Education Dept. was amended causing delays for delivery in Q4	
Increase SEE's market share	SEE's market share increased and sustained	Number of customer agreements entered into annually	None	Achieved 3 customer agreements entered into by the end of March 2021	5 customer agreements entered into by the end of March 2022	Achieved 6 customer agreements entered into by the end of March 2022	1	Improved marketing resulted in one additional agreement entered into	



PART F 2
FINANCIAL
INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

The accounting officer 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 accounting officer 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 external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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 upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the entity and place 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 deficit 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 accounting officer 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 accounting officer has reviewed the entity's cash flow forecast for the year to 31 March 2023 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 wholly 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 entity 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 199-248, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2022 and were signed on its behalf by:



.....
Mr T Lamati

Accounting Officer

Date: 22/08/2022

PART F2: FINANCIAL INFORMATION

GENERAL INFORMATION	
Country of incorporation and domicile	South Africa
Legal form of entity	Entity under the Department of Employment and Labour in terms of Employment Service Act (Act No. 4 of 2014)
Nature of business and principal activities	Manufacturing of textiles, wood, metal products and office furniture. Supply of linen and protective clothing. Repairs and maintenance services on various products produced.
Business address	221 Moreleta Street Silverton Pretoria 0127
Postal address	Private Bag X713 Silverton Pretoria 0127
Bankers	Standard Bank
Auditors	Auditor-General of South Africa
Chief Executive Officer	Phakathi S
Chief Financial Officer	Sebaka M

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2022

The reports and statements set out below comprise the annual financial statements presented:

Report of the Accounting Officer on the Supported Employment Enterprises and Approval

Statement of Financial Position

Statement of Financial Performance

Statement of Changes in Net Assets for the year ended 31 March 2022

Cash Flow Statement

Statement of Comparison of Budget and Actual Amounts

Accounting Policies

Notes to the Annual Financial Statements

ABBREVIATIONS USED:

GRAP	Generally Recognised Accounting Practice
SARS	South African Revenue Services
NRV	Net Realisable Value
PFMA	Public Finance Management Act
SEE	Supported Employment Enterprises

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 199 to 248, which comprise the statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for 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 2022, 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 and cost of sales

3. I was unable to obtain sufficient appropriate evidence that inventories and cost of sales for the current and previous year had been properly accounted for, due to the status of the accounting records, as evidence of the previous year's production times could not be provided. I could not confirm production times by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to:
 - inventories, stated at R63,5 million (2021: R67,5 million) in the statement of financial position and note 2 to the financial statements and
 - cost of sales, stated at R99,9 million (2021: R84 million) in the statement of financial performance and note 13 to the financial statements.
4. Additionally, incorrect production times were used in the allocation of costs, resulting in the misstatement of:
 - finished goods, stated at R10,9 million (2021: R14,1 million) in note 2 to the financial statements
 - direct labour stated at R2,4 million (2021: R2,3 million) in note 13 to the financial statements,
 - variable manufacturing overheads stated at R10.4 million (2021: R8,4 million), in note 13 to the financial statements and
 - fixed manufacturing overheads stated at R61,2 million (2021: R47,4 million) in note 13 to the financial statements
5. The misstatements indicated above also impacted the inventory write down to net realisable value stated at R6,5 million (2021: R5,9 million) in note 2 to the financial statements, and there was also a resultant impact on the deficit for the year and on the accumulated surplus.

Receivables from exchange transactions

6. The trading entity did not correctly account for receivables from exchange transactions in accordance with GRAP 9, Revenue from exchange transactions. The entity did not adequately reconcile the individual receivable balances, resulting in misstatement of debtors' balances. I was unable to determine the full extent of the misstatement of receivables from exchange transactions stated at R8,5 million in the statement of financial position as it was impractical to do so.

Payables from exchange transactions

7. The trading entity did not correctly account for payables from exchange transactions stated at R17,9 million in the financial statements, as deposits received were not allocated to debtors' accounts after deliveries were made. Consequently, receivables from exchange transactions and payables from exchange transactions are overstated by R4,1 million.

Operating expenses

8. I was unable to obtain sufficient appropriate evidence that the corresponding amount for operating expenses had been properly accounted for, due to the status of the accounting records, as the amount stated in the statement of financial performance was adjusted by R5,7 million for which no underlying supporting schedules and supporting documentation were provided. I could not confirm other operating expenses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the operating expenses stated at R155,4 million.

Non-current assets

9. In addition to the individually material uncorrected misstatements, non-current assets are materially misstated by R2,4 million due to the cumulative effect of individually immaterial uncorrected misstatements in property plant and equipment and receivables from non-exchange transactions.
- Property, plant and equipment stated at R86,3 million was overstated by R1,3 million.
 - Non-current receivables from exchange transactions stated at R1,1 million was overstated by R1,1 million.

Context for the opinion

10. 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.
11. 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.
12. 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

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. 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

15. 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.
16. 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

17. 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 objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. 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.
19. 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 objective presented in the trading entity's annual performance report for the year ended 31 March 2022:

Objective	Pages in the annual performance report
Objective: Economic transformation and job creation	188 - 189

20. 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.

21. The material findings on the usefulness and reliability of the performance information of the selected objective are as follows:

Indicator - Number of additional persons with disabilities employed in the SEE factories by the end of March

22. The achievement of 25 was reported against a target of 25 in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement.

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

24. Refer to the annual performance report on pages 188 to 189 for information on the achievement of planned targets for the year and management explanations provided for the under 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 22 of this report.

Report on the audit of compliance with legislation

Introduction and scope

25. 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.

26. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

27. 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.

28. Material misstatements of contingencies disclosure note, statement of comparison of budget and actual amounts, risk management disclosure note and cash flow statement, 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.

Expenditure management

29. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R0,7million, as disclosed in note 34 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 fruitless and wasteful expenditure was caused by the write off of inventories.

Revenue management

30. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Consequence management

31. 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 investigations into fruitless and wasteful expenditure were not performed.

Procurement and contract management

32. 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). Similar non-compliance was also reported in the prior year.

Other information

33. 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 presented in the annual performance report that have been specifically reported in this auditor's report.
34. 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.
35. 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 objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
37. 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

38. 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, the findings on the performance report and the findings on compliance with legislation included in this report.
39. The accounting officer did not ensure that consequence management is implemented on those who fail to implement the designed internal controls of the entity.
40. Management did not adequately review the financial statements and annual performance report to ensure reliable reporting.
41. Preventative controls were not implemented to ensure compliance with applicable laws and regulations, as instances of non-compliance were identified during the audit process.

Auditor-General

Pretoria

31 July 2022



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 objective 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.

**SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022			
	NOTE(S)	2022 R	2021 RESTATED* R
Assets			
Current Assets			
Inventories	2	63 460 752	67 535 342
Receivables from exchange transactions	3	8 485 418	10 005 741
Cash and cash equivalents	5	21 610 664	29 197 312
		93 556 834	106 738 395
Non-Current Assets			
Property, plant and equipment	6	86 327 345	90 353 261
Intangible assets	7	6 394	22 633
Receivables from non-exchange transactions	4	1 092 000	1 092 000
		87 425 739	91 467 894
Total Assets		180 982 573	198 206 289
Liabilities			
Current Liabilities			
Finance lease obligation	8	223 988	124 810
Payables from exchange transactions	9	17 867 008	13 564 426
VAT payable	10	107 963	60 649
Provisions for bonuses	11	-	651 590
		18 198 959	14 401 475
Non-Current Liabilities			
Finance lease obligation	8	-	28 048
Total Liabilities		18 198 959	14 429 523
Net Assets		162 783 614	183 776 766
Accumulated surplus		162 783 607	183 776 765
Total Net Assets		162 783 607	183 776 765

**SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS**
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

STATEMENT OF FINANCIAL PERFORMANCE			
	NOTE(S)	2022	2021
		R	RESTATED*
			R
Revenue from exchange transactions	12	28 487 358	41 744 234
Cost of sales	13	(99 853 610)	(84 001 185)
Gross deficit		(71 366 254)	(42 256 951)
Revenue from Non - exchange transactions			
Service in kind- revenue	22	32 542 015	34 960 761
Other Income		160 635	147 528
Grant income		184 511	42 843 559
Interest income	14	1 536 862	1 010 269
Transfers		162 266 000	153 049 000
Total revenue from non-exchange transactions		196 690 023	232 011 117
Operating expenses	39	(145 724 229)	(155 407 692)
Operating (deficit)/surplus	15	(20 400 460)	34 346 474
Finance costs	17	(14 486)	(50 373)
Movement of NRV	2	(578 212)	(5 246 492)
		(592 698)	(5 296 865)
(Deficit) surplus for the year		(20 993 158)	29 049 609

**SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2022		
	ACCUMULATED SURPLUS / DEFICIT	TOTAL NET ASSETS
	R	R
Opening balance as previously reported	145 334 843	145 334 843
Adjustments		
Prior year adjustments - Refer to note 30	9 392 313	9 392 313
Balance at 01 April 2020 as restated*	154 727 156	154 727 156
Surplus for the year		
	29 049 609	29 049 609
Total changes	29 049 609	29 049 609
Restated* Balance at 01 April 2021	183 776 765	183 776 765
Deficit for the year		
	(20 993 158)	(20 993 158)
Total changes	(20 993 158)	(20 993 158)
Balance at 31 March 2022	162 783 607	162 783 607

CASH FLOW STATEMENT			
	NOTE(S)	2022 R	2021 RESTATED* R
Cash flows from operating activities			
Receipts			
Sale of goods and services		30 007 681	67 538 870
Grants		162 450 511	195 892 559
Interest income		1 070 799	1 010 269
Other receipts		160 635	62 541
		193 689 626	264 504 239
Payments			
Employee costs		(117 799 532)	(130 163 070)
Suppliers		(83 235 202)	(82 874 447)
Finance costs		(14 486)	(50 374)
		(201 049 220)	(213 087 891)
Net cash flows from operating activities	25	(7 359 594)	51 416 348
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(298 184)	(25 532 368)
Cash flows from financing activities			
Finance lease payments		71 130	43 020
Net increase/(decrease) in cash and cash equivalents		(7 586 648)	25 927 000
Cash and cash equivalents at the beginning of the year		29 197 312	3 270 312
Cash and cash equivalents at the end of the year	5	21 610 664	29 197 312

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS						
BUDGET ON ACCRUAL BASIS						
	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	REFERENCE
	R	R	R	R	R	NOTE 36
Statement of Financial Performance:						
Revenue						
Sale of goods	41 754 095	-	41 754 095	28 474 192	(13 279 903)	
Rendering of services	-	-	-	13 166	13 166	
Service in kind	-	-	-	32 542 015	32 542 015	
Commissions received	50 000	(4 160)	45 840	-	(45 840)	
Canteen revenue	25 000	-	25 000	160 635	135 635	
Grant income	17 500 000	2 979 911	20 479 911	184 511	(20 295 400)	
Other income	4 000 000	(3 940 634)	59 366	-	(59 366)	
Transfers and sponsorships	149 067 000	13 204 000	162 271 000	162 266 000	(5 000)	
Interest received	8 350 000	(6 786 043)	1 563 957	1 536 862	(27 095)	
Total revenue from	220 746 095	5 453 074	226 199 169	225 177 381	(1 021 788)	
exchange transactions						
Expenditure						
Employee cost	(167 519 499)	(8 107 213)	(175 626 712)	(156 891 070)	(18 735 642)	
Depreciation and amortisation	(9 770 000)	-	(9 770 000)	(3 157 534)	(6 612 466)	
Impairment loss/ Reversal of impairments	-	-	-	(1 162 585)	(1 162 585)	
Finance costs	(25 000)	-	(25 000)	(14 486)	(10 514)	
Lease rentals on operating lease	(150 000)	(427 311)	(577 311)	(528 788)	(48 523)	
Allowance for debt impairment	-	-	-	(1 142 231)	(1 142 231)	
Cost of sales adjustments	-	-	-	(2 320 343)	(2 320 343)	
General expenses	(43 276 597)	(15 495 796)	(58 772 393)	(80 375 288)	(21 602 895)	
Total expenditure	(220 741 096)	(24 030 320)	(244 771 416)	(245 592 325)	(820 909)	
Operating deficit	4 999	(18 577 246)	(18 572 247)	(20 414 944)	(1 842 697)	
Loss on disposal of assets and liabilities	-	-	-	(2)	(2)	
Inventories losses/write-downs	-	-	-	(578 212)	(578 212)	
	-	-	-	(578 214)	(578 214)	
Deficit before taxation	-	(18 577 246)	(18 577 246)	(20 993 158)	(2 415 912)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	(18 577 246)	(18 577 246)	(20 993 158)	(2 415 912)	

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022

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. They are presented in South African Rand.

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

These accounting policies are consistent with the previous period.

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 is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

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

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 receivables, 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

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.

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Provisions

Definition

A provision is a liability of uncertain timing or amount. Liabilities are present obligations, arising from past events, the settlement of which is expected to result in an outflow of economic benefits or service potential.

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11- Provisions.

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

1.3 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets the asset acquired is initially measured at fair value (the cost). 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.

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1.3 Property, plant and equipment (continued)

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 on the straight-line basis over their expected useful lives to their estimated residual value.

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

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Appliances	Straight-line	5 - 40 years
Buildings	Straight-line	10 - 40 years
Computer equipment	Straight-line	3 - 25 years
Furniture and fittings	Straight-line	12 - 75 years
Leased assets	Straight-line	3 years
Office equipment	Straight-line	8 - 75 years
Plant and machinery	Straight-line	10 - 75 years
Motor vehicles	Straight-line	5 - 15 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).

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

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

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

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

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided on 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

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

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Computer software	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 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.

1.5 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.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.5 Financial instruments (continued)

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 guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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 counter party 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

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.5 Financial instruments (continued)

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.

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1.5 Financial instruments (continued)

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.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.6 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.

1.6 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.

1.7 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.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.7 Inventories (continued)

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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Discontinued Operations

Discontinued operation is a component of an entity that has been disposed of and:

- represents a distinguishable activity, group of activities or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a distinguishable activity, group of activities or geographical area of operations; or
- is a controlled entity acquired exclusively with a view to resale.

A component of an entity is the operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.

1.9 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 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 an entity's objective of using the asset.

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1.9 Impairment of cash-generating assets (continued)

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

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

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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1.9 Impairment of cash-generating assets (continued)

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

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

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

1.10 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 an entity's objective of using the asset.

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

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

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 Non-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.

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

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

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

Reversal of an impairment loss

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

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

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.

1.11 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Termination benefits are employee benefits payable as a result of either:

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

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 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 cellphones) for current employees.

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

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

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

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.11 Employee benefits (continued)

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 and state plans as a defined contribution 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.

1.12 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 28 - Contingencies

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

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

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

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.13 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments 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 27 - Commitment

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.

1.14 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

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.14 Revenue from exchange transactions (continued)

Interest

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.

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

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

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

1.15 Revenue from non-exchange transactions

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

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 taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Services in-kind

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

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period in Note 22.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.16 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.

1.17 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 and all surplus (deficit) 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.18 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.

1.19 Borrowing costs

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

1.20 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.

1.21 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 30 prior year reclassified and/or adjusted figures. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.22 Fruitless and wasteful expenditure

Fruitless 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 34** - Fruitless and wasteful expenditure

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.23 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.

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 35 - Irregular expenditure

1.24 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 01/04/2021 to 31/03/2022.

1.25 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).

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.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2022 (CONTINUED)

1.25 Related parties (continued)

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

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

1.26 Events after reporting date

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

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

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

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

1.27 Change in accounting policies and errors

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 and errors retrospectively.

1.27 Change in estimates

The effect of a change in an accounting estimate, other than a change to which paragraph .39 applies, shall be recognised prospectively by including it in surplus or deficit in:

- (a) the period of the change, if the change affects that period only; or
- (b) the period of the change and future periods, if the change affects both.

.39 To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or item of net assets in the period of the change.

The entity accounts for the change in accounting estimates prospectively.

**SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Inventories

NOTE(S)	2021/22 R	2020/21 R
Raw materials and components	58 999 788	59 294 843
Finished goods	10 906 558	14 107 881
Inventory clearing account	10 171	10 171
	69 916 517	73 412 895
Inventory write down to net realisable value	(6 455 765)	(5 877 553)
	63 460 752	67 535 342

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.

Included in inventory balance is goods dispatched not yet invoiced amounting to R1 728 101.

Inventory pledged as security

No inventory was pledged as security.

3. Receivables from exchange transactions

	2021/22 R	2020/21 R
Trade receivables	22 720 408	23 141 183
Sundry receivables	36 560	4 051
Prepayments	438 870	431 970
Impairment of debtors	(14 713 694)	(13 571 463)
Housing debtors	3 274	-
	8 485 418	10 005 741
Trade debtors past due but not impaired is as follows:		
0 - 30 Days	7 953 827	10 152 011
31 - 60 Days	22 535	472 485
61 - 90 Days	30 582	(13 640)
91 - 120 days	-	-
Greater than 120 days Terms and conditions	-	-
	8 006 944	10 610 856

Trade and other receivables impaired

As of 31 March 2022, trade and other receivables of R14 713 694 (2021: R 13 571 463) were impaired and provided for.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Receivables from exchange transactions (continued)

THE AGEING OF THESE RECEIVABLES IS AS FOLLOWS:	2021/22 R	2020/21 R
Current (0-30 Days)	29 808	-
31 - 60 Days	137 411	-
61 - 90 Days	3 146	213 451
91-120 Days	157 153	2 208 871
Greater than 120 Days	14 386 170	11 149 141
	14 713 688	13 571 463

RECONCILIATION OF ALLOWANCE FOR IMPAIRMENT OF TRADE DEBTORS FROM EXCHANGE TRANSACTIONS	2021/22 R	2020/21 R
Opening balance	13 571 463	10 624 988
Increase/ (decrease) in allowance for impairment	1 142 231	2 946 475
	14 713 694	13 571 463

4. Receivables from non-exchange transactions

Other receivables from non-exchange	1 092 000	1 092 000
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The entity recognised a debtor in 2021/2022 financial year due to overpayment to a supplier. Entity is in the process of recovering the overpayment

5. Cash and cash equivalents

CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash on hand	24 589	25 922
Bank balances	21 586 075	29 171 390
	21 610 664	29 197 312

The entity holds the amount in its account which relates to grants from Department of Employment and Labour for which the conditions of recognition have not yet been met.

Except for cash and cash equivalents not available for use no other cash and cash equivalents are held as security for liabilities.

**SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Property, plant and equipment

	2022			2021		
	COST / VALUATION R	ACCUMULATED DEPRECIATION- AND ACCUMULAT- ED IMPAIRMENT R	CARRYING VALUE R	COST / VALUATION R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Buildings	2 273 867	(182 033)	2 091 834	2 273 867	(136 556)	2 137 311
Plant and machinery	50 251 054	(9 739 833)	40 511 221	50 241 954	(6 985 719)	43 256 235
Furniture and fittings	2 776 948	(610 807)	2 166 141	2 726 929	(548 190)	2 178 739
Motor vehicles	10 384 485	(2 433 772)	7 950 713	10 384 485	(1 499 167)	8 885 318
Office equipment	876 826	(138 934)	737 892	947 027	(123 769)	823 258
Computer equipment	4 130 194	(1 261 797)	2 868 397	3 911 519	(993 639)	2 917 880
Appliances	2 050 313	(201 548)	1 848 765	2 033 420	(145 756)	1 887 664
Leased assets	1 236 195	(1 167 807)	68 388	1 255 316	(1 072 454)	182 862
Work in Progress	28 083 994	-	28 083 994	28 083 994	-	28 083 994
Total	102 063 876	(15 736 531)	86 327 345	101 858 511	(11 505 250)	90 353 261

Reconciliation of property, plant and equipment - 2022

	OPENING BALANCE R	ADDITIONS R	OTHER CHANGES, MOVEMENTS R	DEPRECIATION R	IMPAIRMENT LOSS R	TOTAL R
Buildings	2 137 311	-	-	(45 477)	-	2 091 834
Plant and machinery	43 256 235	9 100	(1 000)	(1 690 462)	(1 062 652)	40 511 221
Furniture and fittings	2 178 739	50 227	-	(57 455)	(5 370)	2 166 141
Motor vehicles	8 885 318	-	-	(934 605)	-	7 950 713
Office equipment	823 258	-	(17 361)	(15 065)	(52 940)	737 892
Computer equipment	2 917 880	238 857	-	(268 158)	(20 182)	2 868 397
Appliances	1 887 664	-	17 261	(50 959)	(5 201)	1 848 765
Leased assets	182 862	-	(19 121)	(95 353)	-	68 388
Work in progress	28 083 994	-	-	-	-	28 083 994
	90 353 261	298 184	(20 221)	(3 157 534)	(1 146 345)	86 327 345

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Property, plant and equipment (continued)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2021	OPENING BALANCE R	ADDITIONS R	ASSET DERECOGNITION R	OTHER CHANGES, MOVEMENTS R	DEPRECIATION R	TOTAL R
Buildings	2 182 788	-	-	-	(45 477)	2 137 311
Plant and machinery	38 809 221	6 496 025	(401 427)	42 535	(1 690 119)	43 256 235
Furniture and fittings	2 403 361	8 980	(136 953)	(40 003)	(56 646)	2 178 739
Motor vehicles	9 819 923	-	-	-	(934 605)	8 885 318
Office equipment	824 562	5 502	(9 168)	18 755	(16 393)	823 258
Computer equipment	2 930 689	255 541	(19 821)	(2 944)	(245 585)	2 917 880
Appliances	1 978 711	-	(40 088)	-	(50 959)	1 887 664
Leased assets	128 976	229 526	-	7 341	(182 981)	182 862
Work in progress	9 547 200	18 536 794	-	-	-	28 083 994
Total	68 625 431	25 532 368	(607 457)	25 684	(3 222 765)	90 353 261

Pledged as security

No items of property plant and equipment were pledged as security

Building

The Human Resource office was constructed by on land that belong to the department of Public Works.

Impairment losses

Impairment losses are included in the cost of sales as well as the line item named 'depreciation and impairments' in the operating expenditure disclosure.

REPAIRS AND MAINTENANCE EXPENDITURE	2021/22 R	2020/21 R
Plant and machinery	512 357	432 811

ASSETS SUBJECT TO FINANCE LEASE (NET CARRYING AMOUNT)	2021/22 R	2020/21 R
Leased assets - Office equipment	68 388	182 862

RECONCILIATION OF WORK-IN-PROGRESS 2022	PLANT AND MACHINERY R	APPLIANCES R	TOTAL R
Opening balance	28 074 475	9 519	28 083 994

**SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Property, plant and equipment (continued)

RECONCILIATION OF WORK-IN-PROGRESS 2021	PLANT AND MACHINERY	APPLIANCES	TOTAL
	R	R	R
Opening balance	9 547 200	-	9 547 200
Additions/capital expenditure	18 527 275	9 519	18 536 794
	28 074 475	9 519	28 083 994

Expenditure incurred to repair and maintain property, plant and equipment	2021/22	2020/21
	R	R
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance	512 357	432 811
General expenses	512 357	432 811

7. Intangible assets

	2021/22			2020/21		
	COST / VALUATION	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Computer software	48 719	(42 325)	6 394	48 719	(26 086)	22 633

Reconciliation of intangible assets - 2022

	OPENING BALANCE	AMORTISATION	TOTAL
	R	R	R
Computer software	22 633	(16 239)	6 394

Reconciliation of intangible assets - 2021

	OPENING BALANCE	AMORTISATION	TOTAL
	R	R	R
Computer software	38 873	(16 240)	22 633

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. Finance lease obligation

MINIMUM LEASE PAYMENTS DUE	2021/22 R	2020/21 R
-within one year	25 326	136 590
-in second to fifth year inclusive	-	28 048
	25 326	164 638
less: future finance charges	-	(10 204)
Present value of minimum lease payments	25 326	154 434
Present value of minimum lease payments due		
-within one year	25 326	126 386
-in second to fifth year inclusive	-	28 048
	25 326	154 434
Non-current liabilities	-	28 048
Current liabilities	223 988	124 810
Total	223 988	152 858

It is entity's policy to lease certain property, motor vehicles and equipment under finance leases.

The average lease term was 3-5 years and the average effective borrowing rate was 10% (2021: 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

	2021/22 R	2020/21 R
Trade payables	1 490 294	1 138 533
Income received in advance	300 651	1 541 682
Stabilisation fund	106 541	106 541
Medical account	204 845	204 845
Accrued leave pay	4 505 272	4 454 016
Accruals	6 515 607	6 118 809
Deposits received	4 743 798	-
	17 867 008	13 564 426

**SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. Payables from exchange transactions (continued)

Medical Account

Prior to entity contracting with Makoti Medical Aid, some factory workers were making individual medical cost contributions on a monthly basis for medical expenses. This was ceased in 2019 when Makoti Medical Aid was introduced for all factory workers. The remaining contributions were never fully claimed by the workers who contributed and remains a liability to the entity.

Stabilisation funds

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.

10. VAT payable

	2021/22 R	2020/21 R
VAT	107 963	60 649

11. Provisions for bonuses

Provisions	-	651 590
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RECONCILIATION OF PROVISIONS FOR BONUSES - 2022	OPENING BALANCE R	UTILISED DURING THE YEAR R	TOTAL R
Provision	651 590	(651 590)	-

RECONCILIATION OF PROVISIONS FOR BONUSES - 2021	OPENING BALANCE R	ADDITIONS R	TOTAL R
Provision	424 299	227 291	651 590

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12. Revenue from exchange transaction

	2021/22 R	2020/21 R
Sale of goods	28 474 192	41 190 485
Rendering of services	13 166	553 749
	28 487 358	41 744 234

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods	28 474 192	41 190 485
Rendering of services	13 166	553 749
	28 487 358	41 744 234

13. Cost of sales

	2021/22 R	2020/21 R
Opening inventory	13 977 413	12 815 923
Direct Material	23 537 139	26 698 656
Direct Labour	2 419 514	2 337 224
Variable Manufacturing overheads	10 413 913	8 368 185
Fixed Manufacturing overheads	61 243 316	47 394 025
Stock Adjustment	(775 158)	364 585
Closing inventory	(10 962 527)	(13 977 413)
	(99 853 610)	(84 001 185)

14. Interest income

	2021/22 R	2020/21 R
Interest revenue		
Bank	1 070 799	416 834
Trade and other receivables	466 063	593 435
	1 536 862	1 010 269

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15. Operating (deficit) surplus

Operating (deficit) surplus for the year is stated after accounting for the following:

Operating lease charges

Equipment

	2021/22 R	2020/21 R
Contractual amounts	1 106 098	593 435
Impairment on property, plant and equipment	1 146 345	-
Reversal of impairment on intangible assets	(16 240)	(12 240)
Depreciation on property, plant and equipment	3 157 534	3 222 765
Employee costs	156 891 070	149 828 535

16. Lease rentals on operating lease

	2021/22 R	2020/21 R
Equipment		
Contractual amounts	1 106 098	771 750

17. Finance costs

	2021/22 R	2020/21 R
Finance leases	8 766	29 274
Interest and penalties on late payments	5 720	21 099
	14 486	50 373

18. Auditors' remuneration

	2021/22 R	2020/21 R
Fees	2 357 312	2 106 483

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19. Other income

	2021/22 R	2020/21 R
Service in kind- revenue	32 542 015	34 960 761
Other income -revenue from exchange transactions	160 635	147 528
Grant income	184 511	42 843 559
Transfers (Department of Employment and Labour)	162 266 000	153 049 000
	195 153 161	231 000 848

Revenue from exchanges transactions follows:

Canteen Services	243	19 395
Commission received	51 468	43 246
Discount received	108 925	84 986
	160 636	147 627

Revenue from non-exchanges transactions follows: Taxation revenue

Grant income	184 511	42 843 559
Transfers (Department of Employment and Labour)	162 266 000	153 049 000
Service in Kind- Revenue	32 542 015	34 960 761
	194 992 526	230 853 320

20. Employee related costs

	2021/22 R	2020/21 R
Salaries, allowances and bonuses	156 891 070	149 828 535

key management

Ms M Sebaka - Chief Financial Officer	1 073 187	961 458
Annual Remuneration		
Ms Sebaka was acting CFO from 05 May 2020 and was appointed from 01 November 2021		
Mr V Pillay - Director: ICT		
Annual Remuneration	1 089 300	1 057 326
Ms G Manamela - Director: Operations		
Annual Remuneration	1 156 143	1 139 058
Ms KW Tselane - Director: Human Resource Management and Special Projects		
Annual Remuneration	1 208 961	1 173 483

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20. Employee related costs (continued)

	2021/22 R	2020/21 R
Annual Remuneration	-	1 057 326
Ms Mongane's service was terminated on 3 May 2021.		
Mr S Phakathi - Chief Executive Officer		
Annual Remuneration	740 805	-
Mr Phakathi was appointed CEO from 01 September 2021		
Mr. DH Matsepe - Acting Director : Business development		
Annual Remuneration	766 749	-

Mr Matsepe was appointed Acting Director: Business Development with allowance with effect from 3 June 2021. Ms. E Ntshabele was erroneously disclosed as a Director Governance Assurance in the prior year.

Mr Morotoba - Acting Chief Executive Officer

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 to the entity until 31 August 2021.

21. Employee benefit obligations

Defined contribution plan

It is the policy of the entity to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

	2022 R	2021 R
The entity is under no obligation to cover any unfunded benefits.		
The total economic entity contribution to such schemes (Provident fund)	6 643 539	4 613 367
The amount recognised as an expense for defined contribution plans is (Pension fund)	5 161 652	6 457 113

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

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22. Service in kind

	2022 R	2021 R
Administrative salaries - Department of Employment and Labour	3 674 373	8 340 438
Internal Audit - Department of Employment and Labour	265 439	276 959
Municipal payment - Department of Employment and Labour	580 811	705 135
Expenditure for free use of property	28 021 392	25 638 229
	32 542 015	34 960 761

In 2021, the expenditure and the related utilisation of the services in kind asset for the free use of properties was miscalculated resulting into understatement of revenue from non-exchange (service in kind) and expenditure (service in kind) respectively by R25 638 229

In 2021, two employees from PERSAL were omitted from the service in kind, resulting in understatement of revenue from non-exchange (Service in kind) and expenditure respectively by R2 264 298,00

23. Allowance for debt impairment and impairment losses

	2022 R	2021 R
Contributions to debt impairment allowance	1 142 231	2 946 475

24. Depreciation and amortisation

	2022 R	2021 R
Property, plant and equipment	3 157 534	3 222 765

25. Cash (used in) generated from operations

	2022 R	2021 R
Surplus/(deficit)	(20 993 158)	29 049 609
Adjustments for:		
Depreciation, impairment and amortisation	4 320 118	3 206 526
Other movements	5 738	328 969
Finance costs	14 486	-
Debt impairment	1 142 231	2 946 475
Movements in provisions	(651 590)	227 291
Inventory write down	578 214	(589 306)
Changes in working capital:		
Inventories	3 496 378	12 960 113
Receivables from exchange transactions	378 092	23 722 577
Payables from exchange transactions	4 302 583	(20 230 850)
VAT	47 314	(205 056)
	(7 359 594)	51 416 348

**SUPPORTED EMPLOYMENT ENTERPRISES
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26. Financial instruments disclosure

	2022 R	2021 R
Categories of financial instruments		
2022		
Financial assets		
	At amortised cost	Total
Cash and cash equivalent	21 610 644	21 610 644
Receivables from exchange transactions (Excluding prepayments)	13 423 575	13 423 575
Receivables from non-exchange transactions	1 092 000	1 092 000
	36 126 219	36 126 219
Financial liabilities		
	At amortised cost	Total
Finance lease obligation	25 326	25 326
Trade and other payables from exchange transactions	17 867 009	17 867 009
	17 892 335	17 892 335
2021		
Financial assets		
	At amortised cost	Total
Cash and cash equivalent	29 197 312	29 197 312
Receivables from exchange transactions	10 005 741	10 005 741
Other receivables from non-exchange transactions	1 092 000	1 092 000
	40 295 053	40 295 053
Financial liabilities		
	At amortised cost	Total
Finance lease obligation	152 858	152 858
Trade and other payables from exchange transactions	13 564 426	13 564 426
	13 717 284	13 717 284

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27. Commitments

27.1 Authorised operational expenditure

	2022 R	2021 R
Already contracted for but not provided for		
• Total operational commitments	117 841 120	116 987 118
Total operational commitments		
Already contracted for and provided for	117 841 120	116 987 118
Total commitments		
Authorised operational expenditure	117 841 120	116 987 118

27.2 Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	604 123	569 927
- in second to fifth year inclusive	604 123	1 352 238
	1 208 246	1 922 165

Operating lease payments represent rentals payable by the entity for 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 building is a five year lease commenced on 1 April 2019.

The entity erred to include the commitment of operating lease relating to factory in Seshego the prior year note has been amended.

28. Contingencies

28.1 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 1 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 500.00
- For a period of ten (10) years an award equivalent to R5 000.00
- For a period of fifteen (15) years an award equivalent to R7 500.00
- For a period of twenty (20) years an award equivalent to R10 000.00
- For a period of twenty five (25) years an award equivalent to R12 500.00
- For a period of thirty to forty (30 - 40) years an award equivalent to R15 000.00

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

28. Contingencies (continued)

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.

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.

28.2 Supplier invoices on hold

The Entity has put on hold the payment of invoices for the supplier amounting to R235 309 (2021:R235 309) due to insufficient evidence that need to be obtained from the supplier to corroborate the amount owed by the entity.

	2022 R	2021 R
Long Service award- VIP	36 725 000	37 102 500
Long service award-PERSAL	7 345 809	7 658 241
28.1 Total	44 070 809	44 760 741
	44 070 809	44 760 741
Invoice on hold	235 309	235 309
28.2 Total	235 309	235 309

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29. Related parties

	2022 R	2021 R
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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

All National spheres of Government of South Africa

Members of key management-Refer to note 20

Related part balances

Amounts included in Trade receivable (Trade Payable) regarding related parties		
Commission for Conciliation, Mediation and Arbitration	118 831	224 262
Compensation Fund	507 909	511 131
Unemployment Insurance Fund	47 640	47 640
Department of Employment and Labour	1 813 366	-

Provision for doubtful debts related to outstanding balances with related parties		
Commission for Conciliation, Mediation and Arbitration	116 804	218 700
Compensation Fund	507 908	511 131
Unemployment Insurance Fund	47 640	47 640
Department of Employment and Labour	1 642 691	-

Related party transactions

Sales to related parties (Including finance charges)		
Commission for Conciliation, Mediation and Arbitration	45 991	17 020
Department of Employment and Labour	2 151 690	1 414 306
Unemployment Insurance Fund	-	17 500
Transfer received from related parties		
Department of Employment and Labour	162 266 000	153 049 000
Grant income -Department of Employment and Labour	184 511	42 843 558

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

30.1 Inventories

In 2021, the work in progress inventory was understated as the manufacturing overheads were not split between fixed and variable overheads and they were further not systematically allocated to work-in progress based on the appropriate allocation base as per GRAP 12. This resulted in an understatement of R2 204 817.

In 2021, invoices were posted in the incorrect period. This led to overstatement of cost of sales and understatement of inventory by R19 409.

30.2 Receivables from exchange transactions

In 2021, invoices were posted in the incorrect period. This led to overstatement of revenue and receivable from exchange transactions by R121 000.

In 2021, debtors were incorrectly charged interest. This led to overstatement of debtors and interest income by R753 416.

30.3 Property, Plant and Equipment

Assets were not installed and they were incorrectly depreciated. This led to understatement of Property, plant and equipment by R94 446.

In 2021, assets were incorrectly classified as canteen expenses. This led to understatement and overstatement of property, plant and equipment and expenses by 22 093 respectively. Depreciation due to incorrect classification was understated by R4 833. This led to overstatement of property, plant and equipment by R4 833.

Depreciation on leased assets was incorrectly calculated. This led to overstatement of depreciation and understatement of property, plant and equipment by R7 340.

Included in the depreciation of R2 784 452, R970 196 for cost of sales and R1 814 255 for operating expenses.

In 2020 and 2021, Work in progress for Appliances, and plant and machinery amounting to R28 083 994 was not disclosed separately in the note. This does not have impact on the adjustment of property, plant and equipment. The impact is only the disclosure.

30.4 Finance lease obligation

In 2021, finance cost was incorrectly calculated. This led to understatement of finance lease liability and finance cost by R6 884.

30.5 Payables from exchange transactions

In 2021, rental expenses for 2020 were not reversed in 2021. This led to overstatement of payables and expenses by R133 869.

In 2021, staff welfare and OHS expenses were overstated by R21 804. This led to overstatement of payables and expenses.

30.6 Accumulated surplus

Management did not assess useful lives and residual values in the previous years. This led to qualification of property, plant and equipment for at least three years.

This led to opening balance understatement of property, plant and equipment and accumulated surplus in 2021 by R10 051 286.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30 Prior-year adjustments (continued)

In 2020, debtors were incorrectly charged interest. This led to overstatement of debtors and accumulated surplus by R753 410.

Some of the assets were not installed and incorrectly depreciated. This led to understatement of accumulated surplus and property, plant and equipment by R94 446.

The impact of all income statements adjustments or surplus increased accumulated surplus by R25 289 288. The total adjustment or understatement was R34 681 594.

30.7 Revenue from exchange transaction

In 2021, invoices were posted in the incorrect period. This led to overstatement of revenue and receivable from exchange transactions by R121 000.

30.8 Revenue from exchange transaction- Service in kind

In 2021, The expenditure and the related utilisation of the services in kind asset for the free use of properties was miscalculated resulting into understatement of revenue from non-exchange (service in kind) and expenditure (service in kind) respectively by R25 638 229.

In 2021, two employees from persal were omitted from the service in kind, resulting in understatement of revenue from non- exchange (Service in kind) and expenditure respectively by R2 264 298,00

This led to total understatement of service in kind revenue and expenditure by R27 902 527.

30.9 Other Income

In 2021, the discount received were incorrectly classified as cost of sales and resulted into understatement of other income and cost of sales, respectively by R84 986.25

30.10 Interest income

No adjustment in 2021

30.11 Cost of Sales

Management did not assess useful lives and residual values in the previous years. This led to qualification of property, plant of equipment for at least three years. This led to overstatement of depreciation for assets in production in 2021 by R970 197.

In 2021, The expenditure and the related utilisation of the services in kind asset for the free use of properties was miscalculated resulting into understatement of revenue from non-exchange (service in kind) and expenditure (service in kind) respectively by R25 638 229

In 2021, the discount received were incorrectly classified as cost of sales and resulted into understatement of other income and cost of sales, respectively by R84 986.25

In 2021, invoices were posted in the incorrect period. This led to overstatement of cost of sales and inventory by R19 409

In 2021, employee cost for factory workers was incorrectly classified as employee cost R86 721 670. This led to understatement of cost of sales and overstatement of expenses by R86 721 670

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30 Prior-year adjustments (continued)

In 2021, The opening and closing balance in the calculation of Cost of sales were overstated by the inclusion of Work-in- Progress and Raw material in state of including the opening and closing balance of Finished Goods only. The manufacturing overheads were not split between fixed and variable overheads and they were further not systematically allocated based on appropriate allocation base as required by GRAP 12. The salaries and wages relating to abnormal idle time were incorrectly included in the calculation of cost of sales. This led to overstatement of by R104 057 784. The R104 057 784 includes adjustments for Work in progress (R1 644 391), Idle time (R85 473 280), labour recoveries (- R3 954 279) under or over recovery of costs (R15 818 573) and variable costs adjustments (R5 075 818)

30.12 Finance cost

In 2021, finance cost was incorrectly calculated. This led to understatement of finance lease liability and finance cost by R6 884

30.13 Operating expenses

In 2021, two employees from persal were omitted from the service in kind, resulting in understatement of revenue from non- exchange (Service in kind) and expenditure respectively by R2 264 298,00

Depreciation on leased assets was incorrectly calculated. This led to overstatement of depreciation and understatement of property, plant and equipment by R7 340

Management did not assess useful lives and residual values in the previous years. This led to qualification of property, plant of equipment for at least three years. This led to overstatement of depreciation for assets not in production in 2021 by R1 814 255.

In 2021, assets were incorrectly classified as canteen expenses. This led to understatement and overstatement of property, plant and equipment and expenses by 22 093 respectively. Depreciation due to incorrect classification was understated by R4 833. This led to overstatement of property, plant and equipment by R4 833

In 2021, rental expenses for 2020 were not reversed in 2021. This led to overstatement of payables and expenses by R133 869

In 2021, staff welfare and OHS expenses were overstated by R21 804. This led to overstatement of payables and expenses

In 2021, employee cost of for factory workers was incorrectly classified as employee cost R86 721 670. Overstatement of expenses by R86 721 670

In 2021, The manufacturing overheads were not split between fixed and variable overheads and they were further not systematically allocated based on appropriate allocation base as required by GRAP 12. This resulted on understatement of expenses for over and under recoveries by R17 180 699

The salaries and wages relating to abnormal idle time were incorrectly included in the calculation of cost of sales. This led to understatement of expenses (idle time) by R84 672 267.

30.14 Grant income

In 2021, Management incorrectly classified received grant as a conditional grant liability when it did not meet the conditional grant liability definition, that resulted in an understatement of revenue from exchange transactions- conditional grant and an overstatement of conditional grant liability by R 20 479 911.17 respectively.

30.15 Revenue from exchange transactions - Grant income

In 2021, Management incorrectly classified received grant as a conditional grant liability when it did not meet the conditional grant liability definition, that resulted in an understatement of revenue from exchange transactions- conditional grant and an overstatement of conditional grant liability by R 20 479 911.17 respectively.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30 Prior-year adjustments (continued)

30.16 Receivables from non-exchange transactions

The overpayment of suppliers for amount of R1 092 000 was incorrectly classified as current assets in the previous year. There are no repayment terms, therefore amount is not expected to be received within 12 months.

STATEMENT OF FINANCIAL POSITION				
2020/21	NOTE	AS PREVIOUSLY REPORTED R	CORRECTION OF ERROR R	RESTATED R
Inventories		67 981 947	(446 605)	67 535 342
Receivables from exchange transactions		10 880 157	(874 423)	10 005 734
Property Plant and Equipment (excluding estimates)		77 650 070	12 703 191	90 353 261
Finance lease obligation		(145 974)	(78 014)	(223 988)
Payables from exchange transactions		(13 720 099)	155 673	(13 564 426)
Accumulated surplus (excluding estimates)		(151 765 900)	(32 010 876)	(183 776 776)
Conditional grants		(20 479 911)	20 479 911	-
		(29 599 710)	(71 143)	(29 670 853)
STATEMENT OF FINANCIAL PERFORMANCE				
2020/21	NOTE	AS PREVIOUSLY REPORTED R	CORRECTION OF ERROR R	RESTATED R
Revenue from exchange transactions		(41 865 234)	121 000	(41 744 234)
Revenue from exchange transactions- Service in kind		(6 076 141)	(28 884 620)	(34 960 761)
Revenue from exchange transactions- Conditional Grant income		(22 363 648)	(20 479 911)	(42 843 559)
Other Income		(62 541)	(84 987)	(147 528)
Interest income		(1 010 269)	-	(1 010 269)
Cost of sales		67 452 864	16 548 221	84 001 085
Movement of NRV		589 306	4 657 186	5 246 492
Operating expenditure		149 910 123	5 497 569	155 407 692
Surplus for the year		146 574 460	(22 625 542)	123 948 918
CASH FLOW STATEMENT				
2020/21	NOTE	AS PREVIOUSLY REPORTED R	CORRECTION OF ERROR R	RESTATED R
Change in cash from operating activities		50 873 357	542 991	51 416 348
Change in cash flow from investing activities		(24 924 500)	(607 868)	(25 532 368)
Change in Cash flow from financing activities		(21 856)	64 876	43 020

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

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31. 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 risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

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.

AT 31 MARCH 2022	LESS THAN 1 YEARS R	2 YEARS R		TOTAL R
Finance lease obligation	25 326		-	25 326
Payables form exchange transactions	17 867 009		-	17 867 009
At 31 March 2022	Less than 1 year			Total
Finance lease obligation	124 810	28 048	-	152 858
Payables form exchange transaction	13 564 426		-	13 564 426

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

FINANCIAL ASSETS EXPOSED TO CREDIT RISK AT YEAR END WERE AS FOLLOWS:	2021/22	2020/21
Cash and cash equivalent	21 610 664	29 197 312
Receivables from exchange transactions	8 485 418	10 005 741
Receivables from non-exchange transactions	1 092 000	1 092 000

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31. Risk management (continued)

Trade receivables that have been impaired and provided amounting to R14 713 694 as 31 March 2022 (2021: R13 571 463) 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 IS AS FOLLOWS:	2021/22 R	2020/21 R
Current (0-30 days)	29 808	-
31-60 Days	137 411	-
61-90 days	3 146	213 451
91-120 days	157 153	2 208 871
Greater than 120 days	14 386 170	11 149 141
	14 713 688	13 571 463

DEBTORS PAST DUE, NOT IMPAIRED:	2021/22 R	2020/21 R
0 - 30 days	7 953 827	10 152 011
31 - 60 days	22 535	472 485
61 - 90 days	30 582	(13 640)
91 - 120 days	-	-
Greater than 120 days	-	-
	8 006 944	10 610 856

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 2022 is 10.25% (2021: 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:

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31. Risk management (continued)

	2021/22 R	INTEREST RATE	2020/21 R	INTEREST RATE
Cash and cash equivalent	21 610 664	3,5%	29 197 312	3.5%
Receivables from exchange transactions (Excluding pre-payments)	8 485 418		10 005 741	10.25%
Receivables from non-exchange transactions	1 092 000	0%	1 092 000	0%
Finance lease obligation	223 988	10.35%	152 858	10.35%
Payables from exchange transactions	17 867 009	Depends on a supplier contracts	13 564 426	Depends on a supplier contracts
Subtotal	49 279 079		54 012 337	

32. Going concern

We draw attention to the fact that at 31 March 2022, the entity had an accumulated surplus of R 162 783 607 and that the entity's total liabilities exceed its assets by R 162 783 607.

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:

- a) money appropriated by Parliament for this purpose
- b) income earned from services rendered by it
- c) grants or donations made to it
- d) 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.

Going concern assessment

We draw attention to the fact that at 31 March 2022, the entity had an accumulated surplus of R162 783 607 and that the entity's total assets exceed its liabilities by R162 783 607.

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32. Going concern (continued)

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 79 years.
- The entity is funded through National Treasury Grant Allocation as well as revenue generated from sale of goods and services. In the financial year under review, National Treasury grant allocation amounts to 85% of the entity revenue and 15% from sales.
- Total assets of R180 982 573 exceeds total liabilities of R18 198 959. Entity does not have non-current liabilities.
- Current assets of R93 556 835 exceeding current liabilities of R18 198 959.

Although the entity had a decline in sales revenue of 32% from prior year sales, the entity continued to receive the grant allocation amounting to R162 266 million and the total revenue generated for the entity amounted to R192 635 666 for 2021/2022 financial year. The entity is still pursuing provincial departments of both Health and Education to participate in the existing MOUs with both National Departments of Health and Education ending in 2025, to augment current budget sales revenue. The current MOU Western Cape Provincial Health Department is in its third year of the contract and is anticipated to increase entity's sales for 2022/2023 financial year.

SEE is impacted by the global market trade through its use of steel and gas in its operations. The current global developments emanating from the European region have worsened the local trades for the entity subsequent to collapse of operations in wood and steel sections due to COVID-19 global pandemic. Notwithstanding these developments, the entity continued to operate and is anticipated to continue operations for the next 12 months.

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.

33. Events after the reporting date 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).

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).

Subsequent events assessment

SEE still had to comply to COVID-19 regulations in 2021/2022 financial year. As at the reporting date the country was still under lockdown and between the reporting date and submission of the annual financial statements date there were no adjusting event identified due to COVID-19 regulations. The financial impact of COVID-19 still cannot be reliably determined for SEE as the entity does not have any sales orders cancelled due to COVID-19, to be directly linked to revenue losses/decrease. Nonetheless, the reality COVID-19 pandemic as well as developments in the European region still has direct impact on the entity's operations.

As part of the 2021/2022 SACTWU and SEE salary negotiations, the entity had to implement a closure of Durban factory to allow for the affordability of the salary increments for the factory workers. The factory earmarked to be closed in 2022/2023 financial year with factory workers to be terminated by 30 April 2022 and hand over of the factory to DPWI earmarked to be completed by 31 May 2022. The discontinuing of the Durban Factory is not considered to be an adjusting event.

Conclusion

Based on the assessment above, the closure of Durban factory and the impact of COVID-19 global pandemic is still considered non-adjusting event with no financial impact in the annual financial statements for the year 2021/2022. There were no other non-adjusting and no adjusting events identified by management.

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34. Fruitless and wasteful expenditure

	2021/22 R	2020/21 R
Opening balance as previously reported	1 086 198	1 313 014
Add: Correction of prior period error	-	30 051
Add: Fruitless and wasteful expenditure identified - current	670 000	859 133
Less: Amount recoverable - current	-	(1 092 000)
Less: Amounts recovered	-	(24 000)
Closing balance	1 756 198	1 086 198

There is no fruitless and wasteful expenditure condoned both in prior year and current year.

Details of fruitless and wasteful expenditure

Interest of overdue accounts	-	8 130
SARS Penalty	-	-
SARS interest	-	12 968
Overpayment to suppliers	-	-
Losses	-	838 035
Municipal late payments	2 075	-
Traffic fines	2 346	-
TV licence dispute	1 298	-
Inventory Theft and Losses	575 938	-
Penalty fees for late delivery of goods	88 343	-
	670 000	859 133

35. Irregular expenditure

Opening balance as previously reported	13 669 192	11 149 687
Correction of prior period error	-	790 430
Opening balance as restated	13 669 192	11 940 117
Add: Irregular Expenditure - current	357 361	1 729 075
Closing balance	14 026 553	13 669 192

There was no irregular expenditure condoned in the current and the prior year.

Details of irregular expenditure:

Hygiene services	1 182	19 259
Internet services	356 179	459 413
Waste management	-	8 236
Local content	-	1 242 167
	357 361	1 729 075

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36. Budget differences

Material differences between budget and actual amounts

Sale of goods

The entity did not receive all the orders that were anticipated for 2021/2022 financial year hence actual sales are lower than budgeted sales

Rendering of services

These are the transport cost charged to customers that were not anticipated.

Revenue from services in kind

This is the revenue from services in kind that was not budgeted as per details disclosed as per note 23.

Commissions received

The commission income is lower than budgeted due to the reduction of employees that are contributing to third parties that are giving us the commission.

Canteen revenue

The canteens for SEE were not utilised as anticipated because of the COVID-19 restrictions and the idling of the factories.

Grant income

The budgeted revenue for grant income was not realised due to the incorrect classification of grant income in the prior as conditional grant income.

Transfers and sponsorship

The grants were received as per allocation.

Interest received

The interest received is lower than budgeted due to the unfavourable movement in the bank balance.

Employee cost

The actual employee cost is lower than the budget due to the vacancies under the administration establishment and also the terminations relating to factory workers.

Depreciation and amortisation

Depreciation and amortisation is lower than the budget because of the assessment of useful lives that affected the useful lives of the assets as well as assets that have not depreciated as they were not ready for use as intended by management.

Impairment loss and the reversal of impairment

Impairment loss was not budgeted for due to the reassessment of the useful lives on property plant and equipment.

Finance costs

The reduction in finance cost is due to the reduction of interest to suppliers for late payments. Mostly now it is relating to the finance lease for printing machines.

Lease rentals on operating lease

The lease rental on operating leases is lower than the budget because of the straight line recognition of the lease and the reversal of the prior year accrual.

Allowance for debt impairment

Year end calculation that was not anticipated.

Discount received

Due to negotiations between SEE and service providers.

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36. Budget differences (continued)

General Expenses

The increase in general expense is caused by the increase in the operating expenses and also the cost of production that were not anticipated such as the expenditure on services in kind.

Cost of sales adjustments

Consideration of over and under recovery in calculation of cost of sales and inventory.

37. Grants income

	2021/22 R	2020/21 R
Grant income	184 511	42 843 559

38. Change in estimate

Property, plant and equipment

Management did not assess useful lives and residual values in the previous years. This led to qualification of property, plant and equipment for at least three years

This led to misstatement of opening balance of property, plant and equipment in 2021 by R10 051 286 and depreciation in 2021 by R2 784 452

The total understatement of property, plant and equipment is R12 835 738. The impact on the cash flow statement is R0.00

It is impracticable to determine the impact of the future periods because most of assets were already fully depreciated

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39. Other Operating Expenses

	2022 R	2021 R
Advertising	40 226	10 500
Auditors remuneration	2 357 312	2 106 483
Debt Impairment	1 142 231	2 946 475
Bank charges	183 586	151 933
Cleaning	3 954	40 101
Cost of Sale Adjustment	2 320 343	1 602 393
Consulting and professional fees	986 860	1 450 437
Consumables	(41)	3 659
Depreciation, amortisation and impairments	2 629 657	1 305 923
Employee costs	32 857 428	43 668 691
Entertainment	6 603	7 762
Canteen expenses	107 630	(9 539)
Occupational health and safety expense	250 851	7 040
Internet services	309 780	412 346
Lease rentals on operating lease- Vehicle	528 788	95 364
Loss disposal of assets and liabilities	(2)	(6 316)
Motor vehicle expenses	64 623	62 260
Losses	664 280	838 035
Printing and stationery	51 632	93 600
Repairs and maintenance	545 548	487 825
License fees	-	241 985
Staff welfare	400 671	53 411
Telephone and faxes	511 097	24 191
Training	1 141 462	1 044 855
Travel - local	570 023	-
Service in kind	4 520 623	8 340 439
Abnormal labour idle time	93 369 471	84 684 900
	145 724 229	149 732 595





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