

DEPARTMENT OF EMPLOYMENT AND LABOUR
ANNUAL REPORT
2022/23



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Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA



DEPARTMENT OF EMPLOYMENT AND LABOUR ANNUAL REPORT 2022/23

Publisher

Department of Employment and Labour
Chief Directorate of Communication
Private Bag X117
Pretoria
0001

Editing, Layout and Design, Photography and Distribution

Subdirectorates of Media Production
Design Studio
Printer
Government Printer

ISBN No

978-0-621-51456-8

RP

286/2023

DEPARTMENT OF EMPLOYMENT AND LABOUR | VOTE NO. 31

ANNUAL REPORT | 2022/23 FINANCIAL YEAR



THE DIRECTOR-GENERAL

I have the honour of submitting the Annual Report of the Department of Employment and Labour for the period 2022/23.

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 of
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

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ABBREVIATIONS AND ACRONYMS

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
PwDs	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
SIU	Special Investigating Unit
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Services
SP	Strategic Plan
SPEEXS	Situation Specific Evaluation Expert System (used for Psychometric Assessments)
TERS	Temporary Employee Relief Scheme
TID	Technical Indication Description
TR	Treasury Regulations
UIF	Unemployment Insurance Fund





PART A GENERAL INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

MINISTER'S FOREWORD

The priorities of this Department this financial year and during the sixth Administration were:

- Employment: job creation and preservation
- Strengthening social dialogue for inclusive growth, and
- Transformation of the workplace and decent work: health and safety, and equity in the workplace.

Two massive milestones – in the form of the COIDA and Employment Equity amendments - received presidential assent in April this year, fittingly just ahead of May – Workers' Month.

With the expansion of the mandate in 2019, and the need to reconfigure the Department as Employment and Labour, the Department's focus has been strengthened with regards to job creation and retention, particularly youth employment. This has been done against the backdrop of difficult economic conditions, both nationally and internationally. Although the economy is showing early signs of a rebound, the rate of recovery falls far short of what is required to create sustainable jobs for the most vulnerable in the country, particularly youth, persons with disabilities and African women. The unemployment rate remains high at 32.7% as at Quarter 4 of 2022. One glimmer of light: there was an increase of 86 000 in the number of employed youth during the same period.

From the Department, in order to contribute to the alleviation of unemployment, the UIF's Labour Activation Programme continued to fund projects to maintain and create employment:

- The Temporary Employee Relief Scheme (normal TERS), administered through the CCMA (Council for Conciliation, Mediation and Arbitration), continued to provide support to distressed companies that seek to retain their employees.
- The Employability Enhancement Programme, designed to integrate unemployed people back into the Labour market will have recruited 240 000 people by the end of the MTSF.
- The Business Turnaround and Recovery programme, implemented through Productivity South Africa, continued to enhance the productive capacity and operational efficiency of enterprises in order to preserve jobs and minimise retrenchments.

We have ensured that 50% of all work opportunities and subsequent employment goes to women and youth, and the UIF is currently reviewing its funding model to further increase support for job creation.

Productivity SA continued to promote employment growth and productivity through the Competitiveness Improvement Services (CIS). Over the past three financial years, the CIS Programme provided support to SMMEs in both the formal and informal economy, and consistently achieved 100% performance on its planned targets.

We are now beginning to see the positive results of the Turnaround Strategies and Labour Activation Programmes. 186 companies facing economic distress were supported and these interventions resulted in nearly 16 000 jobs being retained.

It is now mandatory for every business that receives assistance from the Temporary Employee Relief Scheme (TERS) to implement the Business Turnaround and Recovery programme. In this way, we have created synergy between our financial and non-financial instruments aimed at job preservation. It is important to flag that the reconfiguration of the Department will strengthen the focus on improved productivity as key to growth and jobs.

Oiling the wheels of the labour market, the Department is launching the upgraded Employment Services System of South Africa (ESSA). This will make it easier for work-seekers to access employment opportunities.

Focusing on unemployed youth, the Department in partnership with the Presidency and the Government Technical Advisory Centre (GTAC) supports the development of the Pathway Management Network - bringing together multiple online networks of training and employment opportunities - also providing support to unemployed youth through the establishment of an Innovation Fund and support to a National Youth Service.

Even as the Department seeks to leverage its resources to support job creation and retention, we do not lose sight of our traditional mandate to regulate the labour market and labour relations with the objective of strengthening decent work and conditions conducive to a stable labour market and growth.

Policy and legislative priorities during this administration include the following:

- National Labour Migration Policy – the Department developed a draft in line with the decisions of the Ministers of Employment and Labour in the SADC Region. The draft Policy recognizes the legitimate



expectations of South Africans, at the same time aligned to constitutional requirements, international law and international agreements. Cabinet approved the Draft National Labour Migration Policy and supporting Employment Services Amendment Bill for public comment in February 2022. The policy has been revised accordingly. We are currently engaging NEDLAC stakeholders on the documents. The NLMP forms part of the broader National Employment Policy intervention.

- National Employment Policy – the Department in conjunction with the International Labour Organisation (ILO) has developed a Draft National Employment Policy (NEP) to address the country's persistently high levels of unemployment.
- The National Minimum Wage (NMW) was designed to reduce inequality in the national labour market and to establish a threshold for workers' remuneration. It is not a living wage, but has already benefited six million workers. These workers are generally unorganised and vulnerable to exploitation.

For the past three years, the national minimum wage level has been adjusted to maintain its value relative to inflation. Furthermore, the minimum wage for the farm sector was equalised with the general national minimum wage rate in 2021 and the minimum wage in the domestic sector was equalised in 2022. The NMW Commission monitors the impact of the national minimum wage on employment and wages. The large-scale job losses foretold by naysayers has not happened. For marginal employers who genuinely cannot pay, they can apply for an exemption.

- As part of routine activities to strengthen decent work, for 2022/23 my Department extended 22 collective agreements to non-parties covering one-and-a-quarter million employees in different sectors. These agreements cover wages, social security benefits, and working conditions - improving the livelihoods of vulnerable employees and their families.
- Amendments to the Employment Equity Act have received presidential assent. Self-regulation for 25 years by employers has not succeeded in significantly shifting the demographics of employment particularly in the higher echelons of business – to the cost of Africans, Coloureds Persons with Disabilities and Women. The amendments provide for the Minister, in consultation with stakeholders, to set sectoral targets, and ensure that non-compliant businesses will not do business with government entities. Whilst still required to comply with the law, small businesses (employing less than 50 workers) are not required to submit reports. Equal opportunity in the labour market is at the core of decent work and workplace transformation.
- The Occupational Health and Safety Amendment Bill is due for completion by September 2023 and for engagement with NEDLAC. We trust that proposed steep fines will curb high levels of non-compliance by some employers. Remember the objective here is to reduce workplace accidents and diseases – which in turn also increases productivity, necessary for economic growth.
- The President assented to the COID (Compensation for Occupational Injuries and Diseases) Amendment Bill on 7 April 2023. Benefits include:
 1. The inclusion of domestic workers in the category of employees entitled to occupational injury benefits.
 2. The introduction of rehabilitation and return to work programmes to support the reintegration of injured workers with disabilities into the labour market.
 3. To enable the Compensation Fund to obtain the requisite resources for inspection of workplaces and to develop preventative programmes with employers that will contribute to safer workplaces and reduce the number of injuries.

The Department and its entities, led by NEDLAC, are also charged with strengthening social dialogue. This last year this mandate focused on the establishment of a new Social Compact. Much was learned from this process, with the focus now on developing specific compacts by economic sector some of which have been successfully concluded. These efforts are now

focused on defined priority areas, currently: energy, transport and crime.

NEDLAC achievements in 2022/23 include:

- The incorporation of the Presidential Climate Commission (PCC) as a programme under NEDLAC.
- NEDLAC convened twenty-two dialogue sessions focusing on issues such as government budget planning, electricity generation, the Occupational Diseases in the Mines and Works Act, public employment schemes and food distribution to vulnerable groups and communities.
- NEDLAC concluded reports on 10 bills and policies.
- A new rapid response task team focusing on cost-of-living increases was set up.

It is all very well to devise good policies and laws, but we also have to implement and enforce it. The Department's Inspection and Enforcement Services (labour inspectors) have been expanded and strengthened in recent years, particularly since the Covid-19 pandemic – resulting in over 100 000 Health and Safety inspections in the last year.

In relation to Employment Equity laws, our inspectors are currently focusing on JSE-listed companies to ensure compliance. For 2022/23 we referred 238 companies to court for failure to comply.

National roving teams are conducting a blitz programme focused on high risk and problematic sectors to ensure compliance with the National Minimum Wage and Basic Conditions of Employment Act. During the last year, the Department carried out over 300 000 inspections – seeking to promote compliance, fair labour practices, decent work and a safe workplace.

IES also seeks to realise the 'Durban Call to Action' to combat child labour, and to advance ILO Recommendation 204 which, among others, seeks to improve the rights and conditions of workers in the informal sector.

Good legislation and plans can also be compromised by inadequate access and service. Historical and systemic challenges within the two funds (Compensation Fund and UIF) are being addressed. Relevant professional capacity has been in-sourced to strengthen the programmes to tackle negative audit findings, and for a more fundamental and thorough going review of systems architecture across the Funds. These interventions will be strengthened during the current year.

Despite the challenges, the Funds continue to provide critical social security protection to workers through the UIF and the Compensation Fund which paid benefits of R4 billion in the 2022/23 financial year. The benefits consist of monthly pensions, salaries, funeral benefits and medical expenses. The Compensation Fund has developed a tertiary bursary programme for dependents of permanently and deceased injured workers.

The UIF will strengthen the monitoring of its investments with the Public Investment Corporation (PIC) to ensure due diligence and fair returns.

We are also pleased to report significant progress in recovering Covid-19-TERS funds wrongly or fraudulently paid. The SIU, Asset Forfeiture Unit, the President's Fusion Centre, working with the UIF's 'Follow the Money' programme, have recovered R61 million as at 31 March 2023. There have been 60 arrests with 12 individuals sentenced to between 10 and 20 year's imprisonment respectively. A large number of additional matters are still under investigation.

Let me take this opportunity to thank the Deputy Minister and the Director-General and his team for their commitment and hard work.



MR TW NXESI, MP

Minister of Employment and Labour

COMMENTS BY THE DEPUTY MINISTER

This year marks almost a year since the Department of Employment and Labour hosted the fifth Global Conference on the Elimination of Child Labour that took place around May in Durban 2022. As a signatory to the ILO, South Africa is in the process of implementing some measures around recommendation 204 (R204) of 2015 which propagates for formalisation of the informal economy through various interventions such as facilitating access to social security of people that are employed in the informal economy.

I wish to emphasise that those who touched down within our borders last year for the global conference on the elimination of child labour, trusted us with a very important mandate - that South Africa must take the lead in the total realisation of the elimination of child labour by 2025 and this also includes the informal economy.

We also met just recently for the second Employment Working Group technical meeting that is preparing for the BRICS Summit that South Africa will host, yet again, around August this year (2023). We are aware of the rising appetite levels and international interest in this summit due to the state of the geopolitical landscape and the developments around the role of South Africa in the world. We look forward as the Department of Employment and Labour with great anticipation to yet another successful event. We are very proud of our District Development Model one-plan achievements and collaborative efforts with several other National and Provincial Departments that continues to impact the lives of people. One such collaborative effort that I wish to single out, is our collaboration with the Departments of Health, and Mineral Resources and Energy on the ex-mineworkers compensation. This program continues to dignify the lives and families of those who were robbed of their benefits after sacrificing their whole lives in the mines. We have managed to establish a one-stop service point between the three Departments to assist the ex-mineworkers and their beneficiaries. The services provided entail tracking and tracing of the ex-mineworkers, lodging of complaints at the service sites, provision of medical assessments, retrieval of health records and many other support services. This is what a true and caring government of the people does. It takes care of the disenfranchised, the less fortunate, the poor and the vulnerable in society. This is the business of this government - to serve our people.

Very often, we have been criticised for the number of inspections conducted. The Department is on the verge of achieving a historic 300 000 mark in terms of the number of inspections conducted in a financial year. This is commendable.

We continue to observe the trend of noncompliance with Employment Equity Act, which has a potential to undermine the transformation agenda of the country. It is appalling to mention that during the 3rd quarter of 2022/23 Financial year, only 46% of over 3 000 workplaces visited by our inspectors were found to be compliant with the Employment Equity Act. A staggering 238 workplaces were referred to court for failure to comply. It is disheartening to observe that some workplaces still seem to be keen to pay fines rather than comply with the law. This will soon be something of the past with the current EEA amendments that will be in full operation soon. We are however encouraged by a handful of companies that elected to settle out of court by coming up with solutions that will improve the workplaces.

The reconfiguration of the Department is meant to address the employment mandate of the Department and to respond in the most effective way in creating a conducive environment for employment creation. The Department is implementing a project to reconfigure and unbundle the UIF and the Compensation Fund from the Department to allow them to operate as fully-fledged schedule 3A entities. The project commenced in the 1st quarter of 2023/24 and we anticipate completion within a period of 24 months.

We will continue to engage all Departments to utilise ESSA for all government recruitment programs. To this end, the upgraded version of the new ESSA application will be launched during the second quarter. This will increase our capacity and expand opportunities for work-seekers.





For 2022/23 financial year the Department has extended twenty-two (22) collective agreements to non-parties covering 1 245 030 employees in different sectors. These agreements range from wage increments, social security benefits, and conditions of employment collective agreements among others. The Extension of these collective agreements to non-parties means improving the livelihood of vulnerable employees and their families by improving their wages and extending social security benefits that automatically would have excluded them without the extension of these agreements. These are commendable policy interventions that we continue to make in the lives of our people. We know that the dissent on these government interventions by some, especially during this period when we are approaching the National General Elections, is very often a populist appeal for the ballot. In good and in bad times, our people will always remember those who were on their side. They will remember all of these interventions in the 2024 National General Elections.

Despite all the challenges at the CF, during the 2022/23 financial year the compensation fund paid benefits to the total amount of R4 billion. These funds were spent on the monthly benefits, medical invoices, funding of the injured workers rehabilitation, re-skilling and reintegration as well as funding bursaries to youth especially those who are dependents to the injured workers.

In 2023 -2024, the UIF will deploy 32 kiosks with service delivery capabilities in strategic areas across the country and 11 buses across the nine provinces. Free Wi-Fi was rolled out at all the 125 labour centres and a mobile APP and the USSD are in the process of being rolled out. The U-filing system online platform will be improved and most importantly all ABSA clients will now generate their UIF completed bank forms at all ABSA ATM's. The UIF has referred Covid-19TERS matters to the Fusion Centre for criminal investigation and prosecution. The successes derived with the Fusion Centre has seen arrests of over 60 suspects with 12 convictions.

The SEE has a capacity of employing 3 000 PWDs and that can be achieved. This effectively means that the 3 000 people will be off the burden of Social grant and to make a substantial contribution to the productive economic output of our country. We will continue to appeal to all the Departments to support the services offered by the SEE.

There is a significant growth and achievement in the number of companies supported by the Business Turnaround & Recovery programme of Productivity SA. One of the key highlights underpinning this outstanding achievement is because of the resolution that made it mandatory for every business that received (TERS) assistance, to implement the Business Turnaround and Recover programme. I must say, this is one of the best practice lessons introduced during the pandemic. There is a very interesting collaboration between Productivity SA and the SEE. These entities entered into an agreement for Business Turnaround and Recovery to support thirteen (13) Supported Employment Enterprise (SEE) factories. I have a feeling that something great is about to come out of this strategic agreement.

The District Development Model (DDM) and the outreach programs have proven to be impactful in our interventions to serve the people. The 125 Labour Centres that remain our infrastructure for collaborations with other Departments and private sector located right at the doorsteps of our communities continue to strengthen the DDM towards perfection.

According to the recent STATS SA report, South Africa's official unemployment rate retreated by a slight decline of 0.2 percentage points, reaching 32.7% in the final quarter of 2022. We are told that this is the fourth consecutive decrease during every quarter of 2022.

For all of us who always thirst for something good and positive with the unemployment situation in the country, this is something to be proud about. I am almost certain that based on this report, 169 000 new jobs reported by STATS SA quarterly labour survey, although some may think of it as a tiny drop in the ocean, but 169 000 people have reported for duty in those jobs and their extended families, immediate families and relatives will forever remain grateful for this opportunity and they too will remember who was on their side during difficult times.

It is through the budget vote of the Department that we brought similar interventions during the darkest moments of the pandemic - saving lives, preserving jobs and protecting the workers.

I wish to thank the Minister for his firm leadership and guidance in Ministry, the Director-General for the foresight and making our work lighter as the executive authority, the Deputy Director-Generals, heads of entities and the entire staff in the Ministry and the Department for their dedication and hard work.

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 defined 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 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 indicators and targets set out in the Annual Performance Plan for 2022/23. The total number of planned Key Performance Indicators for the Financial Year 2022/23 were 29 and of these 21 were achieved (72%) and eight were not achieved. The overall performance displays a slight increase as compared to the performance of the previous financial year (2021/22) with performance at 68%. More details are contained in Part B of this Annual Report.

CHALLENGES

Although there was an improvement in the filling of vacancies, it still remains a challenge. Plans are in place to fast track the filling of vacancies. Some of these include obtaining commitments of Recruitment and Selection Committee panel members to finalise the process speedily. The filling of vacancies is monitored very closely and treated as a priority.

The continuous levels of load shedding of electricity remain a challenge for the Department. Plans are in place to source the correct alternative energy resources to find the perfect solution for each office and visiting point where services are rendered.

The underperformance in some areas is beyond the control 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

The following projects were listed in the Annual Performance plan for 2023/24:

- The new project is registered at the Office of the Chief Information Officer (OCIO) under the name of "National Labour Market Information (LMI) system". This is a project in partnership with the Department of Employment and Labour and International Labour Organisation (ILO)-Department of Statistics. It consists of using a single data platform for dissemination of key labour market indicators in response to Decent Work Country programme (DWCP) and Sustainable Development Goals (SDG's). It still facilitates data accessibility, analysis, and dissemination of labour market information at national, regional and international levels. Thus, it is regarded as critical in the SADC region as per the ILO guidelines. Currently, the project is managed within the Labour Policy and Industrial Relations (LP&IR) Branch. Discussion with ILO, LP and IR and OCIO has been concluded and the project leader has been identified for the implementation of the project. It is expected to run until March 2024
- The cost of the implementation of the system in phase 1 and 2 could be borne by the Department. Phase 0 has been resource based with no additional costs at this stage
- A focused program to enable the rendering of IES services in the Informal Sector to also give credence to Recommendation 204. The Recommendation 204 is the ILO's recommendation relating to transition from informal to formal economy
- Finalisation of the second IES Strategy
- Piloting of Advocacy, Inspections and Enforcement with the Employment Services Act
- The Reconfiguration of the Department which is intended to unbundle the UIF and CF as well as the employment arms (PES and SEE) of the Department to Productivity South Africa. The project should have started in August 2022 but due to the need to synchronise the project deliverables with those of the Architecture review project of the UIF and CF, there are slight delays. The project is envisaged to be completed by September 2024. The Reconfiguration project is aimed at redesigning the Department to be able to respond effectively to the employment mandate and allow it to be a policy formulation wing while the service delivery aspects get handled at an entity / agency level.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

DEPARTMENTAL RECEIPTS	2022/23			2021/22		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	9 233	8 417	816	5 163	5 140	5
Fines, penalties and forfeits	1 400	1 853	(453)	150	76	74
Interest, dividends and rent on land	1 200	1 502	(302)	700	808	(108)
Sale of capital assets	150	599	(499)	600	636	(36)
Financial Transactions in assets and liabilities	5 150	6 637	(1 487)	3 000	2 449	551
TOTAL	17 133	19 008	(1 875)	9 613	9 109	486

REASONS FOR VARIANCES IN REVENUE COLLECTION BETWEEN CURRENT YEAR AND PRIOR YEAR

TOTAL REVENUE RECEIVED	2022/23	2021/22	VARIANCE	VARIANCE	REASONS FOR VARIANCES
	ACTUAL AMOUNT COLLECTED				
	R'000	R'000	R'000	%	
Sale of goods and services other than capital assets	8 417	5 140	3 277	63.75%	Increase in the fees payable i.r.o. the renewal of OHS licences applicable from 1 July 2022
Fines, penalties and forfeits	1 853	76	1 777	2 338.16%	Increase in the number of court fines issued in respect of non-compliance to the Labour Relations Act (LRA)
Interest, dividends and rent on land	1 502	808	694	85.89%	Increase in the amount received i.r.o. of interest from the commercial bank
Sale of capital assets	599	636	(37)	(5.82%)	Less official vehicles were sold at public auctions
Financial Transactions in assets and liabilities	6 637	2 449	4 188	171.01%	Increase in the amount recovered i.r.o. previous years' expenditure

The increase of tariffs in respect of the renewal of Occupational Health and Safety licences, in accordance with the Occupational Health and Safety Act No 85 of 1993, were approved and published in the Government Gazette.

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

PROGRAMME EXPENDITURE

PROGRAMME NAMES	2022/23			2021/22		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	1 082 903	1 025 499	57 404	1 012 286	856 399	155 887
Inspection and Enforcement Services	617 287	587 853	29 434	650 902	546 648	104 254
Public Employment Services	1 036 481	933 893	102 588	849 749	615 872	278 877
Labour Policy and Industrial Relations	1 371 105	1 349 873	21 232	1 258 556	1 213 247	45 309
TOTAL	4 107 776	3 897 118	210 658	3 816 493	3 232 166	584 327

The original allocation for Vote 31: Employment and Labour, as included in the Estimates of National Expenditure for 2022/23, was reflected as R3 956 019 000 and included a provision in respect of transfer payments to the value of R1 736 957 000. During the 2022/23 financial year, an additional R151 757 000 (3.8%) was allocated in the Adjustments Budget process and the final allocation for Vote 31: Employment and Labour was therefore increased to R4 107 776 000.

As per the appropriation Statement for the Department, in respect of the 2022/23 financial year, the total expenditure defrayed against the Vote amounted to R3 897 118 000. This represents an expenditure level of 94.9%.

PROGRAMME 1: ADMINISTRATION

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Underspending is mainly due to delays in filling of vacancies.

Goods & Service: Underspending is mainly attributed to delays in payments for software licensing, reduced travelling, accommodation, T&S: foreign travel.

Payments for Capital Assets: Underspending is mainly due to delays in delivery of procured ICT equipment.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Underspending is mainly due to delays in filling of vacancies.

Goods & Services: Underspending is mainly attributed to reduced travelling, accommodation, T&S: foreign travel.

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

THE VARIANCES ARE MAINLY ATTRIBUTABLE TO:

Compensation of Employees: Underspending is mainly due to delays in filling of vacancies.

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

Transfers and Subsidies: Underspending is mainly claims of injuries on duty and delays in the last tranche transfer towards 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 to reduced travelling, accommodation, T&S: foreign travel and delays in submission of GCIS invoices for marketing and advertising, delays in Government Printers invoices and appointment of Research Consultants.

Transfers and Subsidies: Underspending is mainly due the fluctuation of exchange rates and delayed reporting by non-profit organisation, therefore tranches were not disbursed.

Payments for Capital Assets: This is mainly due to final figures for IT devices issued to officials that were lower than had been anticipated and the payment for leases of cell phones that was not processed due to renewal phones being purchased, resulting in no lease costs; domestic furniture that was procured in 2021/22 for the Labour Attaché in Geneva that was only processed in March 2023.

VIREMENT

Post the Adjusted Budget process, a Virement to the value of R18 256 000 was applied from Programme 1: Administration of which R2 418 000 was moved to Programme 2: Inspection and Enforcement Services and R15 838 000 to Programme 3: Public Employment Services. R5 917 000 was moved from Programme 4: Labour Policy & Industrial Research to Programme 3: Public Employment Services.

The reason for the Virement was to correct capital allocations in respect of software, for transport equipment and buildings and other fixed structures.

UNAUTHORISED EXPENDITURE, IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE

No Unauthorised Expenditure was reported during the 2022/23 financial year. Irregular Expenditure as well as Fruitless and Wasteful Expenditure have been disclosed by the Department in Note 25 of the Annual Financial Statements.

PUBLIC PRIVATE PARTNERSHIPS

The Department did not enter into any Public Private Partnership (PPP) as at 31 March 2023.

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 Supply Chain Management (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 all 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 reoccurrence of irregular expenditure.

Exemptions and deviations from National Treasury include:

FINANCIAL YEAR:2022/2023

PROGRAMME NAME	DESCRIPTION	COMPANY NAME	TOTAL IN R,00 (INCL, VAT)
Admin	Extension of cleaning contract at Head Office	Morena Corporate Services.	R 969 626.55
Admin	Extension of Tech Mahindra agreement for SAP S4/HANA (Contract was extended with no direct cost)	Tech Mahindra	N/A
Admin	Extension of the Employee Health and Wellness Programme services contract.	Careways (Pty)Ltd t/a Life Health solutions	R 983 356.03
LP&IR	Extension of duration for the project on baseline research on the reduction of silicosis in the non-mining sector (Only the duration was extended)	Council for Scientific Industrial Research (CSIR)	N/A
TOTAL			R1 952 982.58

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 2023.

APPROVAL AND SIGN-OFF

The Annual Financial Statements for the 2022/23 financial year are hereby approved by the Accounting Officer.



MR T LAMATI

DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

DATE: 30/08/2023



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 F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2023.

Yours faithfully



Mr. T LAMATI

DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

Date: 30/08/2023

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 of
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

S NDEBELE

Acting DDG: Labour Policy
and Industrial Relations



A MOILOA

DDG: Inspection and
Enforcement Services



S MOROTOKA

DDG: Public
Employment Services



B MATEBESI

DDG: Corporate
Services



T MARUPING

Commissioner:
Unemployment Insurance Fund



M BRONKHORST

Chief Operations Officer



B MADUNA

Chief Financial Officer



F FAKIR

Acting 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	Products and services of assisted companies are world class and competitive Productivity and competitiveness awareness is high and embraced in South Africa Capacitated SMMEs contribute to sustainable employment creation Jobs saved in distressed companies Productivity research reports for selected sectors produced
Commission for Conciliation, Mediation and Arbitration (CCMA)	The Commission for Conciliation, Mediation and Arbitration (CCMA) was established in terms of the Labour Relations Act, 1995 as amended. It is mandated to promote social justice and fairness in the workplace by delivering ethical, qualitative, innovative and cost effective dispute management and resolution services, institution building services, education, training and development, and efficient administration	Transfer payment	The CCMA's compulsory statutory functions are to: Consolidate workplace disputes Arbitrate certain categories of disputes that remain unresolved after conciliation, establish picketing rules Facilitate the establishment of workplace forums and statutory councils Compile and publish information and statistics about CCMA activities Accredit and consider applications for subsidy by bargaining councils and private agencies, and Provide support for the Essential Services Committee

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
National Economic Development and Labour Council (NEDLAC)	The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act, 1994. The Act requires organised labour, organised business, community based organisations and government, as a collective, to promote the goals of economic growth; participate in economic decision making and social equity; seek to reach consensus and conclude agreements on matters pertaining to social and economic policy; consider all proposed labour legislation relating to labour market policy and all significant changes to social and economic policy before these are introduced in Parliament; and encourage and promote the formulation of coordinated policy on social and economic matters	Transfer payment	The NEDLAC Act requires the institution to: Strive to promote the goals of economic growth Participation in economic decision –making and social equity Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament Encourage and promote the formulation of coordinated policy on social and economic matters Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament and Consider Social Economic Disputes in terms of Section 77 of the Labour Relations Act
Supported Employment Enterprises (SEE)	The SEE is established in terms of the Employment Services Act to provide employment for people with special disabilities in the various factories across provinces that manufacture wood, linen and steel products	Transfer payment	The Employment Services requires the entity to: 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 Report of the Auditor General on the Predetermined Objectives is published in Part F: Financial Information under the heading Report on the Audit of the Annual Performance Report on page 125 of this document.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

There has been an increase in the number of work-seekers that are registered with the Department of Employment and Labour on the ESSA system, as well as those placed in work and learning opportunities, compared to prior years. A total of 1 069 496 work-seekers were registered on the system in the 2022/23 financial year. Enrolment of work-seekers is a critical step in providing support to work-seekers, and enables the Department to better understand the demographics of the work-seekers and to have accurate labour market intelligence. Up to 147 847 work and learning opportunities were registered. Further, the employment counsellors were able to provide support to 325 914 work-seekers. This is particularly important given the emotional distress caused by unemployment and negative effects of the economic downturn that followed the spread of the Covid-19 pandemic and looting of shops (and other trades) in KZN and Gauteng in 2021. The absorption of labour into the labour market has also been very slow and the number of new job opportunities available has also been low, indicating the need for more demand led interventions. A total of 84 636 registered work and learning opportunities were filled by registered work-seekers, of whom 49 992 (59%) are women, 56 393 (67%) youth and 566 (0.7%) are persons with disabilities (PwDs).

The Department conducted Mega Blitzes that are intended at making an impact in the Labour Market by ensuring that employees are protected from exploitation and also ensure that Foreign Nationals who are employed are protected from abuse, cheap and forced labour. The Department has managed to protect vulnerable workers and reduce incidents at the workplace. The Mega Blitzes were held in partnership with the Hawks, Department of Home Affairs, Provincial Traffic Departments and Bargaining Councils.

In relation to the promotion of equity in the labour market to encourage inclusive and diversified workplaces that reflect the demographics of the various population groups, the EE-amendments introduced in the EE Amendment Bill to regulate sector specific numerical EE Targets, will have a positive impact in expediting the pace of the transformation in the labour market. As a result, previously disadvantaged groups such as black people, women and persons with disabilities will have access to equal opportunities, fair treatment, equitable and decent terms and conditions of employment free from bias and unfair discrimination.

The National Minimum Wage Act assists to improve the wages of the lowest paid workers, closing the wage gap between genders, promoting collective bargaining, supporting economic policy and making a provision for the regulation of basic conditions of employment.

The national minimum wage is a positive tool to remedy the situation of poverty and wage inequality of millions of vulnerable workers in South Africa. Reviewing and adjusting the minimum wage level will ensure that the real value of the national minimum wage does not decline over time.

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 93% within 24 hours of receipt. (Achieved)

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 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 93% within 14 working days of receipt. (Not achieved). Reason: Non-compliance with the policy and procedures Backlog i.r.o. resolution of complaints Incomplete information submitted by the clients.
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	95.6% of compliant invoices were paid within 30 days of receipt. (Not achieved) Reason: Head Office and Provincial Offices failed to process invoices within the prescribed period
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	All entities were paid 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%	45.8% of legitimate labour related complaints were resolved within 90 calendar days of registration. (Not achieved) Reason: No data available
Inspection and Enforcement Services	- Employed - Under-employed - Unemployed - Injured on duty - People with Disabilities - Employers	We shall finalise 70% of reported incidents within 90 calendar days	70%	No data available on reported incidents
Inspection and Enforcement Services	- 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	1 585 out of 2 623 of letters/certificates of entity registration were issued within 60 calendar day of receiving a valid and complete application (Not-achieved) Reason: Increased volume of registration of entities have been received in the last twelve months following the lockdown in industries

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 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	58 out of 66 of exemption letters were issued within 60 calendar days of receiving a valid and complete application. (Not achieved) Reason: No data available
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	3 out of 3 appeal applications were finalised within 60 calendar days of receiving a valid and complete application. (Achieved)
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	540 out of 638 letters i.r.o. writing the GCC exams (valid for 3 years) were issued within 60 calendar days of receiving a valid and complete application. (Not achieved) Reason: The workload requires more staff
Inspection and Enforcement Services	- Employed - Under-employed - Unemployed - Injured on duty - Persons with Disabilities - Employers	We shall extend the validity period (3 years) to write GCC exams on re-application within 60 calendar days of receipt	Extend the validity period (3 years) to write GCC exams on re-application within 60 calendar days of receipt	79 out of 94 GCC exams (validity period 3 years) were extended on re-application within 60 calendar days (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	64 out of 110 GCC certificates were issued within 60 calendar days of receiving the successful results from the Department of Higher Education. (Not-achieved) Reason: The work load requires more staff
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	1 069 496 eligible work-seekers were registered on the Employment Services of South Africa (Achieved) Reason: High levels of unemployment in the country Increased capacity within the PES establishment

MAIN SERVICES	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
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%	(124 out of 195) 64% of work visa applications (with complete information) were adjudicated within 30 working days of receipt (Not achieved) Reason: Lack of cooperation from stakeholders
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	147 847 employment opportunities were registered on the Employment Services of South Africa (Achieved) Reason: Increase in capacity in the form of CSO and Intern ESP freed ESPs to service employers to register opportunities, to reduce costs in advertising and to be provided with a pool of suitable candidates to recruit from
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	84 636 registered employment opportunities were filled by registered work-seekers (Achieved) Reason: Increased capacity at Labour Centre level, increase in the number of opportunities registered, extensive counselling sessions, resulted in the higher uptake of referred candidates by employer
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	325 914 work-seekers were provided with employment counselling (Achieved) Reason: Increased capacity at Labour Centre level, increase in the number of opportunities registered, extensive counselling sessions, resulted in the higher uptake of referred candidates by employer
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%	(507 out of 588) 86% of Private Employment Agency/ Temporary Employment Service applications (with valid and complete information) were finalise within 60 calendar days of receipt (Achieved) Reason: Timeous processing and presiding on received applications
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%	(7 registered and 125 refused out of 132) 100% labour organisations (with valid and complete information) were registered or refused within 90 days of receiving the application (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 extend 100% of collective agreements within 90 calendar days of receipt	100%	(4 of 4) 100% of collective agreements were extended within 90 calendar days of receipt (Achieved)
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%	(0 registered and 84 deregistered out of 84) 100% of designated employers (with valid and complete information) were 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	27 532 EE reports were received from designated employers between 1 September 2022 until 15 January 2023 (midnight), which were quality checked and validated automatically by the EE System (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	Reviewed and adjusted the National Minimum Wage during Q4 (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 finalised within 30 days from date of application.	(61 granted and 22 rejected out of 96) 86% of the applications for NMW exemption were granted/ rejected immediately on application (Achieved) (14 granted and 16 rejected) 83.33% applications for NMW exemption (selected for audit) are still to be granted or rejected within 30 days from date of application (Achieved and 6 not yet due)

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 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 (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	(38 were approved and 19 not yet due) out of 57) 100% of the applications for BCEA variations were approved or rejected within 90 days after receipt (Achieved)

SERVICE DELIVERY IMPROVEMENT PLAN FOR THE FINANCIAL YEAR 2022/23- YEAR 1

SDI FOCUS AREAS	KEY PERFORMANCE AREA	DEPT SPECIFIC SET STANDARD	BASLINE YEAR 0:	DESIRED TARGET FOR YEAR OF REPORTING (YEAR 1)	ACTUAL ACHIEVEMENT
Performance target	Number of registered employment opportunities filled by registered work-seekers per year	Registered employment opportunities shall be filled by registered work-seekers within 30 working days of receipt	37 193 employment opportunities were filled by registered work-seekers within 30 days of receipt	AR: 55 000 registered employment opportunities filled by registered work-seekers per year	84 636 employment opportunities were filled by registered work-seekers (Achieved)
Level of complaints received i.r.o the key service	Percentage of complaints tolerated per service	5% of complaints tolerated per service	Zero complaints received	3% of complaints tolerated per service	2 complaints received and resolved are within the 3% of toleration level. (Achieved)
	Percentage of complaints acknowledged within 24 hours of receipt	92% of complaints acknowledged within 24 hours of receipt	Zero complaints received	93% of complaints acknowledged within 24 hours of receipt	(2 of 2) 100% complaints received acknowledged within 24 hours. (Achieved)
	Percentage of complaints resolved within 14 working days of receipt	92% of complaints resolved within 14 days of receipt	Zero complaints received	93% of complaints resolved within 14 days of receipt.	(2 of 2) 100% complaints received resolved within 14 days of receipt. (Achieved)
Business process (BP) improvement areas	Percentage of PES key services reviewed to eliminate non-value adding BP activities/ steps per annum	80% of PES key services to be reviewed to eliminate non-value adding BP activities / steps per annum	60% of PES key services reviewed to eliminate non-value adding BP activities/steps	20% of PES key services reviewed to eliminate non-value adding BP activities/steps by 31 March 2023	No BPs were reviewed (Not achieved) Reason: SAP-DIPHETOGO project which is a new IT- system to be implemented in May 2023 made the review redundant

SDI FOCUS AREAS	KEY PERFORMANCE AREA	DEPT SPECIFIC SET STANDARD	BASLINE YEAR 0:	DESIRED TARGET FOR YEAR OF REPORTING (YEAR 1)	ACTUAL ACHIEVEMENT
	ESSA system enhanced in line with the revised business process activities/steps	ESSA system enhanced to include uploading and downloading of attachment and auto sending of communication (email/sms) to the matched work-seekers by 31 March 2023	No baseline information	ESSA system enhanced to include uploading and downloading of attachment and auto sending of communication (email/sms) to the matched work-seekers by 31 March 2023	ESSA system enhanced to include uploading and downloading of attachment and auto sending of communication (email/sms) to the matched work-seekers not yet finalised (Not achieved) Reason: SAP-DIPHETOGO project which is a new IT- system to be implemented in May 2023 made the review redundant
Legal/ Standard Operating Procedures	Percentage compliance with the promulgated Employment Services Act No 4 of 2014	100% compliance with the promulgated ES Act No 4 of 2014	100% compliance with the promulgated ES Act No 4 of 2014	100% compliance with ES Act No 4 of 2014. Section 14	100% compliance with ES Act No 4 of 2014. Section 14 (Achieved)
	ES Regulations on reporting of vacancies and filling of positions, once promulgated	100% ES Regulations on reporting of vacancies and filling of positions/vacancies promulgated by 31 March 2024	No baseline information	ES Regulations on reporting of vacancies and filling of positions developed y 31 March 2023	The regulations on reporting of vacancies and filling of positions not yet developed (Not achieved) Reason: To be developed after finalisation of National Employment Policy
Professional standards as set by professional bodies	Employment Counsellors (ES) who are registered with Health Professional Council of South Africa (HPCSA) be appointed	100% compliance with the requirement of HPCSA registration to be mandatory when appointing the Employment counsellors by 31 March 2024	137 out of 140 Employment Counsellors who are registered with the HPCSA were appointed	Appoint Employment Counsellors who are registered with HPCSA	137 out of 139 Employment Counsellors are registered with HPCSA (Achieved)
Value for Money (efficiency measures)	Percentage of clients to utilise PES online services per annum	10% of clients to utilise PES online services per annum	10% of clients utilised PES online services by 31 March 2021	10% of clients utilised PES online services by 31 March 2023	13% of clients utilise online services (135 184) online work-seekers out of a total of 1 069 496 (Achieved)

SDI FOCUS AREAS	KEY PERFORMANCE AREA	DEPT SPECIFIC SET STANDARD	BASELINE YEAR 0:	DESIRED TARGET FOR YEAR OF REPORTING (YEAR 1)	ACTUAL ACHIEVEMENT
	ESSA system enhanced to allow uploading and downloading of attachments i.e. proof of qualifications	100% ESSA system enhanced to allow uploading and downloading of attachments i.e. proof of qualifications by 31 March 2024	No baseline information	The ESSA system enhanced to allow uploading and downloading of attachments (i.e. proof of qualifications) by 31 March 2023	The ESSA system enhanced to allow uploading and downloading of attachments (i.e. proof of qualifications) by 31 March 2023 not finalised (Not achieved) Reason: SAP-DIPHETOGO project which is a new IT- system to be implemented in May 2023 made the enhancement redundant
	The ESSA system enhanced to send communication/ notification to matched work-seekers via email/ sms	100% The ESSA system enhanced to send communication/ notification to matched work-seekers via email / sms by 31 March 2024	No baseline information	The ESSA enhanced to send instant SMS/email notification to matched work-seekers by 31 March 2023	The ESSA enhanced to send instant SMS/ email notification to matched work-seekers by 31 March 2023 not finalised (Not achieved) Reason: SAP-DIPHETOGO project which is a new IT- system to be implemented in May 2023 made the enhancement redundant

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

CURRENT/ACTUAL ARRANGEMENTS	DEPARTMENT SPECIFIC SET STANDARD	DESIRED TARGET FOR YEAR OF REPORTING (YEAR 1)	ACTUAL ACHIEVEMENTS
GENERIC CONSULTATION STANDARDS	17 600 of stakeholders consulted when developing/ amending policies and systems including the SDIP to factor in their service needs	16 000 relevant stakeholders consulted by 31 March 2023 when developing/ amending policies and systems to factor in their service needs and expectations	4 339 stakeholders were consulted (Not Achieved) Reason: Consultations conducted were mainly on Labour Migration policy
COURTESY/ PROFESSIONAL STANDARDS BY PUBLIC SERVANTS	50% of employees to sign/knowledge a pledge of commitment certificate on professional standards as a promise to abide by the Code of Conduct for the Public Service, Code of Ethics in the Public Service, Service Charter, Service Standards and Batho Pele Principles by not later than 31 March 2024	30% employees to sign/ acknowledge a pledge of commitment on professional standards as a promise to abide by the code of conduct of the public service, code of ethics in the public service, service charter, service standards and Batho Pele principles by 31 March 2023	Not done. (Not Achieved) Reason: HR was not pursued to assist with the development of the pledge commitment statement for inclusion on the performance agreement of the employees
COURTESY/ WORKING ENVIRONMENT STANDARDS	100% compliance with Occupational Health and Safety measures in the work place	100% compliance with OHS measures in the work place	Internally four OHS Awareness sessions were conducted Four OHS Inspection was conducted Several offices in four provinces including the one fund were issued with contravention notices All Provinces including funds have active OHS Committees

CURRENT/ACTUAL ARRANGEMENTS	DEPARTMENT SPECIFIC SET STANDARD	DESIRED TARGET FOR YEAR OF REPORTING (YEAR 1)	ACTUAL ACHIEVEMENTS
	70% of contact offices have adequate waiting areas with shelter, chairs and rest rooms during waiting times	60% of contact offices have adequate waiting areas with shelter, chairs, and rest rooms during waiting times	100% of the 125 Labour Centres, 40 Satellite Offices and 492 Visiting Points across the country have adequate waiting areas with shelter, chairs and rest rooms during waiting times (Achieved)
VIRTUAL ACCESS STANDARDS	10% of service recipients to utilise PES online services per annum	10% of service recipients to utilise PES online services by 31 March 2023	13% of clients utilise online services (135 184) online work-seekers out of a total of 1 069 496 (Achieved)
PHYSICAL ACCESS STANDARDS	80% of service recipients to have access to services through different access channels and within average travel distance as per the approved service delivery model	80% of service recipients to have access to services through different access channels and within average travel distance as per the approved service delivery model	Services are rendered at 9 Provincial Offices, 125 Labour Centres, 40 Satellite Offices and 492 Visiting Points across the country (Achieved)
	70% of contact offices have adequate waiting areas with shelter, chairs and rest rooms during waiting times	60% of contact offices have adequate waiting areas with shelter, chairs, and rest rooms during waiting times	100% of the 125 Labour Centres, 40 Satellite Offices and 492 Visiting Points across the country have adequate waiting areas with shelter, chairs and rest rooms during waiting times (Achieved)
	Contact details of all service delivery points updated and published on the website by 31 March every year	Contact details of all service delivery points updated and published on the website by 31 March 2023	Contact details of all service delivery points updated and published on the website (Achieved)
INFORMATION STANDARDS	Declaration/disclaimer on privacy and protection of work-seekers data drafted for approval to ensure that the information is used for recruitment purposes only by 31 March 2023	Declaration/ disclaimer on privacy and protection of work-seekers data drafted for approval to ensure that the information is used for recruitment purposes only by 31 March 2023	Declaration/ disclaimer on privacy and protection of work-seekers data not yet drafted. (Not Achieved) Reason: POPIA effected in the new SAP system which will go live in July 2023
	Selected service information published in English and 1 African language that is predominately spoken in the region by 31 March 2023	Selected service information published in English and 1 African language that is predominately spoken in the region by 31 March 2023	Selected service information published in English and 1 African language not yet done. (Not Achieved) Reason: Delays encountered in devolving the printing of Service Information brochures to the Provincial Offices. The Budget for this was also decentralised, but a follow up is in process to ensure that the Service information is published accordingly
	Customer care and call center contact details published on the website and prominently displayed in all offices by 31 March 2023	Customer care and call center contact details published on the website and prominently displayed in all offices by 31 March 2023	Contact details published on the website (Achieved)
OPENNESS & TRANSPARENCY	Approved SDIP published on the website by 1 April 2023 SDIP Annual Performance Report published on the website within two days of approval	Approved SDIP published on the website by 1 April 2022. SDIP annual performance report published on the website within two days of approval	Approved SDIP published on the website (Achieved) Not yet due: The SDIP annual report for year 1 is due on 30 May 2023
VALUE FOR MONEY	10% of service recipients to utilise PES online services per annum	10% of service recipients to utilise PES online services by 31 March 2023	13% of clients utilise online services (135 184) online work-seekers out of a total of 1 069 496 (Achieved)

CURRENT/ACTUAL ARRANGEMENTS	DEPARTMENT SPECIFIC SET STANDARD	DESIRED TARGET FOR YEAR OF REPORTING (YEAR 1)	ACTUAL ACHIEVEMENTS
	The ESSA system enhanced to allow uploading and downloading of attachments (i.e. Proof of qualifications) by 31 March 2023	The ESSA system enhanced to allow uploading and downloading of attachments (i.e. proof of qualifications) by 31 March 2023	The envisaged Go-Live for the system is scheduled for 1 July 2023 (Not Achieved) Reason: The Go-Live was delayed due to unresolved defects/issues identified during Testing and training
	The ESSA system enhanced to send instant sms/email notification to matched work-seekers by 31 March 2023	The ESSA enhanced to send instant SMS/email notification to matched work-seekers by 31 March 2023	The envisaged Go-Live for the system is scheduled for 1 July 2023. (Not Achieved) Reason: The Go-Live was delayed due to unresolved defects/issues identified during Testing and training
REDRESS STANDARDS	3% of complaints tolerated per service per annum	3% of complaints tolerated per service by 31 March 2023	2 complaints received and resolved are within the 3% of toleration level (Achieved)
	92% of complaints acknowledged within 24 hours of receipt	93% of complaints acknowledged within 24 hours of receipt	(2 of 2) 100% complaints received acknowledged within 24 hours (Achieved)
	92% of complaints resolved within 14 working days of receipt	93% of complaints resolved within 14 working days of receipt	(2 of 2) 100% complaints received resolved within 14 days of receipt (Achieved)

SERVICE DELIVERY INFORMATION TOOL

CURRENT/ACTUAL INFORMATION TOOLS	DESIRED INFORMATION TOOLS	ACTUAL ACHIEVEMENTS
Customer care and call centre contact details published on the website and prominently displayed in all offices by 31 March 2023	Customer care and call centre contact details published on the website and prominently displayed in all offices by 31 March 2023	Contact details published on the website

COMPLAINTS MECHANISM

CURRENT/ACTUAL COMPLAINTS MECHANISM	DESIRED COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENTS
DPSA Complaints Management Framework has been adopted - 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 Periodic (4 QR and 1 AR) complaint resolution reports were produced and approved	Automated Customer Interaction Centre system to lodge, monitor and report on complaint resolutions	- 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 Achieved

2.3 ORGANISATIONAL ENVIRONMENT

The Department had set itself administrative targets on the Annual Performance Plan, of which most were achieved except the SAP related targets which were affected by the absence of the SAP support and maintenance. These have been moved to the new financial year.

The Department has experienced substantial 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

In terms of the National Employment Policy, the Department is in the process of consulting with identified government Departments in preparation for a presentation to be tabled at Economic Cluster, as advised by Presidency. The policy will be referred to the Minister for gazetting in the fourth quarter of the 2023-2024 financial year. The preparations are underway for the National Labour Migration policy to be tabled at the Inter-Ministerial Committee (IMC) on Migration, NEDLAC, Parliament and Cabinet.

The Employment Equity Amendment Bill passed by Parliament on 17 May 2022 and still awaiting for the assenting and signing into law by the President. In preparation for the implementation of the proposed EE amendments contained in the EE Amendment Bill, the EE Regulations have been amended to provide implementation guidelines to employers and employees on the proposed EE amendments and are ready for publication for implementation. The Regulation containing the proposed Sector EE targets has been developed and is ready for publication for public comments for 30 days upon the promulgation of the EE Amendment Bill into law.

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
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PRIORITY 1: CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-4	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 8% 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% Achieved: 2022/23 - 7.14%	Improved interventions on the filling of funded vacant posts. More emphasis placed on adhering to the SOP's on recruitment and selection	Corporate Services
		1.2 Acquisition, maintenance and improvement of ICT services	95% 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 2022/23 – N/A	Indicator not in the 2022/23 APP	Corporate Services

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-4	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
	2. Modern Systems and ICT services	2.1 Improve Information Security status of the Department	3 year Cybersecurity roadmap developed	New from 2022/23: Not Achieved The Cyber Security Framework and Roadmap have been developed The Cyber Security Framework was developed and the Cyber security strategy has not been done	The Security Service Provider Experts advised that we needed to develop the Cyber Security Framework before the Strategy in line with the best Information security standards, hence there is a slight deviation. The Cyber Security Strategy will have to be deliberated with inputs and consultations from the department and incorporated as part of the departmental ICT Strategy document	Corporate Services
		2.2 Legacy systems transitioned to modern integrated SAP Platform	All targeted legacy applications replaced by SAP on HANA as per the Roadmap	New from 2022/23: Not Achieved The User Acceptance Testing for IES and PES is completed and signed off. The SAP Support and Maintained agreement is in place. The service provider has completed all the SAP system patching that was a pre requisite for a Go Live for IES and PES targeted for 1 July 2023. End User refresher training using system is in progress. The SAP license usage report will be activated post Go Live	The service provider has completed all the SAP system patching that was a prerequisite for a Go Live for IES and PES on 1 July 2023. The project Plan dates have been revised due to the project delays emanating from the absence of the SAP support and maintenance	Corporate Services

The Department has achieved the target on filling of vacant posts. In terms of legacy transitioned to modern integrated SAP platform, the target was not achieved due to the delays emanating from the absence of SAP support and maintenance resulting in project plans dates been revised. It is envisaged that the implementation date will be in the first quarter of 2023/2024 financial year and the SAP license usage report will be activated post Go Live. The target on ICT strategy was not achieved, the Department had developed Cyber Security Framework before the Strategy in line with the best Information security standards, hence there was a slight deviation. It is anticipated that the Cyber Security Strategy would be finalised in the second quarter of 2023/2024 financial year.

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	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 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 Looking at Year- on-year changes on Employment creation, the stats are captured as follows: Q1 2020: 91 000 jobs created; Q2-Q4 -2020: - 5 245 000 job losses 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 2022/23 - 84 636	None	Labour Policy and Industrial Relations
				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 • 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 2020/21 - 37 193 PES 2021/22 - 67 058 PES 2022/23 - 56 393 PES	None	Public Employment Services

¹ Labour 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
		2.2 Number of jobs created through the Presidential Comprehensive Youth Employment interventions	1 million youth jobs by 2024 ² The 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 2022/23 - 56 393 PES		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 2022/23 -56 393 PES		Public Employment Services

² The 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.

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
		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 2022/23 - The Department of Employment and Labour has developed a Draft National Labour Migration Policy (NLMP) as per instruction of the Ministers of Employment and Labour in the SADC Region The Draft National Labour Migration Policy and Employment Services Amendment Bill were approved by Cabinet for public comments in February 2022. The gazette was published for a period of 90 days In accordance with Government's Medium Term Strategic Framework (MTSF) 2019 – 2024, a zero draft NEP was finalised as a coordinated strategy to address the country's persistently high levels of unemployment	Regarding the NLMP, the extensive consultative processes resulted in higher than planned levels of inputs which needed more time for incorporation Preparations are underway for the policy to be tabled at the Inter-Ministerial Committee (IMC) on Migration and NEDLAC, Parliament and Cabinet Regarding the NEP, there were unexpected delays in the re-appointment of the service provider by the ILO, and in the issuing of a final certificate by Presidency to enable the Minister to table the draft policy to Cabinet to request approval to commence with consultations	Public Employment Services

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	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 2022/23 – 4 725	Some offices took longer than anticipated to fill vacancies and this had an effect on the achievement of targets The Branch recruited a number of new inspectors, some are yet to be fully effective	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 2022/23 – 168 008	Some offices took longer than anticipated to fill vacancies and this had an effect on the achievement of targets. The Branch recruited a number of new inspectors, some are yet to be fully effective.	Inspection and Enforcement Services

Work-seekers placed in jobs numbered 84 636, of which 56 393 were youth.

As economic distress in the country continues unabated and even getting worse, the supply of labour exceeds the demand for employment, resulting in higher levels of unemployment. There is a need for more effective means in stimulating the demand side. Employment Services still lacks sustainable additional funding to enhance employment schemes, that would help incubate or prepare work-seekers for more sustainable jobs. The Department's efforts to deal with the challenges include the Project - Education for Employability (E4E), which is an EU funded programme that aims to achieve more inclusive, equitable and quality education and employment prospects for South African (SA) Youth.

POLICY DEVELOPMENTS

1. NATIONAL EMPLOYMENT POLICY:

There were unexpected delays in the re-appointment of the service provider by the ILO, and in the issuing of a final certificate by the Presidency to enable the Minister to table the draft policy to Cabinet to request approval to commence with consultations. The Department is in the process of consulting with identified government Departments in preparation for a presentation to the Economic Cluster, as advised by the Presidency.

The policy will be referred to the Minister for gazetting in Quarter 4 of 2023-2024

2. NATIONAL LABOUR MIGRATION POLICY

The extensive consultative processes resulted in higher than planned levels of inputs which needed more time for incorporation. Preparations are underway for the policy to be tabled at the Inter-Ministerial Committee (IMC) on Migration and NEDLAC, Parliament and Cabinet. The policy will be referred to the Minister for gazetting in Quarter 4 of 2023-2024.

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	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	2019/20 - 28 757 2020/21 - 33 272 2021/22 - 89 220 2022/23 - 109 464	The Branch intensified on training and retraining of inspectors Quality assurance teams have been strengthened at all levels	Inspection and Enforcement Services
	Protect vulnerable workers		4 x Years = 397 776 (2021/22-2024/25)		Mega Blitz Inspections have complemented the local Blitz inspections	
	Strengthen occupational safety protection		This is what will be achieved in the next 5 x Years = 421 620		The Branch introduced five sets of the National Roving Team that target high Risk and Problematic areas	
	Development of the Occupational Health and Safety policies				The Branch continues to realise the benefits of timeous intervention in the quest to deal with performance challenges	

The Department is part of multi-disciplinary operations (inspections) to address transactional crimes along the borders of the EC Province and Lesotho. The operation was focusing on Spaza shops and businesses around Matatiele, focusing mostly on Foreign Nationals due to non-compliance with various legislation. The operation was conducted in collaboration with the South African Police Services, Municipal Police, Department of Employment and Labour, Matatiele Local Municipality (LED) and South African National Defence Force.

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 UIA, 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	The Branch intensified on training and retraining of inspectors	Inspection and Enforcement Services
				2020/21 – 23 128	Quality assurance teams have been strengthened at all levels	
				2021/22 – 25 978	Mega Blitz Inspections have complemented the local Blitz inspections	
				2022/23 – 20 649	The Branch introduced five sets of the National Roving Team that target high Risk and Problematic areas The Branch continues to realise the benefits of timeous intervention in the quest to deal with performance challenges	

The Department conducted Mega Blitzes that are intended at making an impact in the Labour Market by ensuring that employees are protected from exploitation and also ensure that Foreign Nationals who are employed are protected from abuse, cheap and forced labour. The Department has managed to protect vulnerable workers and reduce incidents at the workplace. The Mega Blitzes were held in partnership with Hawks, Department of Home Affairs, Provincial Traffic Department and Bargaining Councils.

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	2019/20 - 2019-2020 Annual Employment Equity Report and Public Register developed by 26 March 2020 NEDLAC Social Partner deliberations on the proposed EE amendments finalised in April 2019. Revised EE Amendment Bill approved by Cabinet and submitted to Parliament in March 2020 2020/21 - EE Amendment Bill, 2020 tabled in Parliament through publication of the Bill in Government Gazette dated 20 July 2020 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 2022/23 - EE Amendment Bill passed by Parliament (both the NCOP and National Assembly) on 17 May 2022. Subsequently submitted to the Presidency for assenting and promulgation into law. - EE Regulations to implement the EE amendments finalised, but will be published upon the assenting and promulgation of the EE Amendment Bill into law. - Sector stakeholder consultations for the setting of proposed sector EE Targets finalised and draft Regulation containing the proposed sector EE Targets finalised, but will be published upon the assenting and promulgation of the EE Amendment Bill into law.	Assenting and promulgation of the EE Amendment Bill into law beyond the Department's control	Labour Policy and Industrial Relations

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	7.2 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	2019/20 – N/a 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 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 2022/23 - Africans increased by 0.4% in 2022/2023 (i.e., from 25.6% in 2021 to 26.0% in 2022) in Senior Management; and increased by 1.5% (i.e., from 46.9% in 2021 to 48.4% in 2022) in Middle Management as reported by designated employers in the 2022 EE reporting period	Self-regulation of EE targets by designated employers as required by the 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	2019/20 – N/A 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 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 2022/23 - Persons with disabilities' representation remained the same at 1.2% in 2022/2023 (i.e. 1.2% in 2021 to 1.2% in 2022) in the total workforce as reported by designated employers in the 2022 EE reporting period	Self-regulation of EE targets by designated employers as required by the EEA	Labour Policy and Industrial Relations
		7.4 Development of Income differential data collection tool (EEA4 form) for designated employers	Income differential data collection tool (EEA4 form) for designated employers developed and implemented by 2022	5-yr target Achieved 2020/21 - EEA4 form developed and implemented on 8 August 2019 (Government Gazette No.42627)	None	Labour Policy and Industrial Relations

Parliament finalised its deliberations and passed the EE Amendment Bill on 17 May 2022. The EE Amendment Bill is awaiting assentment and promulgation into law by the President. The Primary objectives of the EE Amendment Bill are to empower the Minister of Employment and Labour to regulate sector specific EE Targets to expedite the pace of transformation and to prescribe assessment criteria for the issuing of EE Certificate of Compliance, which will serve as a prerequisite for access to State contracts or for doing business with all organs of the State. Promulgation of the EE Amendment Bill into law is critical to enable the implementation of the EE amendments, in particular the sector specific EE numeral Targets from 2023 onwards. Continuous EE compliance monitoring through the analysis of EE data submitted by designated employers annually through EE Reports is fundamental to enable the Commission for Employment Equity (CEE) to provide feedback to the public on the EE status and the pace of transformation in the labour market.

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.

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) 2022/23 - South Africa successfully hosted the first Global Child labour conference on African soil. The Vth Global Child Labour Conference was hosted with the support of the ILO. It was a forum of many firsts; the first in which children participated; the first to host a Nobel Peace Laureates platform; the first to host a Legacy Forum constituted by all previous hosts of the event and the first fully hybrid within the ILO regional meetings	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 2022/23 - All relevant payments to all International Organisations to which we are members was done timeously	None	Labour Policy and Industrial Relations

The Department has contributed to the achievement of priorities of children by making regulations to prohibit work by children (below 15 years) and placing conditions on the work that may be performed by children workers who are at least 15 years of age and no longer subjected to compulsory schooling. Under the stewardship of the Department, the country hosted the 5th Global Conference on Elimination of Child Labour in May 2022, following a decision formally endorsed by the 340th Session of the International Labour Organisation's (ILO) Governing Body, to take the event to the African continent for the first time.

The 5th Global Conference on the Elimination of Child Labour convened with only three years left to achieve the goal of the elimination of all child labour by 2025, and only eight years towards the goal of the elimination of forced labour by 2030, as established by UN Sustainable Development Goals Target 8.7.

Additionally, it came at a time when the world was still recovering and responding to the multiple effects of the Covid-19 pandemic, which had a devastating effect on health, economic progress, equality and social development.

The hosting of the 5th Global Conference on the Elimination of Child Labour was the first on African soil and concluded with the Durban Call to Action edging all ILO member states to ensure the domestication of the outcome in-line with pursuing SGD goals target of eliminating child labour by 2025. The Durban Call to Action is a cross-cutting commitment that various sectors and role players will use in various programmes aimed at poverty reduction, and addressing challenges faced by children. Generally, despite enhancing the role of the country as a supreme conference destination, it also as part of Covid -19 recovery it boosted the tourism sector, created short-term employment and boosted the local economy.

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

The Department has achieved the target on filling of vacant posts and revised the target to a lower percentage (from 8% to 7%) in the new financial year to accelerate the filling of posts within six months of being vacant. The Department continued to experience challenges in achieving the employee relations cases that are supposed to be concluded within 90 days. The issue on the employee relations cases emanates from the fact that some of these cases are unique and complex in their own right. At times the officials involved in dealing with the cases are not available to carry on with the cases as these are mostly officials that are entrusted with other responsibilities in other Departments. The Department does not have a dedicated pool of investigators and irrespective, it is also wiser to make use of external officials within the public service to handle cases of the Department to avoid possible subjectivity if cases are handled by a colleague within the same Department. Some of the complex cases are normally referred to the law enforcement agencies like SAPs and SIU for further handling if there are elements of crime in the cases.

TABLE 4.1.1: PERFORMANCE INDICATORS

PROGRAMME : ADMINISTRATION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS	
Strengthen the institutional capacity of the Department	1. Reduction of vacancy rate	1.1 Percentage Vacant funded posts maintained	11.27% ⁶ (1 126 of 9 991 posts)	Not Achieved 9.56% ⁷ (956 of 9 997 posts)	Vacant funded posts maintained at 8% or less for every quarter	Achieved Q1-9.65% Q2-8.76% ⁸ Q3- 7.62% ⁹ Q4-7.14%	Q1-1.65% Q2-0.76% Q3 - 0.38% Q4-0.86%	- The delay was caused by massive numbers of applications especially at lower levels against the current HRM capacity and unavailability of panel members - Overachievement in the last 2 quarters was due to compliance by line managers in response to DG letter on speedy filling of vacancies. More emphasis placed on adhering to the SOP's on recruitment and selection	
	2. Gender Responsive recruitment	2.1 % of SMS positions occupied by women per annum	New	Achieved 49.7% of SMS positions occupied by women	45% of SMS positions occupied by women	Achieved Q2-52.4% Q4-47%	Q2-+8.4% Q4-2%	More emphasis placed on appointing females at SMS level and exceeding the set target	
	3. Modern Systems and ICT services	3.1 Improve Information Security status of the Department per annum	N/A	N/A	Cyber Security Strategy and roadmap approved	Not Achieved The Cyber Security Framework and Roadmap have been developed	The Cyber Security Framework was developed and the Cyber security strategy has not been done	The Security Service Provider Experts advised that Department of Employment and Labour needed to develop the Cyber Security Framework before the Strategy in line with the best Information security standards, hence there is a slight deviation. The Cyber Security Strategy will have to be deliberated with inputs and consultations from the Department and incorporated as part of the Departmental ICT Strategy document	

⁶ 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.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 2021/22 Annual Report.⁸ The vacancy rate in quarter 2 only included DEL posts and discounted the CF and UIF posts.⁹ The vacancy rate in quarter 3 only included DEL posts and discounted the CF and UIF posts.

PROGRAMME : ADMINISTRATION

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS
		3.2 Legacy systems transitioned to modern integrated SAP Platform per annum	N/A	N/A	IES and PES systems replaced with SAP on HANA	Not Achieved The User Acceptance Testing for IES and PES is completed and signed off. The SAP Support and Maintained agreement is in place. The service provider has completed all the SAP system patching that was a pre requisite for a Go Live for IES and PES target wed for 1 July 2023. End User refresher training using system is in progress. The SAP license usage report will be activated post Go Live	The service provider has completed all the SAP system patching that was a pre requisite for a Go Live for IES, and PES on 1 July 2023. The SAP license usage report will be activated post Go Live. Waiting for Go live	The service provider has completed all the SAP system patching that was a pre requisite for a Go Live for IES and PES on 1 July 2023. The project Plan dates has been revised due to the project delays emanating from the absence of the SAP support and maintenance
4. Programme to prevent and fight corruption in the Department	4.1 Ensure functionality of ethics structures and adequate capacity	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	Achieved Consultation on PSC verification report conducted and report consolidated	Roll out of the Ethics Management Plan for the year	Not Achieved Reports on other remunerative work submitted to DG on 31 March 2023	Deliverables and targets in both the ethics implementation plan and work plan were not all achieved.	Ethics strategy and Ethics implementation plan has not been compiled and approved due to limited human resources	

PROGRAMME : ADMINISTRATION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS	
		4.2 Percentage resolution of reported incidents of corruption in the Department within the 90 days	63% cases completed 123 cases received and 78 finalised (78/123*100= 63%) 2 cases referred to ER 14 Cases referred to SAPS	Not Achieved 64% case completed 894 cases received and 575 investigated and finalised (575/894*100= 64%) 19 cases referred to ER 56 cases referred to SAPS	93% resolution of reported incidents by disciplinary and criminal interventions	Not Achieved Q1- 6% Cases finalised Q2 -67,7% Cases finalised No fraud cases in quarter 3 and 4	Q1 -16 (87%) Cases pending Q2 -1 (33%) Cases pending Q3 & 4 -(0%) Cases pending	Cases were not finalised within required timeframes due to capacity constraints	
5. Annual financial statements submitted to the National Treasury by 31 May each year and IFS reports submitted to the National Treasury on due dates as determined by National Treasury	5.1 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 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) compiled per year that comply with guidelines issued by the National Treasury	1 AFS by 31 July, and 3 IFS 30 days after each quarter	Achieved 1 AFS by 31 May 2021 Not Achieved 1 IFS by 31 July 2021 Not Achieved 1 IFS by 31 October 2021 Achieved 1 IFS by 31 January 2022 – Achieved	1 AFS by 31 May, and 3 IFS 30 days after each quarter	Achieved AFS submitted by the 31 May 2022	Extension granted by National Treasury	None Target achieved in line with the extension granted by National Treasury	
						IFS submitted by the 3 August 2022	None	None	
						IFS submitted by the 31 October 2022	None	None	
						IFS by 31 January 2023	None	None	

PROGRAMME : ADMINISTRATION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS
	6. 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	Irregular expenditure R 32 703 000	Achieved Irregular expenditure R18 816 000	100% reporting of the detected occurrences	Achieved 100% R107 847 000	None	None
			Unauthorised expenditure - None detected and reported	Achieved Unauthorised expenditure - None detected and reported		Unauthorised expenditure: None detected during the reporting period.		
	7. 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	Fruitless and Wasteful expenditure- R727 000	Achieved Fruitless and Wasteful expenditure- R25 811 000	100% reporting of the detected occurrences	Achieved Fruitless and Wasteful expenditure: 100% R17 499 000	None	None

LINKING PERFORMANCE WITH BUDGETS

After the Adjusted budget process Administration budget increased by R57.1 million, with the final allocation of R1.083 billion for the 2022/23 financial year. Total expenditure of R1.025 billion was recorded, an expenditure level of 94.7%. This is in comparison to the prior year Budget R1.012 billion and a total expenditure of R856 million or 84.6% for 2021/22.

As per the appropriation Statement for the Department, in respect of the 2022/23 financial year, the total expenditure defrayed against the Vote amounted to R3 923 333 000. This represents an expenditure level of 94.9%.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2022/2023			2021/2022		
	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	34 715	34 540	175	36 736	32 312	4 424
Management	342 036	342 036	-	311 777	311 777	-
Corporate Services	288 783	279 279	9 504	306 170	211 418	94 752
Office of the Chief Financial Officer	160 040	143 228	16 812	139 432	113 567	25 865
Office Accommodation	257 329	226 416	30 913	218 171	187 325	30 846
TOTAL	1 082 903	1 025 499	57 404	1 012 286	856 399	155 887

The Programme utilised 94.7% of its allocated budget to carry out its mandated objective and deliverables and achieved 55.6% (5 of 9) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

On the reduction of vacant funded posts in the Department, there were challenges of underperformance in the first two quarters of the 2022/23 financial year, however the last two quarters of the financial year saw the achievement of the quarterly target and an improvement in the percentage of vacant funded posts filled in the Department of Employment and Labour Establishment. The improved interventions on the filling of funded vacant posts was due to compliance by line managers in response to a DG letter demanding a speedy filling of vacancies. More emphasis was also placed on adhering to the SOP's on recruitment and selection and the development of a commitment form to be signed by panel members to confirm their availability during R&S processes. Constant meeting by head office with key stakeholders to provide support and address challenges will continue as it yielded results.

On the modernisation of Systems and ICT services to Improve the Information Security status of the Department on an annual basis, the target for this financial year was to approve the Cyber Security Strategy and roadmap for the Department. Whilst the Cyber Security Framework was developed, the Cyber security strategy was not done.

The Security Service Provider Experts advised that we needed to develop the Cyber Security Framework before the Strategy in line with the best Information security standards, hence there is a slight deviation. The Cyber Security Strategy will have to be deliberated with inputs and consultations from Department and incorporated as part of the Department ICT Strategy document.

To address this area of underperformance, the OCIO will finalise the Cyber Security Strategy either as part of the ICT strategy or a separate document and get it approved by end of Quarter 2 2023/24.

On the modernisation of Systems and ICT services, the second target for the financial year was to transition Legacy systems to a modern integrated SAP Platform on an annual basis with the main focus on IES and PES systems replaced with SAP for HANA in this financial year. The service provider has completed all the SAP system patching that was a pre requisite for a Go Live for IES and PES on 1 July 2023. The project Plan dates has been revised due to the project delays emanating from the absence of the SAP support and maintenance. The implementation date will be in first quarter of 2023/24. The SAP license usage report will be activated post Go Live.

On the programme to prevent and fight corruption in government, the Department planned to resolve 93% of reported incidents by disciplinary and criminal interventions.

Employment Relations has 90 working days to finalise all misconduct cases. All cases received within the first two quarters were still within the required time frame. Disciplinary action for the remaining 17 cases reported in quarters one and two is in progress.

Employment Relations will finalise the remaining cases within the prescribed time frame.

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 298 104 compliance inspections by March 2023
- Serving 95 per cent of noncompliant employers/ workplace/ users inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
- 65 Percent of non-compliant employers/workplaces/users received by Statutory Services settled out of Court or CCMA / referred for prosecution within 30 working days
- At least four Seminars and two Conferences (formal Advocacy) conducted per year to increase awareness of employment law by March 2023.

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

In the 2022/23 financial year the Branch set out to achieve 4 Indicators, 100% of the 4 indicators was achieved. The four indicators contribute towards the following 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

The achievement of all the output indicators had an impact on vulnerable workers, women and persons with disabilities through advocacy, inspections and enforcement of legislation.

TABLE 4.2.1: PROGRAMME PERFORMANCE INDICATORS

PROGRAMME: INSPECTION AND ENFORCEMENT SERVICES									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS	
- Promote Occupational health services - Contribute to decent employment creation - Protect vulnerable workers - Strengthen occupational safety - Promote protection - Promote sound labour relations - Development of the Occupational Health and Safety policies	1. Workers protected through inspection and enforcement of employment law	1.1 Number of employers / workplaces / users inspected per year to determine compliance with employment law	178 489	Not Achieved 252 242	298 104	Achieved 312 792	14 688	The Branch intensified on training and retraining of inspectors. Quality assurance teams have been strengthened at all levels. Mega Blitzes Inspections have complemented the local Blitz inspections. The Branch introduced five sets of the National Roving Team that target high Risk and Problematic areas. The Branch continues to realise the benefits of timeous intervention in the quest to deal with performance challenges.	
		1.2 Percentage of non-compliant employers/users of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection	99% (34 908 of 35 097)	Achieved 99% (59 743 of the 60 478)	95%	Achieved 98% (72 898 of the 74 559)	3%	Inspectors understand and appreciate the matter of issuing notices on the spot and also within set time frames. This has become part of the work ethos of the Branch.	
		1.3 Percentage of non-compliant employers/users received by Statutory Services settled out of Court or CCMA / referred for prosecution within 30 working days	75% (2 910 of 3 882)	Not Achieved 64% (3 752 of 5 869)	65%	Achieved 79% (6 138 of 7 766)	14%	There has been an improvement in the management and quality of information that gets referred to statutory services. Ongoing training also assists in ensuring that everyone who is part of the value chain, does what they are supposed to do. We have also improved our working relations with law enforcement agencies. We are beginning to reap the benefits of stakeholder collaborations.	
		1.4 Number of formal Advocacy sessions conducted per year to increase awareness of employment law	3 x Hospitality Sector Seminars	Not Achieved 7 X Seminars	4 x Seminars and 2 conferences to be held	Achieved 8 X Seminar 2 X Conference	4 Seminars	There has been an increase in the interest of our outreach campaigns, some of which are undertaken as a result of MOU's that we have with some structures.	

**PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES: ADDITIONAL INFORMATION: BREAKDOWN OF INDICATOR 1:
NUMBER OF INSPECTIONS PER PROVINCE**

PROVINCE	PLANNED TARGET	ACTUAL ACHIEVED	NUMBER COMPLIANT	VARIANCE
Eastern Cape	31 884	32 195	27 278	311
Free State	26 628	30 049	24 889	3 421
Gauteng	61 236	68 590	55 356	7 354
KwaZulu-Natal	63 720	65 624	45 822	1 904
Limpopo	27 780	27 042	20 807	-738
Mpumalanga	21 528	22 443	15 296	915
Northern Cape	12 636	12 018	8 123	-618
North West	19 680	20 848	16 419	1 168
Western Cape	32 724	33 681	24 028	957
HO	288	302	215	14
TOTAL	298 104	312 792	238 233	14 688

BREAKDOWN OF INDICATOR 1.2: PERCENTAGE OF NOTICES SERVED PER PROVINCE

PROVINCE	NUMBER OF EMPLOYERS NOT COMPLYING	NO. SERVED WITH A NOTICE WITHIN 14 DAYS	% SERVED WITH A NOTICE	VARIANCE
Eastern Cape	4 917	4 786	97%	2%
Free State	5 160	5 160	100%	5%
Gauteng	13 234	13 234	100%	5%
KwaZulu-Natal	19 802	19 107	96%	1%
Limpopo	6 235	6 022	97%	2%
Mpumalanga	7 147	7 067	99%	4%
Northern Cape	3 895	3 668	94%	-1%
North West	4 429	4 356	98%	3%
Western Cape	9 653	9 411	97%	2%
HO	87	87	100%	5%
TOTAL	74 559	72 898	98%	3%

BREAKDOWN OF INDICATOR 1.3: PERCENTAGE PROSECUTION PER PROVINCE

PROVINCE	NO OF WORKPLACES/ EMPLOYERS/ USER/ MACHINERY RECEIVED BY STATUTORY SERVICES	NO OF WORKPLACES/ EMPLOYERS/ USER/ MACHINERY REFERRED FOR PROSECUTION	% OF WORKPLACES/ EMPLOYERS/ USER/ MACHINERY REFERRED FOR PROSECUTION	65% VARIANCE
Eastern Cape	430	307	71%	6%
Free State	479	453	95%	30%
Gauteng	1 245	1 245	100%	35%
KwaZulu-Natal	2 116	1 551	73%	8%
Limpopo	677	451	67%	2%
Mpumalanga	755	570	75%	10%
Northern Cape	857	684	80%	15%
North West	117	117	100%	35%
Western Cape	1 088	760	70%	5%
HO	2	0	0%	-65%
TOTAL	7 766	6 138	79%	14%

ANNUAL ACHIEVEMENT FOR 2022/2023 PER LEGISLATION

ANNUAL TARGET	EE			BCEA			OHS		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
Eastern Cape	300	263	-37	19 980	20 072	92	8 808	8 764	-44
Free State	216	519	303	13 404	14 223	819	10 572	13 014	2 442
Gauteng	924	1 063	139	36 600	36 791	191	18 708	24 407	5 699
KwaZulu-Natal	636	1 348	712	34 836	34 813	-23	24 504	25 484	980
Limpopo	300	511	211	16 452	15 080	-1 372	8 592	8 792	200
Mpumalanga	300	373	73	13 224	13 090	-134	5 568	5 772	204
Northern Cape	216	243	27	6 360	5 936	-424	3 624	3 599	-25
North West	216	172	-44	10 920	10 853	-67	6 288	7 077	789
Western Cape	216	233	17	17 088	17 150	62	11 904	12 253	349
HO	-	-	-	-	-	-	288	302	14
TOTAL	3 324	4 725	1 401	168 864	168 008	-856	98 856	109 464	10 608

ANNUAL TARGET	EAS			COID			TOTAL		
	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE	TARGET	ACHIEVED	VARIANCE
Eastern Cape	1 624	1 768	144	1 172	1 328	156	31 884	32 195	311
Free State	1 624	1 516	-108	812	777	-35	26 628	30 049	3 421
Gauteng	3 604	4 723	1 119	1 400	1 606	206	61 236	68 590	7 354
KwaZulu-Natal	2 344	2 421	77	1 400	1 558	158	63 720	65 624	1 904
Limpopo	1 624	1 681	57	812	978	166	27 780	27 042	-738
Mpumalanga	1 624	2 083	459	812	1 125	313	21 528	22 443	915
Northern Cape	1 624	1 704	80	812	536	-276	12 636	12 018	-618
North West	1 444	1 906	462	812	840	28	19 680	20 848	1 168
Western Cape	2 344	2 847	503	1 172	1 198	26	32 724	33 681	957
HO	-	-	-	-	-	-	288	302	14
TOTAL	17 856	20 649	2 793	9 204	9 946	742	298 104	312 792	14 688

LINKING PERFORMANCE WITH BUDGETS

After the Adjusted budget process Inspection and Enforcement Services budget decreased by R42.3 million, with the final allocation of R617.3 million for the 2022/23 financial year. Total expenditure of R587.8 million was recorded, an expenditure level of 95.2%. This is in comparison to the prior year Budget of R650.9 million and a total expenditure of R546.6 million or 84.0% for 2021/22.

The under expenditure linked to Occupational Health and Safety Sub-Programme, which is not a reflection of the Branch expenditure was due to the shift of OHS staff to the Compensation Fund. The Branch achieved all its targets and surpassed all 4 performance indicators using the limited budget.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2022/2023			2021/2022		
	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	14 508	14 508	-	20 140	17 477	2 663
Occupational Health and Safety	20 039	-	20 039	34 107	10 632	23 475
Registration: IES	94 391	94 391	-	91 863	89 998	1 865
Compliance, Monitoring and Enforcement Services	472 742	464 139	8 603	487 814	413 638	74 176
Training of Staff: IES	6 151	6 148	3	6 919	6 919	-
Statutory and Advocacy	9 456	8 667	789	10 059	7 984	2 075
TOTAL	617 287	587 853	29 434	650 902	546 648	104 254

The Programme utilised 95.2% of its allocated budget to carry out its mandated objective and deliverables and achieved 100% (4 of 4) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

None.

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 Presidency's Program Management Office, the UIF, other Departments to support work-seekers. PES will contribute through:
 - » Registering 850 000 work-seekers on ESSA by 31 March 2023
 - » Registering 105 000 work opportunities on the employment services of South Africa database system by 31 March 2023
 - » Providing employment counselling to 240 000 work-seekers by 31 March 2023
 - » Filling 55 000 registered employment opportunities by 31 March 2023
 - » Conclude 22 partnership agreements with various stake holders, by 31 March 2023
 - » Make recommendations on the proposed National Employment Policy and priority sub-theme on National Labour Migration and related amendments to the Employment Services Act 2014 by 31 March 2023.
- Develop frameworks for the provision of interventions, funding transfers and monitoring use of allocated funds to promote employment in:
 - » Supported Employment Factories to increase employment levels of Persons with Disabilities
 - » Non-governmental organisations through subsidising incomes of Persons with Disabilities that they employ.
 - » The Public Sector through re-imbursements to the Compensation Fund for administration services for public sector medical claims
 - » The private and public sector through productivity promotion and Turn Around Solutions initiated by Productivity South Africa
 - » The public sector through re-imbursement of UIF Claims that were payable to the public servants.
 - » In the Public sector through providing employment for young people and Pathway management across participating Departments as part of Department of Employment and Labour contribution towards Presidential Youth Employment initiative

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 enabled the enrolment of work-seekers into the Departments ESSA system. A total of 1 069 496 work-seekers were registered in the year 2022-23. Enrolment of work-seekers is a critical step in providing support to work-seekers, and enables the Department to better understand the demographics of the work-seekers and to have accurate labour market intelligence. A total of 147 847 work and learning opportunities were registered. Further, the employment counsellors were able to provide support to more than 325 914 work-seekers. This is particularly important given the emotional distress caused by unemployment and negative effects of the economic downturn exacerbated by the continued effects of the COVID 19 pandemic, followed by the looting of shops (and other trades) in KZN and Gauteng in 2021, and the effects of Russian – Ukraine war. The Climate Change also continues to negatively impact job creation, especially on the Agricultural sector. The absorption of labour into the labour market has consequently been very slow, which is also reflected by decreased number of new job opportunities, over this period, indicating the need for more demand led interventions. A total of 84 636 registered work and learning opportunities were filled by registered work-seekers, of whom 49 992 (59%) are women, 56 393 (67%) youth and 566 (0.7%) are persons with disabilities (PwDs).

TABLE 4.3.1: PROGRAMME PERFORMANCE INDICATORS

PROGRAMME: PUBLIC EMPLOYMENT SERVICES									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS	
Contribute to decent employment creation	Work-seekers registered	1.1 Number of work-seekers registered on Employment Services of South Africa per year	938 505	Achieved 936 621	850 000	Achieved 1 069 496	219 496	High levels of unemployment and Increased capacity within the PES establishment	
	Work and learning opportunities registered	2.1 Number of employment opportunities registered on the Employment Services South Africa per year	83 782	Achieved 131 522	105 000	Achieved 147 847	42 847	Increase in capacity in the form of 250 new Interns recruited under the Presidential Stimulus Initiative and ESPs dedicated service to employers to register opportunities	
	Employment counselling provided	3.1 Number of registered work-seekers provided with employment counselling per year	246 454	Achieved 281 801	240 000	Achieved 325 914	85 914	Increase in capacity in the form of 250 new Interns recruited under the Presidential Stimulus Initiative and Employment Counselor dedicated service to employers to assess and refer candidates	
	Work-seekers placed in work and learning opportunities	4.1 Number of registered employment opportunities filled by registered work-seekers per year	37 193	Achieved 67 058	55 000	Achieved 84 636	29 636	Increased capacity at Labour Centre level, increase in the number of opportunities registered, high levels of matching , extensive counselling sessions, resulted in the higher uptake of referred candidates by employers	
	Partnerships agreements concluded	5.1 Number of partnerships agreements concluded with various stakeholders per year	15	Achieved 20	22	Achieved 24	2	More partners were identified and engaged	

PROGRAMME: PUBLIC EMPLOYMENT SERVICES							
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023
	National Employment Policy developed and approved	6.1 Number of policies developed and approved per year	0	Not Achieved 0 The draft policy has been developed and not yet approved	1	Not Achieved 0 The Department of Employment and Labour has developed a Draft National Labour Migration Policy (NLMP) as per instruction of the Ministers of Employment and Labour in the SADC Region. The Draft National Labour Migration Policy and Employment Services Amendment Bill were approved by Cabinet for public comments in February 2022. The gazette was published for a period of 90 days. The Department in collaboration with ILO and Social Partners hosted the country's National Labour Migration Dialogue and the draft policy was presented. The Department has processed the comments received from the stakeholders and intends approaching NEDLAC, Cabinet and Parliament by June 2023 In accordance with Government's Medium Term Strategic Framework (MTSF) 2019 – 2024, a zero draft NEP was finalised as a coordinated strategy to address the country's persistently high levels of unemployment. This draft policy was presented to the Inter Ministerial Committee and Senior management of the Department as well as the Employment Services Board	-1 Regarding the NLMP, the extensive consultative processes resulted in higher than planned levels of inputs which needed more time for incorporation. Preparations are underway for the policy to be tabled at the Inter-Ministerial Committee (IMC) on Migration and NEDLAC, Parliament and Cabinet Regarding the NEP, there were unexpected delays in the re-appointment of the service provider by the ILO, and in the issuing of a final certificate by Presidency to enable the Minister to table the draft policy to Cabinet to request approval to commence with consultations

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES: ADDITIONAL INFORMATION ANNUAL ACHIEVEMENT FOR 2022/23 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	102 000	115 136	13 136	14 366	18 823	4 457
Free State	59 500	78 491	18 991	8 291	14 795	6 504
Gauteng	221 000	220 446	-554	20 116	26 270	6 154
KwaZulu-Natal	144 500	159 344	14 844	16 580	19 931	3 351
Limpopo	59 500	58 400	-1 100	11 052	19 907	8 855
Mpumalanga	68 000	80 831	12 831	8 843	12 823	3 980
Northern Cape	34 000	42 250	8 250	6 411	8 517	2 106
North West	51 000	62 326	11 326	7 184	10 392	3 208
Western Cape	110 500	117 088	6 588	12 157	16 355	4 198
*Online		135 184	135 184		34	34
TOTAL	850 000	1 069 496	219 496	105 000	147 847	42 847

* 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	30 720	40 998	10 278	7 526	11 023	3 497
Free State	21 120	27 710	6 590	4 342	8 431	4 089
Gauteng	49 920	70 095	20 175	10 537	12 772	2 235
KwaZulu-Natal	30 720	44 731	14 011	8 685	11 389	2 704
Limpopo	23 040	39 922	16 882	5 789	15 451	9 662
Mpumalanga	28 800	35 657	6 857	4 632	5 782	1 150
Northern Cape	13 440	15 587	2 147	3 358	5 455	2 097
North West	19 200	25 641	6 441	3 763	5 328	1 565
Western Cape	23 040	25 573	2 533	6 368	9 005	2 637
*Online		0	0		0	0
TOTAL	240 000	325 914	85 914	55 000	84 636	29 636

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

LINKING PERFORMANCE WITH BUDGETS

The Public Employment Services programme adjusted appropriation budget was R1.036 billion in 2022/2023. The actual expenditure as at 31 March 2023 is R933.894 million which constitutes 90.1% of the allocation. Budget allocation for transfers and subsidies was R191.500 million, expenditure is R190.270 million with a variance of R1.230 million. Reason for the variance three of the nine Workshops was due to insufficient contracts not secured to absorb the total number of beneficiaries (PwDs) envisaged and therefore underspending was incurred.

Department agencies and accounts was allocated R437.147 million and actual expenditure is R336.453 million with a variance of R100.910 million. Reason for this saving is due to Government Technical Advisory Centre not claiming the entire allocation. Plans are in place to request roll-over of R48 million from the unspent to the financial year 2023-2024.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2022/2023			2021/2022		
	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	433 632	332 722	100 910	300 540	62 442	238 098
Employer Services	116 014	116 014	-	123 762	104 315	19 447
Work-Seeker Services	213 559	213 113	446	204 384	204 384	-
Designated Groups Special Services	25 014	23 784	1 230	24 245	20 954	3 291
Supported Employment Enterprises and Subsidies to Designated Workshops	166 486	166 486	-	162 266	162 266	-
Productivity South Africa	61 698	61 698	-	59 853	59 853	-
Unemployment Insurance Fund	1	-	1	1	-	1
Compensation Fund	18 514	18 514	-	18 040	-	18 040
Training of Staff: PES	1 563	1 562	1	1 658	1 658	-
TOTAL	1 036 481	933 893	102 588	894 749	615 872	278 877

The Programme utilised 90.1% 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

Regarding the NLMP, preparations are underway for the policy to be tabled at the Inter-Ministerial Committee (IMC) on Migration and NEDLAC, Parliament and Cabinet.

The Department is in the process of consulting with identified government Departments in preparation for a presentation to the Economic Cluster, as advised by the Presidency. The Department is in the process of consulting.

The policy will be referred to the Minister for gazetting in Quarter 4 of 2023-2024.

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:
 - » publicising the 2021/2022 employment equity annual report and public register by 30 June 2022, and
 - » developing the 2022/2023 employment equity annual report and public register by 31 March 2023.
- 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 2023
- 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 2023.

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 noncompliant, publishing and extending collective agreements; supporting and advancing participation in collective bargaining structures, and participating in relevant National Economic Development and Labour Council activities
- **Employment Equity** promotes equity in the labour market through the elimination of unfair discrimination and the promotion of equitable representation in the workplace 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

In its endeavours to promote equity in the workplace and to ensure the effective implementation of the proposed EE amendments contained in the EE Amendment Bill passed by Parliament in May 2022, the Department reviewed and amended the EE Regulations to provide implementation guidelines to employers and employees on how to implement the EE amendments. These EE Regulations will be published upon the assenting and promulgation of the EE Amendment Bill into law in the new financial year. Furthermore, to continue with the monitoring of EE implementation and compliance mechanisms of the EEA, the 2021-2022 Annual EE Report and Public Register were published in June 2022; and subsequently, after the closing date of the 2022 EE Reporting period, the 2022-2023 Annual EE Report was developed in March 2023 for publication in new financial year.

The Labour Policy and Industrial Relations Programme has in this financial year reviewed and adjusted the national minimum wage to ensure that its real value does not decrease over time. This achievement has contributed to the Department's mandate by improving the wages of the lowest paid workers, closing the wage gap between genders, promoting collective bargaining, supporting economic policy and making a provision for the regulation of basic conditions of employment respectively.

The programme further contributes to the achievement of priorities of children by making regulations to prohibit work by children (below 15 years) and placing conditions on the work that may be performed by children workers who are at least 15 years of age and no longer subjected to compulsory schooling.

Monitoring the impact of legislation is one of the key strategic objectives in the Labour Policy and Industrial Relations (LP&IR) Branch. Despite some critical challenges regarding the delay with statistical data flow, fieldwork and finalising with research reports, the Labour Market Policy (LMP) programme had met its targets in 2022/23 through the publication of labour market statistics and research reports. These reports provide the basis of knowledge in the development of evidence-based labour policy decisions in the Department. At the collective bargaining, for example, the information covered in the annual industrial action on the working days and worker's wage lost due to strike remains relevant and useful for wage settlement. It also provides information on the labour market stability for conducive investment and economic growth.

TABLE 4.4.1: PROGRAMME PERFORMANCE INDICATORS

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS							
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023
Promote Equity in the Labour Market Protect vulnerable workers	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	EE Amendment Bill, 2020 tabled in Parliament through publication of the Bill in Government Gazette dated 20 July 2020	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 Regulations published to implement the EE amendments by 31 March 2023	Not Achieved EE Regulations finalised, but not published	EE Regulations not published
	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	2019-2020 Annual EE Report published on 19 August 2020 and Public Register published in Government Gazette dated 17 July 2020	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	2021-2022 Annual EE report and Public Register published by 30 June 2022	Achieved 2021-2022 Annual EE Report published on 10 June and Public Register published in GG No. 46332 dated 6 May 2022. Both launched by Minister on 23 June 2022	None
							Publication of the EE Regulations to implement the EE amendments is dependent on the promulgation of the EE Amendment Bill into law. This process is beyond the Department's control

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS
		2.2 Annual EE report and Public Register developed per annum	2020-2021 Annual EE Report (21st CEE Annual Report) and Public Register developed on 29 March 2021 and 17 March 2021 respectively	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)	2022-2023 Annual EE report and Public Register developed by 31 March 2023	Achieved 2022-2023 Annual EE Report and Public Register developed by 24 March 2023	None	None
		2.3 Income differential data collection tool (EEA4 form) for designated employers developed per annum	EEA4 form developed and implemented	N/A	N/A	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	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	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	N/A	N/A	N/A	N/A

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS							
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023
	Annually review the national minimum wage level	3.1 National minimum wage reviewed and approved by the Minister of Employment and Labour by 31 March each year	The National Minimum Wage level reviewed and amended on the 1 March 2021 on government gazette number 44136 published on 8 February 2021	Achieved National Minimum Wage amendments was published on 7 February 2022 in the Government Gazette no 45882	Review of the National Minimum Wage level by 31 March 2023	Achieved The National Minimum Wage level reviewed and published in government gazette number 48094 dated 21 February 2023	None
	Collective agreements assessed and verified within 180 working days of receipt per annum	4.1 Percentage of collective agreements where parties are not representative assessed and verified within 120 working days of receipt per annum	31 collective agreements were received within the financial year All 100% (31) collective agreements were assessed and verified within 180 working days of receipt	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 and Copy of full schedule published in Government notice	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 31 March 2023	Achieved 100% (4 received, 4 verified) collective agreements extended to non-parties within 120 working days	N/A
		4.2 Percentage of collective agreements assessed and verified within 60 working days of receipt per annum			100% of collective agreements where parties are representative assessed and verified within 60 working days of receipt by 31 March 2023	Not Achieved 90% (20 received, 18 verified) collective agreements extended to non-parties within 60 working days	10%
							Delay in finalisation caused by external parties in non/late submission of additional information

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS
	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	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	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	100% of labour organizations' registrations for approval or refused within 90 working days of receipt by 31 March 2023	Achieved Hundred and thirty-two (132) applications received • Hundred and twenty-five (125) refused • Seven (7) approved	N/A	N/A
MTSF OUTCOME: A Better South Africa Strengthen multilateral and bilateral relations	Progress reports on bilateral cooperation and multilateral obligations submitted to the minister annually	6.1 Number of progress reports on bilateral cooperation and multilateral obligations submitted to the minister annually	1 Annual implementation report was submitted to the Minister for sign-off by 30 April 2020 1 Mid-term implementation report was submitted to the Minister by 31 October 2020 for sign-off	• Achieved • 1 Annual implementation report submitted to the Minister for sign off by 30 April 2021 • VS: Ref No: 65221/1 • Not Achieved • The Mid-term report was produced and submitted to the Minister for signoff however didn't meet the agreed deadline	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2022 1 Mid-term implementation report submitted to the Minister by 31 October 2022 for sign-off	Not Achieved 1 Annual implementation report submitted to Minister for sign off after 30 April 2022 Achieved 1 Mid-term implementation report submitted to Minister for sign off by 31 October 2022	1 Annual implementation report submitted on the 6 May 2022 <	

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS							
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023
MTSF OUTCOME More decent jobs created and sustained, with youth, women and persons with disabilities prioritised Department of Employment and Labour OUTCOME: Monitor the impact of legislation	Analyse and report on the labour market trends annually	7.1 Number of labour market trend reports produced per annum	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	- 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	4 annual labour market trend reports produced by end of the financial year 2022/23	Achieved 2 Annual LM reports produced by end of September 2022 These annual LM reports include: Annual Labour Market Bulletin and Job Opportunity and Unemployment in SA labour market for 2021/22 financial year were produced and submitted to the CD-LMP by 30 Sept 2022 Achieved 2 Annual LM reports produced by end of March 2023. These annual LM reports include: Annual Administrative Statistics report 2022 and Industrial Action Report 2022 were produced and submitted to the CD-LMP by 28 March 2023	None
							None

PROGRAMME: LABOUR POLICY AND INDUSTRIAL RELATIONS								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS
	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	Research service provider recommended to DBAC Draft literature review submitted	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. 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	4 (Four) research reports completed by 31 March 2023.	Achieved 1. Gender Discrimination, sexism and stereotypes 2. Impact assessment of employment creation interventions 3. Ethics in the Department 4. Support of Employment and Income in the Context of the COVID-19 Crisis	None	None

LINKING PERFORMANCE WITH BUDGETS

The Labour Policy and Industrial Relations programme adjusted appropriation budget was R1.371 billion in 2022/2023. The actual expenditure as at 31 March 2023 is R1 349.873 million which constitutes 98.5% of the allocation. Budget allocation for transfers and subsidies was R1 169.388 million, expenditure is R1 159.778 million with a variance of R12.610 million (98.9% expenditure). The difference was due to the projected Rand/Dollar exchange rate during budget period and the actual exchange rate when the transfers to the ILO and ARLAC were made.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2022/2023			2021/2022		
	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	17 140	15 433	1 707	18 472	14 170	4 302
Strengthen Civil Society	24 760	24 760	-	21 122	21 045	77
Collective Bargaining	18 821	17 731	1 090	18 714	16 071	2 643
Employment Equity	12 283	11 463	820	12 504	10 061	2 443
Employment Standards	11 901	11 237	664	17 681	8 784	8 897
Commission for Conciliation, Mediation and Arbitration	1 046 293	1 046 293	-	994 984	994 984	-
Research, Policy and Planning	6 521	5 948	573	12 359	8 861	3 498
Labour Market Information and Statistics	50 515	46 756	3 759	51 658	43 822	7 836
International Labour Matters	113 992	101 373	12 619	51 969	36 356	15 613
National Economic Development and Labour Council	68 879	68 879	-	59 093	59 093	-
TOTAL	1 371 105	1 349 873	21 232	1 258 556	1 213 247	45 309

The Programme utilised 98.5% of its allocated budget to carry out its mandated objective and deliverables and achieved 70% (7 of 10) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

In terms of target on EE Regulations published to implement the EE amendments by 31 March 2023, EE Regulations finalised, but not published due to the fact that the EE Amendment Bill has not yet been assented and promulgated into law. The Bill to be sign-off in the first quarter of 2023/2024 financial year.

The delays in terms of percentage of collective agreements assessed and verified during quarter 1 was due to both external and internal factors. However, this was resolved in subsequent quarters as the Government Printers system was now working and the order number was issued.

The Department submitted one Annual Implementation Report to the Minister for sign off after the due date of 30 April 2022. The sign-off was fast tracked during the second quarter and the Annual Implementation report was submitted by 6 May 2023.

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)	Promote a culture of productivity in the workplace. Facilitate and evaluate productivity improvement and competencies in workplaces. To support enterprises facing economic distress and initiatives aimed at preventing job losses Support initiatives aimed at preventing job losses. Measure and evaluate productivity in the workplace. Generation and dissemination of productivity related research and statistics	R61 698 000	R61 698 000	1522 SMMEs and other enterprises supported through Competitiveness Improvement Services 2314 entrepreneurs, workers and managers capacitated to promote the culture of productivity 528 Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa 10 productivity awards and regional milestone workshops hosted 2 statistical reports on productivity and competitiveness published
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	R68 879 000	R80 220 000 ¹⁰	- Twelve social dialogue sessions were held focusing on matters such as South Africa's Investment Strategy, distribution of food to vulnerable groups and communities, government budget planning, the electricity crisis and public employment schemes - The NEDLAC Covid-19 Rapid Response Task Team (NRRTT) concluded its engagements and inputs with a close out report - The NEDLAC Founding Documents, including the NEDLAC Act, Constitution and Protocols were redrafted - NEDLAC Reports were produced in respect of four bills. These included the Public Procurement Bill, Conduct of Financial Institutions (CoFI) Bill, Electricity Regulation on Amendment Bill and National Council on Gender-Based Violence and Femicide Draft Bill (NCGBVF) - The PCC has recently adopted a policy Recommendation on Just Urban Transition Pathways and has been active in determining a policy input to Cabinet on climate-friendly energy planning policy including through extensive stakeholder consultations

¹⁰ The amount spent of R80.2 million is within the approved budget of R98.7 million. The approved budget of R98.7 million is higher than the R68.9 million received as the approved budget was revised during the year to consider the surplus funds that were approved for retention by the National Treasury.

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
Commission for Conciliation, Mediation and Arbitration (CCMA)	- 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 - Improve organisational and governance processes, strive for maximum compliance and mitigate risks in order to ensure maximum organisational performance	R1 046 293 000	R 1073 010 740 (Audited Results) Note: The audited results include both cash surplus retentions which was approved by the NT for an amount of R30.5 million and R12 million respectively as part of the revenue for the 2022/23 financial year.	- A total of seven (7) Collective Bargaining support processes were conducted for strategically identified Users - The CCMA conducted three (3) Collective Bargaining Pre-Bargaining Conferences for strategically identified Users - A total of nine (9) workplaces were identified and engaged across provinces regarded as high referring Users from various sectors in the labour market in the view of implementing Transformation of Workplace Relations projects. In support for the implementation of the project, a total of 38 capacity building interventions were delivered - A total of ten (10) vulnerable sector projects were conceptualised and delivered on the following targeted sectors: Agriculture, Domestic, Retail, Private Security and Mining. In its quest to achieve the intended impact in the labour market, and to address the prevalent challenges in the vulnerable sectors identified, the CCMA delivered 27 capacity building interventions to support the implementation of the projects with identified sectors - The ESC engaged local government, old age homes, social centres and other institutions in order to ensure that the sectors begin the process of concluding their respective Minimum Service Agreements. The ESC also ratified 15 MSAs and finalised two (2) MSDs in local government, private health, old age homes and other institutions. Overall, the ESC conducted 32 facilitations in order to ensure that there are minimums to be maintained in essential services - The CCMA implemented 111.54% (29/26) of Phase 3 of the CCMA/ BUSA SME Labour Advice Web Tool. - During the 2022/23 financial year, the CCMA heard 99.92% (131 221/131 322) 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% (17 947/17 956) arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (excludes extensions granted and heads of arguments filed) - The CCMA under the auspice of the Essential Services Committee (ESC) conducted 100% (1/1) of Section 71 of the LRA cases and 100% (8/8) Section 73 of the LRA respectively - During the financial year under review, a total of 155 683 Users accessed the CCMA services from the following identified sectors: Domestic, Agriculture, Retail, Private Security and Mining. These services were accessed through either Dispute Resolution or Dispute Prevention and Workplace Outreach interventions - CCMA saved 51.00% (18 196/35 679) 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 8.61% (4 360/50 635) in this regard - The CCMA resolved 67.91% (2 142/3 154) disputes of interests and 98.13% (105/107) of public interest disputes respectively - During the 2022/23 financial year, the CCMA implemented 128.85% (67/52) of the Risk Management Plan to sustain level 5.00 risk maturity level. In addition, CCMA has implemented 138.24% (47/34) of Compliance Management Plan to maintain an optimum compliance maturity level 5 - The CCMA conducted a Mid-term Impact Assessment wherein it reported on progress made in relation to the achievement of the outcome indicators and five-year targets in the 2020/21 - 2024/25 five (5) year Strategic Plan. Following the results from this Mid-term Impact Assessment Report, the CCMA is proud to report that it is on track to achieving its impact statement
Compensation Fund (CF)	The Compensation Fund's (CF) main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases	R18 514 000	R18 514 000	The Compensation Fund paid the qualifying medical expenses for employees employed under the Public Service Act 1994

5.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023.

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
Supported Employment Enterprises (SEE)	Unscheduled entity	- Operational and administrative Cost of the Entity - Provide additional employment for PwDs - Manufacturing of goods for sale		R166 486 000	R166 486 000	- Manufacturing of goods for sale - Appointment of additional employment for PwDs

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023, 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
Unemployment Insurance Fund	Government's administrative contribution or provision for possible future funding of the Unemployment Insurance Fund if the benefit claims exceeds the collection of UIF contributions from employees and employers	1	0	UIF financial position in good standing

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

INFRASTRUCTURE PROJECTS			2022/23			2021/22		
			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			57 553	39 692	17 861	18 785	13 937	4 848
PO:	FS	Phuthaditjhaba WT and Gen	152	0	152			0
PO:	GP	Atteridgeville and Soshanguve	0	0	0	0	348	-348
PO:	WC	Atlantis WT	81	43	38	0	93	-93
PO:	WC	Swellendam	6 872	581	6 291	2 480	90	2 390
PO:	WC	Atlantis Gen	63	0	63	0	0	0
PO:	KZN	Ulundi	2 000	972	1 028	0	260	-260
PO:	KZN	Prospecton	500	0	500	1 150	241	909
PO:	GP	Roodepoort, Krugersdorp and Carltonville	1 100	0	1 100		0	0
PO:	NC	Upington	9 683	956	8 727	0	45	-45
PO:	MP	Standerton	22 883	26 370	-3 487	4 350	6 183	-1 833
PO:	MP	Carolina	1 000	0	1 000	0	0	0
PO:	NW	Rustenburg	9	0	9	0	0	0
PO:	NW	Rustenburg WT	54	50	4	0	86	-86
PO:	NW	Taung	11 994	8 036	3 958	2 280	6 591	-4 311
PO:	LP	Phalaborwa	363	341	22	0	0	0
PO:	LP	Hoedspruit WT	405	0	405	0	0	0
PO:	GP	Temba	197	0	197	1 000	0	1 000
PO:	EC	Lusikisiki	97	0	97	0	0	0
PO:	WC	Paarl	100	0	100	0	0	0
PO:	GP	Soshanguve	0	0	0	1 100	0	1 100
PO:	LP	Seshego	0	0	0	250	0	250
PO:	MP	Mashishing	0	0	0	350	0	350
PO:	MP	Ermelo	0	1 322	-1 322	1 750	0	1 750
PO:	MP	Bethal	0	0	0	180	0	180
PO:	MP	Mkondo	0	0	0	915	0	915
PO:	MP	Emalahleni	0	0	0	1 000	0	1 000
PO:	GP	Bronkhorstspuit	0	1 021	-1 021	1 000	0	1 000
PO:	NW	Brits	0	0	0	480	0	480
PO:	NW	Vryburg	0	0	0	500	0	500





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 has 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 its annual risk assessment in line with the Department's strategic and operational objectives. Monitoring is conducted 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 (NRMC) 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. 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.

Risk Management has played an integral part in the Department Employment and Labour environment to adequately identify and deal with potential risks. The Department has regularly assessed significant risks that could have an impact on the achievement of its outcomes, at a strategic and operational level, and monitored 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 Management, Combined Assurance Model and review of the Business Continuity Management Policy.

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 has 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 as required by 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's 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 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 has a fraud prevention strategy and the progress made in implementing the fraud prevention strategy was as follows:

Mechanisms are in place to report fraud and corruption and how these operate through Whistle blowing - The need for officials to make confidential disclosure about suspected fraud and corruption.

As part of fraud and corruption detection mechanism, the Department has and maintains a whistle blowing policy that:

- Clearly specifies that whistle-blowers will be protected from occupational detriment.
- Specifies that whistle-blowers details will be kept confidential.
- Specify any other ways (other than the National Anti-Corruption Hotline) of reporting internally in the Department.
- Ensure ongoing awareness campaigns promoting the hotline and other avenues for reporting fraud and corruption.
- Establish Programs that inform employees on the nature and working of protected disclosures and witness protection.
- Establish a standard process for dealing with reports once they are received.
- Set out how to act on reports once received.

The reporting mechanisms were as follows: Fraud Hotlines, Fraud Email, Fax Line, Anonymous letters and Personal visits.

Any fraud or corruption cases reported were pursued through investigation including amongst others:

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

4. MINIMISING CONFLICT OF INTEREST

The Constitution of the Republic of South Africa, 1996 is the supreme law of the country. It provides the legal foundation for the existence of the republic and its value system, sets out rights and duties of its citizens, defines the structure of government and outlines the value and principles that govern public administration in all spheres. The Constitution envisions a public administration that maintains a high standard of professional ethics that must be promoted and maintained. The Department has ensured that officials of the Department display the highest possible standards of ethical conduct, maintain high levels of professionalism and integrity, ensure they minimise interest that may arise in presenting their interests in the performance of their official duties.

The process of minimising conflict of interests entails ensuring that training and advocacy on ethics and integrity is conducted throughout the Department, the disclosing of financial interests, applying for performance of other remunerative work, receipt and acceptance of any gift from any person in the course and scope of employment, elimination of Departmental employees on conducting business with the state.

The Department initiated a process of understanding its ethical culture by conducting an Ethics Survey and conducting of lifestyle audit. All members of the Senior Management Service are required to disclose their financial interests annually. Other categories employees 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 through circulars and advocacy sessions.

Critical to the strengthening of organisational integrity in addition of the above the pre-employment screening, disclosure in application for employment forms (Z83) by applicants, vetting processes of both employees and service providers, declarations during recruitment processes, evaluation of performance and reward of employees, supply chain practitioners signing the Code of Conduct and signing of declaration by the oversight committee members are among interventions implemented to manage possible conflict of interests.

Discipline is applied as soon as the Department becomes aware of the conflict, disciplinary measures are instituted through a process of progressive discipline (less serious cases) or a formal disciplinary action on serious cases including reporting the matter to outside institutions.

Discipline should be applied as soon as the Department becomes aware of the alleged misconduct.

5. CODE OF CONDUCT

The Code of Conduct sets the standards of integrity for public servants and operationalises legal framework put in place to promote integrity. The Code of Conduct sets out parameters of expected behaviour of public servants in the activities related to their professional duties.

The Code of Conduct is administered by immediately reporting fraud, corruption, nepotism, maladministration and any act which violates any law which is prejudicial to the interests of the public service.

The Department is administering the Code of Conduct by ensuring that all employees sign the Code of Conduct during onboarding and orientations programs are conducted. Ethics advocacy includes training on the Code of Conduct.

A breach of the Code of Conduct is dealt with through the disciplinary processes. Any reported matter of alleged misconduct is investigated to gather all facts before a decision can be taken. 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 action.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Four OHS Awareness sessions were conducted during the 2022/23 financial year. Four OHS Inspections of Departmental offices were conducted during the year. Several offices in four provinces as well as the one Fund were issued with contravention notices. The following offices were issued with contravention notices: UIF, Provincial Offices in Polokwane and eMahlaleni as well as the following Labour Centres and visiting points: Germiston, Bela-Bela, Jane Furse, Burgersfort, Malamulele, Mokopane, Mookgophong, Giyani, Hoedspruit, Phalaborwa, Polokwane, and Groblersdal. Labour Centre Nqanqarhu (Maclear) was closed due to a fire. All Provincial Offices including the two Funds have active OHS Committees. The status of all Departmental offices were evaluated and several issues were identified that required corrective measures. Some of the problems detected were:

- Defective luminaires
- No backup generators
- Lack of drinkable water due to water disruptions
- Insufficient ventilation where windows cannot open and air conditioning system is malfunctioning
- Unlabelled electrical distribution board / box
- Poor housekeeping, dirty (and loose) carpets, windows, and blinds
- Expired First Aid box contents
- Lack of signage in the buildings
- Emergency door/exit doors are locked
- Expired Fire extinguishers
- No valid certificate of compliance.

The bulk of these problems were addressed. In cases of leased offices, the relevant landlords were contacted to fix the buildings, add water tanks and back-up generators. The problems detected in government buildings that the Department occupies were referred to the Department of Public Works to attend to the problems. The problems were addressed where possible in order to open the offices to render services to the public.

7. PORTFOLIO COMMITTEES

MEETING DATE	PORTFOLIO COMMITTEE MATTERS RAISED	RESPONSE BY THE DEPT.	RESOLVED (YES/NO)
25 May 2022	ProductivitySA – Q2 2021/22 CCMA – Q2 2021/22	The issue of low productivity in the country became an emotional subject that this meeting deliberated on	Yes
1 June 2022	NEDLAC – Q2 2021/22 Compensation Fund – Q2 2021/22	Portfolio Committee requested that an exercise be done for it exposing skills that may have left the country since 1994 and the impact of that thereof	Yes
8 June 2022	UIF – Q2 2021/22 Department of Employment and Labour– Q2 2021/22	Portfolio Committee requested that unpacked information on Department of Employment and Labour vacancies needs to be sent to it, and it should have categories like, Levels, Branch and Age Pertaining UIF additional information was requested that speaks to progress that has been made thus far by Fusion Centre, Hawks, SIU, Asset Forfeiture Unit, UIF Audit Unit, Follow the Money Investments in PIC was the other matter that PC debated passionately	Yes
15 June 2022	Briefing by the Essential Service Committee (ESC) on Compliance on its proposals to the legislature on improving essential services legislation in South Africa	Portfolio Committee feels that it will engage with the proposed labour laws amendments when these reach the National Assembly	Yes
31 August 2022	2021/21 Third Quarterly Performance Report of the Department	IES Performance in some Provinces was raised as a concern	Yes
7 September 2022	2021/22 Third Quarterly Performance Reports of: • CCMA • ProductivitySA • NEDLAC	CCMA was requested to ensure that is accessible to everyone ProductivitySA was encouraged to do more in terms of jobs preservation There is a Task Team report that is awaited from NEDLAC	Yes
14 September 2022	2020/21 Audit Report of UIF by AGSA	AGSA emphasized among others on issues of record keeping, lack of adequate control environment and lack of Consequence Management	Yes
28 September 2022	Response by both UIF and CF on 2020/21 Audit Findings 2021/22 Third Quarterly Performance of both Funds	The delay on the payment of UIF maternity claims benefit was sharply raised Turn-around time in responding to complaints was raised as a serious concern especially with UIF ICT challenges were viewed as deeply concerning	Yes
12 October 2022	AGSA briefing the Portfolio committee on the Department's 2021/22 Audit Report Briefing by CCMA, NEDLAC and ProductivitySA on their 2021/22 Annual Reports	ESSA can be something that is very good if the Department can implement it with purpose, commented the AGSA Clean Audit Outcome obtained by CCMA were highly pleasing news to PC members	Yes

MEETING DATE	PORTFOLIO COMMITTEE MATTERS RAISED	RESPONSE BY THE DEPT.	RESOLVED (YES/NO)
19 October 2022	2021/22 Annual Report of the Department	The Department was urged to fight and win the issue of filling vacancies	Yes
25 October 2022	Budgetary Review Recommendation Report	Portfolio Committee was less pleased about vacancy rate of the funded posts The Portfolio Committee resolved to invite the Department to provide a report on the work that it has done in filling funded vacant posts, and such meeting will be on the 30 November 2022	Yes
2 November 2022	Consideration of 3rd QPR 2021/2022	Concern was raised by the Portfolio Committee that the Employment mandate does not feature expressively in Departmental reports, which may suggest that there is no work happening in this regard	Yes
9 November 2022	Response of the Department to a Legislation Proposal of Mr Maqavana on equal pay for work of equal value	Portfolio Committee was satisfied with the response provided by the Department and took a decision that the Department will be invited again, when Mr Maqavana presents his legislation proposal on equal pay for work of equal value	Yes
24 January 2023	The Department briefing the Portfolio Committee on Forestry, Fisheries and Environment on inspection and enforcement of labour laws in wildlife industry and in particular captive lion breeding facilities	Portfolio Committee on Forestry, Fisheries and Environment requested the Department in the next engagement to report on inspection and enforcement of labour laws narrowly in captive lion breeding facilities The Department also requested that the Committee should share with it some of Lion breeding facilities that may not be complying with labour laws The Department is expected to work closely with the Department of Forestry, Fisheries and Environment, Department of Agriculture, Land Reform and Rural Development as well as the Department of Health which should assist with some of the information needed. This includes the invitation to some established fora working in the space of wildlife industry and in captive lion breeding facilities	Yes
1 February 2023	In-house PC Issues 2022/23 First Quarter Performance Report UIF Audit Progress Report Compensation Fund Audit Progress Report	The Portfolio Committee meeting commended Department of Employment and Labour for the impressive Quarter One Report, pertaining to 2022/23 performance The Department just needs to push programmes that are lagging behind to catch up, especially in terms of meeting targets Head of Provinces who need to answer for performances of their provinces do need to be present when these matters are being discussed in Portfolio Committee Meetings Head Office officials remain accountable for the performance of the Provinces	Yes

MEETING DATE	PORTFOLIO COMMITTEE MATTERS RAISED	RESPONSE BY THE DEPT.	RESOLVED (YES/NO)
15 February 2023	CCMA 2022/23 First Quarter Performance Report NEDLAC 2022/23 First Quarter Performance Report ProductivitySA 2022/23 First Quarter Performance Report	Investigations that are taking place must be given their time and space so that at the end the real facts can come out The matter of PIC with UIF and CF must get to a point where it becomes thing of the past because the matter would have been amicably resolved Labour Reform Task Team report of NEDLAC must reach a point where its content is shared with the Public Some attention ought to be paid to legislative mandate of ProductivitySA, to ensure as to whether the returns are what have been envisaged or helpful at all	Yes
22 February 2023	SONA 2023 Family Analysis and implications	On Labour Migration Policy Hon. Members were interested on timelines, timeframes, dates, etc. Hon. Members took a dim view on job opportunities which according to them meant temporary jobs not permanent ones There was some excitement from some Hon. Member(s) on the reduction of regulatory burden especially to small businesses, and again the question of when, was raised UIF was requested to submit on quarterly basis the application that this entity receives, and such stats should include the completed applications, pending ones, delayed ones, reasons for delays and more importantly measures that are put in place to resolve all the complaints on applications ProductivitySA, was requested by the Portfolio Committee meeting of 22 February 2023, to submit by the following week a report on companies that ProductivitySA assisted with turnaround strategies. The report must include companies that re-employed retrenched workers and those that started creating employment for additional workers It should be stated that Minister assisted a great deal in responding to most of the questions Officials who included head of entities also provided satisfactory responses What needs not to be forgotten is the additional information by the Portfolio Committee as demonstrated or stated above	Yes
1 March 2023	The Department briefing the Portfolio Committee on filling of the vacant post (Physical meeting which was also attended by CDPOs)	This was the second meeting on the same matter, in quick succession, Portfolio Committee relatively satisfied with the progress that has been made, but the expectation for further improvement remains there	Yes

MEETING DATE	PORTFOLIO COMMITTEE MATTERS RAISED	RESPONSE BY THE DEPT.	RESOLVED (YES/NO)
15 March 2023	The Department Briefing Portfolio Committee on its 2023/24 APP CCMA briefing Portfolio Committee on its 2023/24 APP	SEE was urged to speed up the establishment of Mpumalanga factory An appeal was made to Department of Employment and Labour to keep improving on consequence management The Portfolio Committee needs CCMA to keep an eye on increasing cases, and have capacity and capability to deal with the workload	Yes
22 March 2023	NEDLAC briefing Portfolio Committee on its 2023/24 APP and Financials. NEDLAC also briefed the PC on its revised Strategic Plan as well as its revised 2022/23 APP Productivity SA, briefing PC on its 2023/24 APP, as well as Revised Strategic Plan	Coordination and integration of the Department's entities is highly recommended There is some sort of relief in the news that Presidential Climate Commission (PCC) is funded	

SELECT COMMITTEE

MEETING DATE	SELECT COMMITTEE MATTERS RAISED	COMMENTS
10 May 2022	The Department Briefing the Select Committee on APP and StratPlan	The Department was asked to look at the issues of its service delivery offices that close at 16h30 or so, and that are not opened on weekends. It was stated that this leads to inaccessibility of these desperately needed services
24 May 2022	CCMA briefed the Select Committee on Collective Bargaining, Case Load, etc.	Select Committee was pleased with the Presentation

8. SCOPA RESOLUTIONS

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
None				

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING / RESOLVING THE MATTER
Qualification	Unqualified opinion	Unqualified opinion
Disclaimer	None	None
Adverse opinion	None	None
Matters of non-compliance	None	None
Emphasis of matter		
Restatement of corresponding figures 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	2020/21	The financial statements were subsequently corrected and accepted by the Auditor General of South Africa
Underspending of the vote 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	2020/21	The Department, after finalisation of the financial statements and endorsement thereof by the AGSA, the surplus was surrendered to the National Revenue Fund. In programme 3 a roll-over of R52 million was requested and granted for in respect of Government Technical Advisory Committee project

Report on the audit of the annual performance report

Programme 2 – Inspection and Enforcement Services

Adjustment of material misstatements

The Auditor-General of South Africa 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, the Auditor-General of South Africa did not raise any material findings on the usefulness and reliability of the reported performance information	2021/22	The misstatements were subsequently corrected and accepted by the Auditor-General of South Africa
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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	2021/22	The statements and the performance report were corrected and subsequently accepted by the Auditor-General
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	2021/22	The disclosure was corrected and subsequently accepted by the Auditor-General

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
Expenditure management 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	2019/20	• The Department resuscitated the Loss Control Committee (LCC) to undertake the following prescribed steps with regards to irregular expenditure: » Assessment, » Determination, » Investigation • 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 • The aforementioned is directed to Employment Relations to determine the appropriate sanction based on the evidence presented by the Chief Directorate: Legal Services for all the offices of the Department • Upon conclusion of the investigation, either the expenditure is condoned or recovery process is instituted The LCC reports progress in terms of the National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework
Consequence management The Auditor-General of South Africa 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	2019/20	• The Department resuscitated the Loss Control Committee (LCC) to undertake the following prescribed steps with regards to irregular expenditure: » Assessment, » Determination, » Investigation • 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 • 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 • Upon conclusion of the investigation, either the expenditure is condoned or recovery process is instituted The LCC reports progress in terms of the National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

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
Procurement and contract management		
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	2021/22	The Department disclosed R48 890 437.63 as Irregular Expenditure. Furthermore, a submission, for the Accounting Officer's consideration has been drafted to condone the expenditure
Internal control deficiencies		
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	2020/21	The statements and the performance report were corrected and subsequently accepted by the Auditor-General
Other reports		
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	2021/22	In respect of the second investigation, the disciplinary process was concluded. The sanction imposed is the dismissal of the implicated official

10. INTERNAL CONTROL UNIT

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

- 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 second year that the Case Management System Reports were used. The Branch did perform regular data cleansing 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 branches quarterly performance reports are scrutinised to ensure that the calculations are correct, motivations for over and under achievements is 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
- All due dates for submission of quarterly performance reports on both the Strategic Plan and the Annual Performance Plan of the Department were adhered to.

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 Directorate Internal Audit reports to the Audit Committee functionally 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 endorsed by 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
- Developing and maintaining quality assurance and improvement plans.

SUMMARY OF WORK DONE

The 2022/23 Internal Audit annual plan's were approved by the Audit Committee. Internal Audit completed 37 audits, of which 26 are from the Departments annual plan and 11 audits from the SEE annual plan. One of the key outstanding audits which subsequently deferred is in relation to the review of the SAP Implementation ICT audit due lack of adequate ICT audit structure and a lack of funding to co-source. Furthermore, two ICT audits at SEE due to 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. Supply Chain Management on Procurement of Goods and Services above R500 000, Unauthorised, Irregular, Fruitless and Wasteful Expenditure
- Information Communication Technology, i.e. ICT Governance, Cyber Security and Project management, Ethics Management, Fraud and Corruption
- Financial Audits, i.e. Interim Financial Statements
- Performance Information, i.e. Quarter performance information Head Office and two (2) selected Provinces and Draft Annual Performance Plan
- Follow-up Audits, i.e. 2021/22 Audit Action Plan adequacy and effectiveness review
- Due to the lack of ICT internal audit structure, funding, internal skills and competencies, ICT audit on SAP designed and implementation was deferred to the next Financial Year.

SUPPORTED EMPLOYMENT ENTERPRISE

- Financial Audits, i.e. Draft Annual Financial Statements, Management Accounts
- Governance and Risk management follow-up's reviews
- Performance Information, i.e. Quarter 1 and 2 Performance Information, Draft Annual Performance Plan
- Follow-up, i.e. Risk Management, Debtors Management, Audit Action Plan adequacy and effectiveness review.

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.

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	• Masters in Philosophy. (Internal Auditing) • MBL • B.Com • CIA • CRMA • CGAP • CCSA	Member (External) Appointed as Chairperson in August 2019 Re-appointment in 2021		October 2017	October 2020 May 2021	5/5
Ms Jane Masite	• B. Com • CMIIA • QIAL • CIA • CFE	Member (External) Appointed Chairperson of National Risk Committee in December 2020 Became member of the Audit Committee as per appointment dates above Appointed Chairperson		December 2020	N/A	5/5
Dr Prittish Dala	• 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) Acting UIF AC Chairperson – December 2018 Appointed UIF AC Chairperson June 2020		June 2020	December 2022	4/5
Mr L Mangquku	• Chartered Accountant (South Africa) • Master of Business Leadership • Advanced Company Law I & II • Honours: Bachelor of Commerce (Accounting) • Honours: Bachelor of Accounting Science	Appointed as CF Audit Committee Chairperson in May 2021		May 2021	N/A	5/5

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Ms J Nkosi	• B Compt in Accountancy • HD in Computer Systems • CIA • CISA	External	N/A	January 2023	N/A	1/5

12. AUDIT COMMITTEE REPORT

The audit committee (AC) is pleased to present its report for the financial year ended 31 March 2023.

THE AUDIT COMMITTEE RESPONSIBILITY

Sensitive to its governance imperatives, which emanate from both the PFMA and Treasury Regulations, the AC continued to deliver on its responsibilities, in compliance with pertinent prescripts from within those two regulatory sources of its authority. Further, building onto those two was the Department's AC Policy, which served as another referral point when this committee reviewed and secured appropriate approval of its Charter for the current financial year. All responsibilities of the AC, except the review of changes in accounting policies, were accordingly undertaken during this period.

Informed by the environmental scanning which the Department regularly undertakes, especially in feeding to its strategic planning sessions, the AC contributed some thought leadership articles to the quarterly Agenda of AC meetings. Unusual a gesture, perhaps, this was undertaken as part of a continual co-exploration of new ideas, amongst public professionals, viz. the Department's leadership team and its AC members.

EFFECTIVENESS OF INTERNAL CONTROL SYSTEMS

Sustaining the coordination of inter-dependencies within an organisation, with each team tapping on its expertise, is a solid control environment. The Department remained mindful of this imperative during this financial year too. Hence, in seeking to further strengthen such control environment, the Department's continued implementing its approved combined assurance framework. Perhaps, in this context, aiming to also inculcate the sense of Accountability – one of the Department's organisational values.

Whilst the risk-based internal audit plan, as approved by the audit committee, guided the activities of the internal audit function (IAF), the impact of that (IA) plan remained curtailed. Specifically, despite a red flag continuing to be raised by the audit committee, the IAF remains without some of the core skills and competencies that punctuate its trend-setting counterparts. Almost two years since the External Quality Assurance Review (EQAR) pointed out the gap in terms of IAF capacitation – concurring with the AC assertions in this regard – not much has changed. Even an interim measure, in the form of sourcing an external service provider, could not be implemented despite some limited funding having been allocated internally.

On the other hand, both the sense of independence and objectivity punctuated the IAF during this period, serving as foundational to preserving its stature. Maintaining its reporting protocols, viz. functionally to the AC whilst having direct access to the Accounting Officer, bodes well for the Department's IAF.

From an enterprise risk management (ERM) perspective, punctuating the strengthening of the control environment is the fact that outcomes of the National Risk Management Committee (NRMC) continued to serve at the AC. Chaired by an external member, who serves as part of the AC, the NRMC deliberations, challenges and recommendations informed the basis of the AC's ERM oversight. The journey of deepening risk culture within the Department remains in its early stages, with ERM not yet adequately integrated onto the daily operational activities of the Department's, particularly at hierarchical levels outside the senior leadership team. The AC will continue to monitor progress in this journey, doing so as part of its oversight responsibilities.

Overall, the AC is of the view that the Department's control environment generally requires further improvement.

QUALITY OF IN-YEAR MANAGEMENT AND REPORTS SUBMITTED

Depictive of a "centre that continues to hold" the Department maintained its consistency in terms of convening the quarterly meetings for the Audit Committee, doing so at pre-agreed dates. The two special meetings that revolve around the statutory audit by the AGSA were also held, in an effort to ensuring the adequacy of preparation by the Department for the FY22/23 statutory audit, as well as thereafter reflecting on the outcomes of such statutory audit.

In the spirit of Learning and Development being one of the values that the Department embraces, the AC highlighted areas of improvement during the financial year, which were warmly deliberated upon with the leadership team. These included:

- The delayed finalisation of the ICT strategy, a blueprint that ought to serve as a source of inspiration to the Department's digitisation journey, in service of our country's communities. For this to have arisen during an era where the prominence of technology continues to increase, in the external environment, is a strategic misstep hard to ignore. Perhaps, it could be deemed to have threatened the aspiration of Client-Centred Services, which is the other value integral to the Department's DNA. Needless to state, repeat findings emanating from the AGSA's management report were more to this area of the Department than any other – a pointer to ICT being of prime concern from the AC perspective.
- On the SEE side, the quality of annual financial statements (AFSs) that were presented to the AGSA for purposes of the statutory audit, which heightens the integrity of reporting risk. This recurred during the FY22/23 statutory audit preparations; hence, the material misstatements highlighted by the AGSA – and regression of audit opinion.

EVALUATION OF FINANCIAL STATEMENTS

Annual financial statements serve as a basis of not only the statutory audit as undertaken by the AGSA but a contributory factor towards strengthening an organisation's brand image as viewed by external stakeholders. In this context, the AC undertook responsibilities that include:

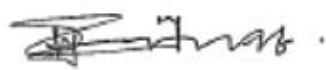
- Quarterly financial statements, which serve as a build-on to the AFS and are of interest to the AGSA.
- Quarterly performance information, which talks to how the Department delivers on its mandate as the year progresses.
- Compliance with regulatory requirements in relation to the various aspects of the Department's operational areas.
- The basis for going concern assumptions, which includes financial sustainability related risks and issues.
- The independent assurance provided by the IAF, as part of combined assurance, in relation to pre-audited versions of both the financial statements and information on performance objectives.

AUDITOR GENERAL'S REPORT

The AC remains concerned at the largely stagnant audit opinion in relation to the Department, though showing aspects of improvement. The leadership team needs to elevate the impact of their efforts to ensuring Clean Audit Opinion. Commendable also is the fact that there has been an improvement in terms of repeat findings in some areas, other than ICT.

The AC's concern deepens further, when it comes to the SEE, whereby the opinion is "Adverse with Findings" and has regressed when compared to the previous year. For this to have occurred, despite an external service provider having been brought aboard to support the entity's preparations for the statutory audit, is a red flag hard to ignore. Particularly so when taking into account the strategic significance of disabilities, a stratum of the population which the SEE seeks to serve. We hope the Department's leadership team will address the funding constraints that impede the SEE from delivering effectively on its strategy, whilst also prioritising the sourcing of appropriate critical skills necessary for operationalising such strategy.

As the AC, we concur with the AGSA's audit opinion on the AFS of both the Department and the SEE; these should be read in conjunction with the report of the AGSA.



Sikhuthali Nyangintsimbi

Chairperson of Audit Committee

Department of Employment and Labour

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?	Yes	The Department had appointed a service provider to assist with the B-BBEE grading. This is still work-in-progress that will be finalised in the 2023/24 financial year.
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	



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DEPARTMENT OF EMPLOYMENT AND LABOUR

GENERIC CERTIFICATE

NON-COMPLIANT

Registration Number N/A
VAT Number N/A
Physical Address 215 Francis Baard Street, Pretoria Central, Pretoria, 0001
Certificate Number AAA 1707/0723 Rev 0
Applicable Code Amended Codes of Good Practice
(Government Gazette Number 38766) - Specialised

B-BBEE SCORE PER ELEMENT	ACTUAL SCORE	TARGET SCORE	B-BBEE STATUS	
Ownership	N/A	N/A	Black Ownership	N/A
Management Control	11.45	20	Black Female Ownership	N/A
Skills Development	0.00	25	Black Designated Group	N/A
Enterprise and Supplier Development	32.00	50	Black Youth	N/A
Socio Economic Development	0.00	5	Black Disabled	N/A
Total Score	43.45	100	Black Unemployed	N/A
Procurement Recognition Level	0%		Black People living in Rural	N/A
Y.E.S Enhancement Applied	NO		Black Military Veterans	N/A
Y.E.S Target & 2.5% Absorption	NO		Black New Entrants	N/A
1.5 x Y.E.S Target & 5% Absorption	NO		Empowering Supplier	YES
Double Y.E.S Target & 5% Absorption	NO		Discounting Principle Applied	YES
Modified Flow Through Principle	NO		Issue Date	11/07/2023
Exclusion Principle Used	NO		Expiry Date	10/07/2024
Financial Year Used	01/04/2021 – 31/03/2022		Re-Issue Date	N/A

VR Ramphal
Technical Signatory



BVA 140

This rating certificate is based on information provided to AAA BEE Verification Agency by the measured entity and represents an independent opinion based on the verification and analysis completed by AAA BEE Verification Agency.

Department of Employment and Labour

Measured against: DTI Generic Specialised Balanced Scorecard, Gazette 38766						
BEE Elements	Weighting	Indicators of Empowerment	Indicator Weighting	Targets	Raw Score	Total
Management Control	20	Exercisable voting rights of black board members as a percentage of all board members	2	50%	0.00%	0.00
		Exercisable voting rights of black female board members as a percentage of all board members	1	25%	0.00%	0.00
		Black Executive directors as a percentage of all executive directors	2	50%	0.00%	0.00
		Black female Executive directors as a percentage of all executive directors	1	25%	0.00%	0.00
		Black Other Executive Management as a percentage of all executive management	2	60%	80.00%	2.00
		Black female Other Executive management as a percentage of all executive management	1	30%	20.00%	0.67
		Black employees in senior management as a percentage of all senior management	2	60%	Scored Using the Overall Demographic Representation of Black People in the Employment Equity Report	1.92
		Black female employees in senior management as a percentage of all senior management	1	30%		0.97
		Black employees in middle management as a percentage of all middle management	2	75%		1.95
		Black female employees in middle management as a percentage of all middle management	1	38%		0.99
		Black employees in Junior Management as a percentage of all junior management	2	88%		1.95
		Black female employees in junior management as a percentage of all junior management	1	44%		1.00
		Black employees with disabilities as a percentage of all employees	2	2%	0.00%	0.00
Skills Development	25	Skills Development expenditure on learning programs specified in the learning programs matrix for black people as a percentage of leviable amount	9	6%	Scored Using the Overall Demographic Representation of Black People in the Employment Equity Report	0.00
		Skills Development expenditure on learning programs specified in the learning programs matrix for black employees with disabilities as a percentage of leviable amount	4	0.3%	0.00%	0.00
		Number of black people participating in Learnerships, Apprenticeships and internship as a percentage of total employees	6	2.5%	Scored Using the Overall Demographic Representation of Black People in the Employment Equity Report	0.00
		Number of black unemployed people participating in training specified in the learning programme matrix as a percentage of number of employees	6	2.5%		0.00
	Bonus	Number of black people absorbed by the Measured and Industry Entity at the end of the learnership/apprenticeship or internship programme	5	100%	0.00%	0.00

Enterprise and Supplier Development	50	B-BBEE Procurement spend from all Empowering suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	5	80%	126.40%	5.00
		B-BBEE Procurement spend from all Empowering Suppliers that are Qualifying Small Enterprises based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	4	15%	18.26%	4.00
		B-BBEE Procurement spend from all Empowering Exempted Micro-Enterprises based on the applicable B-BBEE Procurement Recognition Levels as a percentage of total measured procurement spend	5	15%	35.21%	5.00
		B-BBEE Procurement spend from Empowering Suppliers that are at least 51% black owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	11	40%	123.72%	11.00
		B-BBEE Procurement spend from Empowering Suppliers that are at least 30% black women owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend.	5	12%	81.84%	5.00
		Annual value of all Supplier Development Contributions made by the Measured Entity as a percentage of the target (NPAT) OR	15	2%	0.00%	0.00
		Annual value of all Supplier Development Contributions made by the Measured Entity as a percentage of the target (Annual Revenue, Allocated Budget, Gross Receipts, Discretionary Spend)	15	0.2%	0.00%	0.00
		Annual value of Enterprise Development Contributions and Sector Specific Programmes made by the Measured Entity as a percentage of the target (NPAT) OR	5	1%	0.00%	0.00
		Annual value of Enterprise Development Contributions and Sector Specific Programmes made by the Measured Entity as a percentage of the target (Annual Revenue, Allocated Budget, Gross Receipts, Discretionary Spend)	5	0.1%	0.00%	0.00
	Bonus	B-BBEE Procurement Spend from Designated Group Suppliers that are at least 51% Black owned	2	2%	29.09%	2.00
		Bonus point for graduation of one or more Enterprise Development beneficiaries to graduate to the Supplier Development level	1		NO	0.00
Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development initiatives by the Measured Entity		1		NO	0.00	

Socio Economic Development	5	Annual value of all Socio-Economic Development Contributions by the Measured Entity as a percentage of the target (NPAT) OR	5	1%	0.00%	0.00
		Annual value of all Socio-Economic Development Contributions by the Measured Entity as a percentage of the target (Annual Revenue, Allocated Budget, Gross Receipts, Discretionary Spend).	5	0.1%	0.00%	0.00
Total						43.45

Onsite Date	14/06/2023
Issue Date	11/07/2023

B-BBEE Status

NC

B-BBEE Procurement Recognition Level:
--

0%

Empowering Supplier

Yes

Verification Analyst	T Munsami
Technical Signatory	VR Ramphal







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

In response to a directive that was issued by the DPSA following the repeal of the regulations relating to the surveillance and the control of notifiable medical conditions, the Department issued a Circular for all employees to return to normal work conditions with no restrictions. The return of all employees back to work has resulted in improved efficiencies in the Department and this includes the functioning of structures such as the National Employment Equity Consultative Forum (NEECF) and the Departmental Bargaining Chamber (DBC). Drawing lessons from COVID-19 pandemic and its impact on staff, the Department continued with virtual and Hybrid meetings where necessary. Furthermore, amongst others, a Policy on Working from home has been developed and is currently in final stages of consultation before it is approved.

Employee Satisfaction Survey feedback sessions have been conducted across the Provinces in preparation for a follow-up study (ESS) which is going to be conducted during the current financial year. Change management sessions have been conducted on implementation of POPIA and Project Dipheto to prepare staff for changes which affect them.

To create awareness on policies, advocacy sessions were conducted across the Provinces.

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 2022 AND 31 MARCH 2023

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	1 025 499	440 636	3 310	5 409	42.97 %	438
Inspection & Enforcement Services	587 853	467 443	1 230	37	79,52 %	434
Public Employment Services	938 436	338 267	542	245	36,05 %	443
Labour Policy & Industrial Relations	1 349 873	105 209	655	2 005	7,79 %	682
TOTAL	3 901 661	1 351 555	5 737	7 696	34.64%	450

**Exclusive of UIF, CF and SEE*

The number of employees of 3 001 is an average number of employees for a period of 12 months paid through Voted Funds.

TABLE 3.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

SALARY BAND	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Skilled (level 3-5)	130 999	9,69 %	795	165
Highly skilled production (levels 6-8)	748 385	55,37 %	1 694	442
Highly skilled supervision (levels 9-12)	368 516	27,27 %	439	839
Senior and Top management (levels 13-16)	103 655	7,67 %	73	1 420
TOTAL	1 351 555	100,00 %	3 001	450

**Excludes CF, UIF and SEE*

TABLE 3.1.3 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

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	290 626	21,50 %	16 410	1,22 %	13 809	1,02 %	27 081	2,00 %
Inspection & Enforcement Services	315 662	23,36 %	10 399	0,77 %	16 245	1,20 %	31 067	2,30 %
Public Employment Services	239 554	17,72 %	300	0,02 %	8 574	0,64 %	15 794	1,17 %
Labour Policy & Industrial Relations	71 198	5,27 %	259	0,02 %	2 392	0,18 %	4 790	0,36 %
TOTAL	917 040	67,85 %	27 368	2,03 %	41 020	3,04 %	78 732	5,83 %

*Exclusive of UIF, CF and SEE

TABLE 3.1.4 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

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)	81 629	6,04 %	5 912	0,44 %	7 354	0,54 %	12 930	0,96 %
Highly skilled production (levels 6-8)	507 720	37,57 %	17 293	1,28 %	29 953	2,22 %	54 775	4,05 %
Highly skilled supervision (levels 9-12)	260 764	19,29 %	4 162	0,31 %	3 713	0,28 %	10 148	0,75 %
Senior management (level 13-16)	66 927	4,95 %	1	0,00 %	0	0,00 %	879	0,07 %
TOTAL	917 040	67,85 %	27 368	2,03 %	41 020	3,04 %	78 732	5,83 %

*Exclusive of the Department, UIF, CF and SEE

3.2 EMPLOYMENT AND VACANCIES

TABLE 3.2.1 EMPLOYMENT AND VACANCIES BY PROGRAMME AS ON 31 MARCH 2023

PROGRAMME	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Administration	961	883	8.12%	143
PES	616	577	6.33%	167
LP&IR	156	141	9.62%	4
IES	1 113	1 031	7.37%	83
UIF	6 239	3 572	42.75%	27
CF	3 216	2 940	8.58%	163
SEE	159	135	15.09%	0
TOTAL	12 460	9 279	25.53%	587

TABLE 3.2.2 EMPLOYMENT AND VACANCIES BY SALARY BAND AS ON 31 MARCH 2023

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Unskilled (1-2)	0	0	0%	474
Skilled (3-5)	1 295	1 182	8.73%	9
Highly skilled production (6-8)	9 516	6 608	30.56%	77
Highly skilled supervision (9-12)	1 484	1 344	9.43%	19
Senior management (13-16)	165	145	12.12%	7
TOTAL	12 460	9 279	25.53%	587

*Inclusive of the Department, UIF, CF and SEE

The numbers in this table 3.2.2 is a snapshot as on 31 March 2023 and therefor cannot be compared to the numbers used in table 3.1.2 which is based on the average personnel numbers over the 12 month period.

TABLE 3.2.3 EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS ON 31 MARCH 2023

CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Inspectors	1 860	1 732	6.88%	2
ESPs & Counsellors	339	321	5.31%	0
Medical Practitioners	95	70	26.32%	0
TOTAL	2 294	2 123	7.45%	2

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 2023

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	6	75.0%	2	25.0%
Salary Level 14	33	31	93.94%	2	6.06%
Salary Level 13	123	107	86.99%	16	10.01%
TOTAL	165	145	87.88%	20	12.12%

**Inclusive of the Department, UIF, CF and SEE*

TABLE 3.3.2 SMS POST INFORMATION AS ON 30 SEPTEMBER 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	87.50%	1	12.50%
Salary Level 14	33	29	87.88%	4	12.12%
Salary Level 13	123	111	90.24%	12	9.76%
TOTAL	165	148	89.70%	17	10.30%

**Inclusive of the Department, UIF, CF and SEE*

TABLE 3.3.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

SMS LEVEL	ADVERTISING	FILLING OF POSTS	
	NUMBER OF VACANCIES PER LEVEL ADVERTISED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL FILLED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL NOT FILLED IN 6 MONTHS BUT FILLED IN 12 MONTHS
Director-General/ Head of Department	0	0	0
Salary Level 15	2	0	2
Salary Level 14	2	0	2
Salary Level 13	16	16	7
TOTAL	20	16	11

**Inclusive of the 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 2022 AND 31 MARCH 2023**REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS**

None, all vacant posts were advertised within six months

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS

Unavailability of panel members.

Suitable candidates not found, causing HRM to re-advertise.

Delay of competency test results.

Dispute matters being raised during the recruitment process

Candidates declining offers

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 2022 AND 31 MARCH 2023**REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS**

None

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS

None

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 2022 AND 31 MARCH 2023

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)	1 295	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	9 516	6	0.06	0	0	0	0
Highly skilled supervision (Levels 9-12)	1 484	4	0.27	0	0	0	0
Senior Management Service Band A	123	2	1.6	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	12 460	12	0.095	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 2022 AND 31 MARCH 2023

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	5	0	0	0	5
Male	0	0	0	0	0
TOTAL	5	0	0	0	5

Employees with a disability

0

*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 2022 AND 31 MARCH 2023

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	13	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.

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
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				46
Percentage of total employed				0.5%

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 2022 AND 31 MARCH 2023

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	6	0	0	4	10
Male	13	5	2	16	36
TOTAL	19	5	2	20	46
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.

TABLE 3.5.1 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-1 APRIL 2022	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Skilled (Levels 3-5)	1 109	174	35	3.16%
Highly skilled production (Levels 6-8)	6 517	387	279	4.28%
Highly skilled supervision (Levels 9-12)	1 255	99	76	6.06%
Senior Management Service Bands A	108	7	11	10.19%
Senior Management Service Bands B	30	2	3	10.00%
Senior Management Service Bands C	7	0	1	14.29%
Senior Management Service Bands D	1	0	0	0%
Contracts	375	608	569	N/A
TOTAL	9 402	1 277	974	10.36

TABLE 3.5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-1 APRIL 2022	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Inspectors	1 712	105	78	4.56%
ESPs & Counsellors	323	4	7	2.17%
Medical Practitioners	71	7	6	8.45%
TOTAL	2 106	116	91	4.32%

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 2022 AND 31 MARCH 2023

TERMINATION TYPE	NUMBER	% OF TOTAL RESIGNATIONS
Death	29	2.98%
Resignation	298	30.60%
Expiry of contract	485	49.79%
Dismissal – operational changes	0	0%
Dismissal – misconduct	24	2.46%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	6	0.62%
Retirement	86	8.83%
Transfer to other Public Service Departments	46	4.72%
Other	0	0%
TOTAL	974	100%
Total number of employees who left as a % of total employment	9 279	10.5%

TABLE 3.5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

OCCUPATION	EMPLOYEES 1 APRIL 2022	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	1 712	55	3.21%	0	0%
ESPs & Counsellors	323	12	3.72%	3	0.93%
Medical Practitioners	71	1	1.41%	1	1.41%
TOTAL	1 206	68	3.23%	4	0.19%

**Inclusive of the Department, UIF, CF and SEE*

TABLE 3.5.5 PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

SALARY BAND	EMPLOYEES 1 APRIL 2022	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
Skilled (Levels 3-5)	1 109	4	0.36%	0	0%
Highly skilled production (Levels 6-8)	6 517	202	3.10%	1	0.02%
Highly skilled supervision (Levels 9-12)	1 255	86	3.85%	3	0.24%
Senior Management (Level 13-16)	146	4	2.74%	0	0%
TOTAL	9 027	296	3.28%	4	0.04%

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

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 2023

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers (SR 13 – 16)	58	2	7	3	60	3	3	8	144
Professionals (SR 11 -12)	242	13	13	19	246	17	3	20	573
Technicians and associate professionals (SR 7 – 10)	1 697	96	39	61	1 621	144	44	191	3 893
Clerks (SR 4 – 6)	1 807	208	53	54	1 972	246	52	78	4 470
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)	74	9	2	0	103	9	1	1	199
	3 878	328	114	137	4 002	419	103	298	9 279
TOTAL	100	11	6	16	74	9	5	19	240
Employees with disabilities									

TABLE 3.6.2 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2023

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management (SR 15 – 16)	4	0	0	0	2	0	0	1	7
Senior Management (SR 13– 14)	54	2	7	3	58	3	3	7	137
Professionally qualified and experienced specialists and mid-management (SR 9 – 12)	602	31	26	43	589	45	14	36	1 386
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (SR 6 – 8)	2 791	250	69	79	2 907	317	76	227	6 716
Semi-skilled and discretionary decision making (SR 3 – 5)	427	45	12	12	446	54	10	27	1 033
Unskilled and defined decision making (SR 1 – 2)	0	0	0	0	0	0	0	0	0
TOTAL	3 878	328	114	137	4 002	419	103	298	9 279

*Inclusive of Department, UIF, CF and SEE

TABLE 3.6.3 RECRUITMENT FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	1	0	0	5	0	0	1	9
Professionally qualified and experienced specialists and mid-management	55	3	0	0	37	3	1	0	99
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	119	1	0	0	29	2	0	0	151
Semi-skilled and discretionary decision making	237	22	4	5	85	18	5	7	383
Unskilled and defined decision making	16	2	1	0	7	0	1	0	27
TOTAL	429	29	5	5	163	23	7	8	669
Employees with disabilities	14	1	0	0	7	0	1	1	24

*Inclusive of Department, UIF, CF and SEE

TABLE 3.6.4 PROMOTIONS FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	2	0	0	0	4
Professionally qualified and experienced specialists and mid-management	40	2	1	1	37	4	1	0	86
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	97	3	0	1	64	1	1	1	168
Semi-skilled and discretionary decision making	27	5	0	1	5	0	0	0	38
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	166	10	1	3	108	5	2	1	296
Employees with disabilities	1	1	0	0	0	0	0	0	2

TABLE 3.6.5 TERMINATIONS FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	4	1	0	1	7	0	1	0	14
Professionally qualified and experienced specialists and mid-management	37	2	0	3	26	1	0	7	76
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	84	9	1	4	47	4	3	21	173
Semi-skilled and discretionary decision making	58	8	2	1	46	4	1	9	129
Unskilled and defined decision making	5	0	0	1	6	0	0	0	12
TOTAL	189	20	3	10	132	9	5	37	405
Employees with Disabilities	2	0	0	1	2	0	0	5	10

*Excludes Contract workers

TABLE 3.6.6 DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOTAL	165	27	1	7	117	21	1	11	350

*Inclusive of Department, UIF, CF and SEE

TABLE 3.6.7 SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	116	0	0	0	126	1	0	0	243
Professionals	39	0	1	0	52	1	0	2	95
Technicians and associate professionals	293	5	3	3	232	5	2	5	548
Clerks	207	7	1	10	152	3	6	11	397
Service and sales workers	38	1	0	0	33	0	0	1	73
Skilled agriculture and fishery workers	0	0	0	0	1	0	0	0	1
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	4	1	0	0	2	0	0	1	8
Elementary occupations	1	0	0	1	1	0	0	0	3
TOTAL	689	14	5	14	599	10	8	20	1 368
Employees with disabilities	5	0	0	0	0	0	0	0	5

*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 2022

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS MEMBERS	TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS	SIGNED PERFORMANCE AGREEMENTS AS % OF TOTAL NUMBER OF SMS MEMBERS
Director-General/ Head of Department	1	1	1	100%
Salary Level 15	8	7	1	13%
Salary Level 14	33	30	28	90%
Salary Level 13	123	109	100	93%
TOTAL	165	147	130	79%

TABLE 3.7.2 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MARCH 2023

REASONS
The Department had most of the SMS members acting in higher level post.
Sick Leave
Suspension

**Inclusive of the Department, UIF, CF and SEE*

***Eleven (11) SMS members did not submit their performance agreements as on 31 May 2022.*

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

REASONS
SMS members that did not comply with the submission dates had disciplinary actions taken against them.

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 2022 TO 31 MARCH 2023

RACE AND GENDER	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE
African		7 880			
Male	23	3 878	0.60	593.46	25 972.00
Female	29	4 002	0.72	885.66	30 720.00
Asian		217			
Male	2	114	1.75	58.79	29 396.00
Female	2	103	1.94	73.46	37 103.00
Coloured		747			
Male	0	328	0.6	0.00	0.00
Female	2	419	0.0	63.55	32 098.00
White		435			
Male	3	137	2.2	60.26	20 154.00
Female	3	298	1.0	21.46	21 676.00
TOTAL	64	9 279	0.70	1 892.27	29 288.00

*Inclusive of Department, UIF, CF and SEE

NB: It should be mentioned that the paid performance bonuses were from the previous performance cycles.

TABLE 3.8.2 PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

SALARY BAND	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	
Lower Skilled (Levels 1-2)	0	0	0	107.84	18 064	0%
Skilled (level 3-5)	6	1 182	0.70	107	18 064	168.82
Highly skilled production (level 6-8)	44	6 608	0.70	1 118.08	25 579	22.87
Highly skilled supervision (level 9-12)	14	1 344	1.30	587.97	42 209	71.8
TOTAL	64	9 134	0	107	103 916	97.15

TABLE 3.8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST		AVERAGE COST PER EMPLOYEE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST (R'000)		
Inspectors	8	1 732	0.50	232.92		29 409
ESP's & Councillors	0	70	0	0		0
Medical Practitioners	0	321	0	0		0
TOTAL	8	2 123	0.50	232.92		29 409

*Inclusive of the Department, UIF, CF and SEE

TABLE 3.8.4 PERFORMANCE RELATED REWARDS (CASH BONUS), BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

SALARY BAND	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	
Band A	0	107	0	0	0	136 876,48
Band B	0	31	0	0	0	49 969,61
Band C	1	6	14.30	78.38	78 379.10	13 961,53
Band D	0	1	0	0	0	7 088,82
TOTAL	1,00	145	0,80	78,38	78 379,10	207 896,44

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 2022 AND 31 MARCH 2023

SALARY BAND	1 APRIL 2022		31 MARCH 2023		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Lower skilled	0	0%	0	0%		%
Highly skilled production (Lev. 6-8)	2	33.3%	2	33.3%		%
Highly skilled supervision (Lev. 9-12)	3	50%	3	50%		%
Contract (level 9-12)	0	0%	0	0%		%
Contract (level 13-16)	1	16.6%	1	16.6%		%
TOTAL	6	100%	6	100%		%

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

TABLE 3.9.2 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

MAJOR OCCUPATION	01 APRIL 2022		31 MARCH 2023		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Top Management	1	20%	1	20%		%
Professional and managers	3	60%	3	60%		%
Technicians and associated professionals	1	20%	1	20%		%
TOTAL	5	100%	5	100%		%

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

3.10 LEAVE UTILISATION

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided. Please note that all leave recorded are per calendar year and not financial year.

TABLE 3.10.1 SICK LEAVE FOR THE PERIOD 1 JANUARY 2022 TO 31 DECEMBER 2022

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower Skills (Level 1-2)		%		%		
Skilled (levels 3-5)	7 927.5	80.5 %	827	10.8 %	10	7 272
Highly skilled production (levels 6-8)	50 708.50	79.5 %	5 427	70.5 %	9	70 979
Highly skilled supervision (levels 9 -12)	8 199	80.10 %	1 024	13.3 %	8	22 578
Top and S19senior management (levels 13-16)	677	80.6 %	92	1.2 %	7	3 066
TOTAL	67 512	80.18 %	7 370	95.8 %	34	103 895

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

TABLE 3.10.2 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2022 TO 31 DECEMBER 2022

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING DISABILITY LEAVE	% OF TOTAL EMPLOYEES USING DISABILITY LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower skilled (Levels 1-2)	0	0 %	0	0 %	0	0
Skilled (Levels 3-5)	2 743	100 %	10	18.2 %	23	218
Highly skilled production (Levels 6-8)	2 363	100 %	39	70.9 %	61	3 459
Highly skilled supervision (Levels 9-12)	66	100 %	5	9.1 %	13	182
Senior management (Levels 13-16)	87	100 %	1	1.8 %	87	470
TOTAL	5 259	%	55	100%	184	4 329

**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 2022 TO 31 DECEMBER 2022

SALARY BAND	TOTAL DAYS TAKEN	NUMBER OF EMPLOYEES USING ANNUAL LEAVE	AVERAGE PER EMPLOYEE
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	21 832.92	1 028	21
Highly skilled production (Levels 6-8)	163 962.14	6 724	24
Highly skilled supervision(Levels 9-12)	34 002	1 392	24
Senior management (Levels 13-16)	3 525	155	23
TOTAL	223 322.06	9 299	23

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

TABLE 3.10.4 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2022 TO 31 DECEMBER 2022

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 2023
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	29
Highly skilled production (Levels 6-8)	31	11	3	22
Highly skilled supervision(Levels 9-12)	0	0	0	29
Senior management (Levels 13-16)	0	0	0	34
TOTAL	31	11	3	28.5

* Inclusive of Department, UIF, CF and SEE.

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

TABLE 3.10.5 LEAVE PAY-OUTS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PER EMPLOYEE
Annual – Discounting with Resignation (Work Days)	3 754	145	25 890
Annual – Gratuity: Death/Retirement/Medical Retirement (Work Days)	2 964	84	35 286
Capped – Gratuity: Death/ Retirement/Medical Retirement (Work Days)	3 713	64	58 016
TOTAL	10 431	148	39 730.6

*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	• HIV/AIDS awareness • HIV/AIDS Screening and Testing • Male and Female condom Distributions
Youth	• HIV/AIDS awareness • HIV/AIDS Screening and Testing • Male and Female condom Distributions
Adults and pre-retirees	• HIV/AIDS awareness • HIV/AIDS Screening and Testing • Male and Female condom Distributions
Employees with high level of stress	• HIV/AIDS awareness • HIV/AIDS Screening and Testing • Male and Female condom Distributions
Employees abuses substances and alcohol	• HIV/AIDS awareness • HIV/AIDS Screening and Testing • Male and Female condom Distributions
Uncircumcised males	• HIV/AIDS awareness • HIV/AIDS Screening and Testing • 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		Acting Director HRM: Ms Lucinda Rudah
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: 4 EHWP staff = 2 Registered counsellors and 2 Social workers based in Head office and responsible for 9 provinces including SEE offices in the provinces. There are eight (8) Deputy Director for compliance and EHWP (Contract positions) at the following provinces: 1. Limpopo 2. Mpumalanga 3. North West 4. Free state 5. Gauteng 6. Western Cape 7. Eastern Cape 8. Kwa Zulu Natal
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: Mr. Christopher Kanama, Ms Hellen Letsoalo, Ms Mmaphuti Nkoana, Ms Samkelisiwe Ndlala, Bella Setshedi. Acting Director HRM Ms Lucinda Rudah. UIF: Ms.Rejoice Molelekwa, Mr Semakaleng Makwela, Mr. Emanuel Moalusi, Ms. Khathu Tshikalaha, Ms. Bella Setshedi, Cawekazi Diaho Director HRM Ms Petro Roux. CF: Mr Isaac Makala, Nzama Shirinda, Tshikane Mphahlele, Director HRM: Phindile Makhubu Skakeholder: Qumana, Noxolo from Life Health Solutions
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 were reviewed and approved.
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 you achieved.	Yes		362 employees were reached during the financial year 2022/2023
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 2022 AND 31 MARCH 2023

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 2022 AND 31 MARCH 2023

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	2	1,23%
Verbal warning	7	4,3%
Written warning	49	30%
Final written warning	27	17%
Dismissal	10	6,1%
Case withdrawn	65	40%
Official Resigned	2	1,23%
TOTAL	162	100%

**Inclusive of the Department, UIF, CF and SEE*

TABLE 3.12.3 TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Abscondment	10	2.86%
Absenteeism	14	4%
Abuse Of State Asset	7	2%
Irregular Appointment	2	0.57%
Damage of State Vehicle	43	12.29%
Improper Conduct	23	6.57%
Contravention of Departmental Policy	15	4.29%
Dereliction of Duty	62	17.71%
Insubordination	32	9.14%
Misrepresentation	5	1.43%
Fraud	40	11.43%
Fruitless and Wasteful Expenditure	19	5.43%
Negligence	16	4.57%
None Disclosure of Financial Interest	15	4.29%
Remunerative Work Without Permission	1	0.29%
Underperformance	19	5.43%
None Submission of Performance Agreement	20	5.71%
Soliciting a Bribe	3	0.86%
None Payment of Invoice Within 30 Days	2	0.57%
Sharing SMARTGOV	2	0.57%
TOTAL	350	100%

**Inclusive of the Department, UIF, CF and SEE*

TABLE 3.12.4 GRIEVANCES LOGGED FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	154	69%
Number of grievances not resolved	70	31%
Total number of grievances lodged	224	100%

**Inclusive of the Department, UIF, CF and SEE*

TABLE 3.12.5 DISPUTES LOGGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

DISPUTES	NUMBER	% OF TOTAL
Number of disputes upheld	9	26%
Number of disputes dismissed	26	75%
Total number of disputes lodged	35	100%

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

TABLE 3.12.6 STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Total number of persons working days lost	16
Total costs working days lost	R 32 810,84
Amount recovered as a result of no work no pay (R'000)	0

TABLE 3.12.7 PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Number of people suspended	17
Number of people whose suspension exceeded 30 days	17
Average number of days suspended	145
Cost of suspension(R'000)	R 2 669 651.56

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 2022 AND 31 MARCH 2023

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2022	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	331	0	38	0	38
	Male	347	0	62	0	62
Professionals	Female	236	0	10	1	11
	Male	123	0	5	1	6
Technicians and associate professionals	Female	1 555	0	95	2	97
	Male	1 461	0	80	3	83
Clerks	Female	1 096	0	101	12	113
	Male	774	0	82	13	95
Service and sales workers	Female	21	0	2	0	2
	Male	44	0	0	0	0
Skilled agriculture and fishery workers	Female	3	0	0	0	0
	Male	11	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	9	0	0	0	0
	Male	35	0	1	0	1
Elementary occupations	Female	50	0	5	0	5
	Male	39	0	8	0	8
Sub Total	Female	3 301	0	251	15	266
	Male	2 834	0	238	17	255
TOTAL		6 135	0	489	32	521

*Inclusive of Department, UIF, CF and SEE

TABLE 3.13.2 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2022	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	589	0	32	40	72
	Male	576	0	50	45	95
Professionals	Female	335	0	70	68	138
	Male	291	0	72	56	128
Technicians and associate professionals	Female	1 829	0	16	38	54
	Male	1 819	0	9	53	62
Clerks	Female	2 239	0	31	161	192
	Male	1 594	0	22	112	134
Service and sales workers	Female	78	0	1	3	4
	Male	78	0	3	16	19
Skilled agriculture and fishery workers	Female	49	0	2	3	5
	Male	14	0	1	1	2
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	48	0	1	0	0
	Male	70	0	2	0	2
Elementary occupations	Female	142	0	0	6	6
	Male	75	0	0	5	5
Sub Total	Female	5 358	0	153	319	471
	Male	4 517	0	159	327	447
TOTAL		9 875	0	312	646	981

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

3.14 INJURY ON DUTY

TABLE 3.14.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	15	93.75%
Temporary Total Disablement	1	6.25%
Permanent Disablement	0	0%
Covid -19	0	0%
TOTAL	16	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 2022 AND 31 MARCH 2023

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	CONTRACT VALUE IN RAND
A quantitative study on the impact of national minimum wage on the South African economy	1	36 Months	R1 568 177.94
Reduction of silicosis in the non-mining sector	27	12 months	R1 650 174.93
To investigate the different policy solutions adopted by the South Africa government to facilitate the entry of youth people into employment and assess how successful they have been.	16	8 months	R 685 911.00
e-Formality Practices in BRICS Countries	9	5 months	R483 862.50

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
Alteram Contract, Schedule D Project Resources and TechMahindra Diphetogo			
AVS Long term solution	1	19	1 784.64
Management Support	1	38	2 920.32
CF SAP Cust. Reports	2	143	1 423 240.78
CRM TOOL	2	65	770 442.59
Debt Collection System	4	238	2 440 104.85
ROE SAP Nature of Change Sub-Class	4	120	1 303 668.94
K-Pro Document Management	1	63	729 815.24
SAP Auditor General	1	15	144 155.45
UIF App & USSD	1	9	86 742.83
Schedule D - ICD Clean-up and Refresh	1	13	1 189.76
CF Data Management and Reporting	3	286	2 572 967.13
Employer Service Segregation Duties	5	350	2 261 536.28
KPro - Income Management Document and Workflows	2	155	1 514 164.68
KPRO The Accounts Payable Notification - Support docs	1	6	57 108.48
KPRO Segregation of Duties - Config and Doc types	2	20	190 854.72
Legal Case Management	1	3	29 601.28
CRM TOOL/ DCE INTEGRATION	5	41	451 121.20
Youth Mobi	1	4	36 942.08
Data Analytics	2	35	332 537.92
Schedule D: NMW & ROE interfaces on the New Search	2	117	1 133 336.00
Architecture Support Services	1	240	1 933 241.68
Schedule D - Diphetogo Project Management.	2	158	1 553 918.81
Enhance Business Partners - all systems - audit findings	2	55	532 560.59
Master Data File Project	1	2	11 600.16
Schedule E - Nature Of Business/Segregation Integration	1	49	492 306.32
Schedule D - Implementation LMIS (ILO) in South Africa - Department of Employment and Labour & Funds	3	142	1 640 033.22
Schedule D Department of Employment and Labour CRM Contact Centre project	3	207	885 258.32
Department of Employment and Labour SAP and Non-SAP services contract	1	2	7 787.52
MISS (Cyber Security) Project	1	41	409 695.93

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
ICT Assessment Network	1	186	2 060 797.68
ICT Assessment Infrastructure	2	22	300 879.79
UIF project support and enhancement	2	462	4 592 673.76
Schedule D - SEE SYSPRO project	1	11	112 380.53
MS Support Exchange	1	213	1 715 652.43
MS Support SCCM	1	21	166 458.24
MS Support Security	1	170	1 344 729.76
Open Text Assessment	1	25	2 510.40
Consultants working across projects and Business as Usual (Schedule E)			
Application Architect Total	1	46	390 567.60
Application Security Expert Total	1	18	141 653.71
Java Developer Total	2	332	2 362 934.10
Microsoft Developer Total	1	186	1 324 358.34
Network Architect Total	1	187	1 454 462.05
Oracle PL/SQL Developer Total	3	438	3 145 205.84
Project Coordinator Total	1	193	717 937.07
Project Manager Total	3	593	6 071 528.58
SAP Training Total	2	390	2 788 059.44
Senior .NET Developer Total	1	134	969 673.83
Senior MS SharePoint Developer Total	1	177	1 400 158.82
System Analyst Total	3	414	2 974 236.46
A quantitative study on the impact of national minimum wage on the South African economy	State Owned Entity (University of Cape Town)	State Owned Entity (University of Cape Town))	3
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 people into employment and assess how successful they have been	0	13%	13
e-Formality Practices in BRICS Countries	0	100%	9

3.16 SEVERANCE PACKAGES

TABLE 3.16.1 GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

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 PFMA COMPLIANCE REPORT

DEPARTMENT OF EMPLOYMENT AND LABOUR

1. INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES**1.1 IRREGULAR EXPENDITURE****A) RECONCILIATION OF IRREGULAR EXPENDITURE**

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Opening balance	89 371	70 655
Prior year error	-	820
As restated	89 371	71 475
Add: Irregular expenditure confirmed	107 847	17 996
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	(100)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	197 218	89 371

RECONCILING NOTES

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	-	14
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	39
Irregular expenditure for the current year	107 847	17 943
TOTAL	107 847	17 996

B) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	83 628	14
Irregular expenditure under determination	197 232	89 371
Irregular expenditure under investigation	-	-
TOTAL	280 860	89 385

C) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE CONDONED

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
TOTAL	-	-

D) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED – (NOT CONDONED)

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	(100)
TOTAL	-	(100)

E) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
TOTAL	-	-

F) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
TOTAL	-	-

ADDITIONAL DISCLOSURE RELATING TO INTER-INSTITUTIONAL ARRANGEMENTS

G) DETAILS OF NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE THE INSTITUTION IS NOT RESPONSIBLE FOR THE NON-COMPLIANCE)

DESCRIPTION
None
TOTAL

H) DETAILS OF NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS RESPONSIBLE FOR THE NON-COMPLIANCE)

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
None	-	-
TOTAL	-	-

I) DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE

DISCIPLINARY STEPS TAKEN
Eighteen (18) written warning letters were issued.
Nine (9) final warning letters were issued.
One (1) verbal warning was issued.

1.2 FRUITLESS AND WASTEFUL EXPENDITURE

A) RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Opening balance	28 079	2 281
Prior year error	-	25 548
As restated	28 079	27 829
Add: Fruitless and wasteful expenditure confirmed	17 499	263
Less: Fruitless and wasteful expenditure written off	-	(4)
Less: Fruitless and wasteful expenditure recoverable	(13)	(9)
Closing balance	45 565	28 079

RECONCILING NOTES

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	17 499	263
TOTAL	17 499	263

B) DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	45 565	28 079
Fruitless and wasteful expenditure under investigation	-	-
TOTAL	45 565	28 079

C) DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE RECOVERED

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	(13)	(9)
TOTAL	(13)	(9)

D) DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERED AND WRITTEN OFF

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	(4)
TOTAL	-	(4)

E) DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

DISCIPLINARY STEPS TAKEN
Five (5) written warning letters were issued.
One (1) dismissal incurred.

1.3 UNAUTHORISED EXPENDITURE

NO UNAUTHORISED EXPENDITURE WERE DETECTED IN THE LAST FEW FINANCIAL YEARS.

ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 40(3)(B)(I) & (III)

No material losses in terms of PFMA Section 40(3)(b)(i) and (iii) were reported or detected in the Department.

2. INFORMATION ON LATE AND/OR NON-PAYMENT OF SUPPLIERS

Accounting officers must maintain systems, processes and procedures that will enable for the tracking of each invoice received by their institution from receipt up to a point of payment.

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED
Value		R
Valid invoices received	7 796	R3 619 839 549.93
Invoices paid within 30 days or agreed period	7 760	R3 514 354 141.58
Invoices paid after 30 days or agreed period	36	R105 485 408.35
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	N/A
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	N/A
TOTAL	7 796	R3 619 839 549.93

REASONS FOR 36 LATE PAYMENTS WERE AS FOLLOWS:

- One - Invoice was received on 19/09/2022 but only paid between 11-30/11/2022 because there were no Delivery Notes (DN) or DN were not attached to the invoice for payment
- 12- The Invoices were received on 19/09/2022 but only paid between 11-30/11/2022 because there were no Delivery Notes (DN) or DN were not signed. Asset Management had to instead verify the invoices in order to update the Asset Register, thus exceeding thirty (30) days.
- 3 - Invoices received on 19/09/2022 but paid between 07-22/12/2022 - there were no Delivery Notes (DN) or DN were not signed. Asset Man. not signed. Asset Management had to instead verify the invoices in order to update the Asset Register; thus exceeding thirty (30) days.
- 10 - Invoices received on 13/12/2022 by end user but only referred to SCM on 23/01/2023 and paid by Finance between 25-26/01/2023.
- 1- Invoice received on 06/12/2022 but only submitted it to Finance on 02/02/2023. However, there was a Memo outstanding of which the official only provided it on 20/02/2023 to Finance because she is working from home. Subsequently, payment was authorised on 20/02/2023.
- 6 - Invoices that were delayed at the business units before submitting it to Supply Chain Management and Finance: Payments for the processing of the relevant payments.
- 1 - The Authoriser did not finalised the authorisation on the system with the initial attempt on 23/08/2022 and subsequently filed the documents. Only on verification of payments it was detected that the process was not authorised on the system. The invoice was received on 17/08/2022 but only authorised on 22/09/2022.
- 2 - Invoices were received on 06/06/2022 but only paid on 12/08/2022. Delay in submitting of payable documents from DD: MSS of the L/C: Carolina. Invoice was received on 21/10/2022 but only paid on 07/12/2022 due to the fact that the disbursement of the authorised payment on BAS did not happen. A call was logged for the system error and subsequently corrected.

3. INFORMATION ON SUPPLY CHAIN MANAGEMENT

3.1 PROCUREMENT BY OTHER MEANS

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'
Venue for the Global Conference on Child Labour	Durban ICC	Deviation	DBAC 03/04/2022-23	R45 000 000.00
Extension of cleaning contract at Head Office	Morena Corporate Services	Extension	DBAC 31/03/2022-23	R969 626.55
TOTAL				R 45 969 626.55

3.2 CONTRACT VARIATIONS AND EXPANSIONS

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
Extension of cleaning contract at Head Office	Morena Corporate Services.	Extension	LAB 01/2019	R 5 329 326.66	R 727 220.00	R 969 626.55
Extension of Tech Mahindra agreement for SAP S4/HANA	Tech Mahindra	Extension	DBAC 06/05/2022-23	R439 751 219.66	Contract was extended with no direct cost	N/A
Extension of the Employee Health and Wellness Programme services contract.	Careways (Pty)Ltd t/a Life Health solutions	Extension	DBAC 11/08/2022-23	R5 227 731.42	N/A	R 983 356.03
Extension of duration for the project on baseline research on the reduction of silicosis in the non-mining sector	Council for Scientific Industrial Research (CSIR)	Extension	DBAC 15/10/2022-23	R5 500 577.93	N/A. Only the duration was extended	N/A
TOTAL				R455 808 855.67	R 727 220.00	R1 952 982.58



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PART F FINANCIAL INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 31: DEPARTMENT OF EMPLOYMENT AND LABOUR**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****OPINION**

1. I have audited the financial statements of the Department of Employment and Labour set out on pages 129 to 186, which comprise the appropriation statement, statement of financial position as at 31 March 2023, 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 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) 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 responsibilities of the auditor-general 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.

OTHER MATTERS

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

UNAUDITED SUPPLEMENTARY SCHEDULES

7. The supplementary information set out on pages 187 to 199 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.

NATIONAL TREASURY INSTRUCTION NOTE NO. 4: PFMA COMPLIANCE AND REPORTING FRAMEWORK OF 2022-23

8. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 25 to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Department of Employment and Labour. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of the Department of Employment and Labour. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

9. 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.
10. 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.

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

11. 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.
12. 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

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

PROGRAMME	PAGE NUMBERS	PURPOSE
Programme 2: Inspection and enforcement service	46 - 50	Realise decent work by regulating non-employment and employment conditions through inspection and enforcement, to achieve compliance with all labour market policies.
Programme 3: Public employment service	51 - 55	Assist companies and workers to adjust to changing labour market conditions.

15. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
16. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
18. I did not identify any material findings on the reported performance information for the following programmes:
- Programme 2: Inspection and enforcement services
 - Programme 3: Public employment service

OTHER MATTERS

19. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements.

REPORT ON COMPLIANCE WITH LEGISLATION

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
24. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

ANNUAL FINANCIAL STATEMENTS

25. The annual financial statements submitted for audit were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the Public Finance Management Act (PFMA).
26. Material misstatements of goods and services and related party disclosure note identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

EXPENDITURE MANAGEMENT

27. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R107 847 000, as disclosed in note 25 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 with the procurement process.
28. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R17 499 000, as disclosed in note 25 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 payments made for IT related service that were not received.

CONSEQUENCE MANAGEMENT

29. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1) (h) (iii) of the PFMA. This was because investigations into irregular expenditure were not performed.
30. 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.

OTHER INFORMATION IN THE ANNUAL REPORT

31. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
32. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
33. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
36. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
37. Management did not ensure that there were effective controls over information technology systems, consequently, significant weaknesses were identified.
38. Preventative controls were not implemented to ensure reliable financial reporting and compliance with applicable laws and regulations, as material misstatements and instances of non-compliance were identified during the audit process.
39. Leadership did not ensure that consequence management is fully implemented and supported by investigation reports.

Auditor General

Pretoria

31 July 2023



Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

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
 - conclude on the appropriateness of the 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 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.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

5. THE SELECTED LEGISLATIVE REQUIREMENTS ARE AS FOLLOWS

LEGISLATION	SECTIONS OR REGULATIONS
Construction Industry Development Board Act 38 of 2000 (CIBD Act)	Section 18(1)
Construction Industry Development Board Act: Regulations (CIBD regulations)	Reg. 17, 25(7A)
Framework for the managing of programme performance information (FMPPi)	Chapter 3.2, 3.3, 3, 5
National Treasury Instruction 04 of 2015/16	Par. 3.4, 4.1, SBD 6.2
National Treasury Instruction 4A of 2016/17	Par 6
National Treasury Instruction 07 of 2017/18	Par. 4.3
National Treasury SCM Instruction Note 05 2020/21	Par. 1; 2; 4.8; 4.9 & 5.3
Erratum NT Instruction note No 5 of 2020/21	Par. 2
Second amendment NT Instruction No 5 of 2020/21	Par. 1
National Treasury Instruction 11 of 2020/21	Par. 3.1; 3.4 (b) and 3.9
National Treasury Instruction 01 of 2021/2022	Par. 4.1
National Treasury Instruction 03 of 2021/2022	Par.4.3; 4.4 (C), 4.4(d)
National Treasury regulations	Treasury Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a) & (d); 5.3.1; 6.3.1(a),(b),(c) & (d); 6.4.1(b) 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 12.5.1; 15.10.1.2(c); 16A6.1; 16A6.2(b), 16A3.2 (fairness); 16A3.2(a) and (b); R16A6.3 (a), (b) (c) & (e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii), (d), (e) & (f); 16A9.2(a)(ii); 17.1; 18.2; 19.6.1; 19.8.4; 29.1.1(a) & (c); 29.3.1; 30.1.1; 30.1.3 (a),(d) & (d); 30.2.1; 31.1.2(c); 31.2.1; 31.3.3; 33.1.1; and 33.1.3
Practice Note 5 of 2009/10	Par.3.3
Practice Note 7 of 2009/10	Par 4.1.2
Preferential procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a),(b) & (f)
Preferential procurement regulation of 2017 (PPR)	Regulation 4(1); 4(2); 5(1); 5(3); 5(6); 5(7); 6(8); 7(8); 8(2); 8(5); 9(1); 10(1); 10(2); 11(1); 11(2)
Preferential procurement regulation of 2011 (PPR)	Regulation 9(1) , 9(5)
Preferential procurement regulation of 2022 (PPR)	Regulation 4(4) and 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	PRECCA 34(1)
Public Service Act 103 of 1994 (PSA) and regulations issued in terms of the act	Regulation 13 (C)
Public Service regulations 2001	PSR 25(1)(e)(i) and (iii)
Revised framework for strategic plans and annual performance plans (FSAPP)	Paragraph 4.4.3 & 4.4.4
State Information Technology Agency Act 88 of 1998 and regulations issued in terms of the act	Section 7(3)
Supply Chain Management instruction 3 of 2016	Note 3, 6
Supply Chain Management instruction 02 of 2021-22	Par 3.2.1, 3.2.4; 3.3.1 and 4.1
Supply Chain Management instruction 03 of 2021/22	Definition; par 4.1; 4.2 (b)

2. ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF EMPLOYMENT AND LABOUR FOR THE YEAR ENDED 31 MARCH 2023

2.1 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

APPROPRIATION PER PROGRAMME										
		2022/23						2021/22		
		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
1.	Administration	1 101 159	-	(18 256)	1 082 903	1 025 499	57 404	94.7%	1 012 286	856 399
2.	Inspection & Enforcement Services	614 869	-	2 418	617 287	587 853	29 434	95.2%	650 902	546 648
3.	Public Employment Services	1 014 726	-	21 755	1 036 481	933 893	102 588	90.1%	894 749	615 872
4.	Labour Policy & Industrial Relations	1 377 022	-	(5 917)	1 371 105	1 349 873	21 232	98.5%	1 258 556	1 213 247
	TOTAL	4 107 776	-	-	4 107 776	3 897 118	210 658	94.9%	3 816 493	3 232 166
	TOTAL (brought forward)									
	Reconciliation with statement of financial performance									
	ADD: Departmental receipts				19 008				9 109	
	ADD: Aid assistance				35 081				-	
	Actual amounts per statement of financial performance (total revenue)				4 161 865				3 825 602	
	ADD: Aid assistance					4 543				-
	Actual amounts per statement of financial performance (total expenditure)					3 901 661				3 232 166

APPROPRIATION PER ECONOMIC CLASSIFICATION										
ECONOMIC CLASSIFICATION	2022/23							2021/22		
	APPROVED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	2 206 165	(23 136)	(17 453)	2 165 576	2 076 737	88 839	95.9%	2 109 171	1 813 761	
Compensation of employees	1 414 610	(2 044)	-	1 412 566	1 351 555	61 011	95.7%	1 435 933	1 277 749	
Salaries and wages	1 180 454	20 056	-	1 200 510	1 158 590	41 920	96.5%	1 209 839	1 090 527	
Social contributions	234 156	(22 100)	-	212 056	192 965	19 091	91.0%	226 094	187 222	
Goods and services	791 555	(21 092)	(17 453)	753 010	725 182	27 828	96.3%	673 238	536 012	
Administrative fees	6 118	1 740	(239)	7 619	7 604	15	99.8%	6 042	4 905	
Advertising	19 340	(1 880)	(53)	17 407	17 390	17	99.9%	16 674	2 808	
Minor assets	8 549	4 890	(2)	13 437	13 237	200	98.5%	6 540	5 703	
Audit costs: External	25 076	(7 908)	-	17 168	17 168	-	100.0%	19 932	17 788	
Bursaries: Employees	3 327	2 419	-	5 746	5 746	-	100.0%	7 039	6 632	
Catering: Departmental activities	7 106	(2 192)	(96)	4 818	4 763	55	98.9%	5 126	3 035	
Communication	47 174	(16 188)	102	31 088	30 905	183	99.4%	41 644	32 009	
Computer services	166 138	(49 744)	(19 561)	96 833	96 723	110	99.9%	93 163	60 495	
Consultants: Business and advisory services	18 093	(5 290)	(5 041)	7 762	7 696	66	99.1%	16 951	12 552	
Scientific and technological services	-	-	-	-	-	-	-	108	-	
Legal services	4 929	8 474	-	13 403	13 403	-	100.0%	16 551	15 844	
Contractors	22 270	(896)	(17)	21 357	21 341	16	99.9%	4 436	3 044	
Agency and support / outsourced services	2 017	(1 200)	(816)	1	1	-	100.0%	3 444	3	
Entertainment	199	(83)	(8)	108	108	-	100.0%	192	84	
Fleet services	25 381	24 971	(1 478)	48 874	48 870	4	100.0%	40 806	37 940	
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-	
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	
Inventory: Medicine	-	-	-	-	-	-	-	-	-	
Consumable supplies	5 035	(533)	(59)	4 443	4 429	14	99.7%	7 158	5 819	

APPROPRIATION PER ECONOMIC CLASSIFICATION									
ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL BUDGET %	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000
Consumable: Stationery, printing and office supplies	19 608	(2 690)	(2 223)	14 695	14 611	84	99.4%	17 470	10 426
Operating leases	165 525	(1 682)	(4 748)	159 095	158 942	153	99.9%	149 918	138 116
Property payments	93 797	15 288	3 968	113 053	86 536	26 517	76.5%	102 415	83 616
Transport provided: Departmental activity	981	(817)	-	164	164	-	100.0%	1 129	195
Travel and subsistence	81 804	28 145	15 503	125 452	125 127	325	99.7%	92 004	80 827
Training and development	15 909	(8 358)	(1 811)	5 740	5 737	3	99.9%	9 606	4 693
Operating payments	10 100	(779)	(705)	8 616	8 555	61	99.3%	7 688	6 135
Venues and facilities	42 106	(6 298)	(169)	35 639	35 634	5	100.0%	6 078	2 539
Rental and hiring	973	(481)	-	492	492	-	100.0%	1 124	804
Transfers and subsidies	1 801 812	2 252	-	1 804 064	1 689 506	114 558	93.7%	1 614 336	1 343 135
Provinces and municipalities	734	196	-	930	930	-	100.0%	855	855
Municipalities	734	196	-	930	930	-	100.0%	855	855
Municipal bank accounts	734	196	-	930	930	-	100.0%	855	855
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 552 319	12	-	1 552 331	1 451 637	100 694	93.5%	1 369 987	1 113 946
Social security funds	18 515	-	-	18 515	18 514	1	100.0%	18 041	-
Departmental agencies and accounts	1 533 804	12	-	1 533 816	1 433 123	100 693	93.4%	1 351 946	1 113 946
Foreign governments and international organisations	29 214	-	-	29 214	16 604	12 610	56.8%	28 467	16 886
Non-profit institutions	216 260	-	-	216 260	215 030	1 230	99.4%	207 691	204 265
Households	3 285	2 044	-	5 329	5 305	24	99.5%	7 336	7 183
Social benefits	3 215	1 958	-	5 173	5 149	24	99.5%	6 984	6 831
Other transfers to households	70	86	-	156	156	-	100.0%	352	352

APPROPRIATION PER ECONOMIC CLASSIFICATION									
ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000
Payments for capital assets	99 799	20 331	17 453	137 583	130 322	7 261	94.7%	92 887	75 171
Buildings and other fixed structures	44 650	(231)	-	44 419	39 721	4 698	89.4%	17 854	14 005
Buildings	44 650	(231)	-	44 419	39 721	4 698	89.4%	17 854	14 005
Machinery and equipment	55 149	10 231	-	65 380	62 817	2 563	96.1%	42 662	28 795
Transport equipment	6 414	10 000	13 000	29 414	29 190	224	99.2%	6 073	6 034
Other machinery and equipment	48 735	231	(13 000)	35 966	33 627	2 339	93.5%	36 589	22 761
Software and other intangible assets	-	10 331	17 453	27 784	27 784	-	100.0%	32 371	32 371
Payments for financial assets	-	553	-	553	553	-	100.0%	99	99
TOTAL	4 107 776	-	-	4 107 776	3 897 118	210 658	94.9%	3 816 493	3 232 166

PROGRAMME 1: ADMINISTRATION									
	2022/23							2021/22	
	APPROVED BUDGET R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL BUDGET %	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000
SUB PROGRAMME									
1. Ministry	37 609	(2 894)	-	34 715	34 540	175	99.5%	36 736	32 312
2. Management	298 416	43 620	-	342 036	342 036	-	100.0%	311 777	311 777
3. Corporate Services	359 576	(50 467)	(20 326)	288 783	279 279	9 504	96.7%	306 170	211 418
4. Office of the Chief Financial Officer	144 293	10 001	5 746	160 040	143 228	16 812	89.5%	139 432	113 567
5. Office Accommodation	261 265	(260)	(3 676)	257 329	226 416	30 913	88.0%	218 171	187 325
TOTAL FOR SUB PROGRAMMES	1 101 159	-	(18 256)	1 082 903	1 025 499	57 404	94.7%	1 012 286	856 399

PROGRAMME 1: ADMINISTRATION									
ECONOMIC CLASSIFICATION	2022/23						2021/22		
	APPROVED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 024 368	(21 606)	(29 994)	972 768	922 227	50 541	94.8%	956 634	814 178
Compensation of employees	465 476	(514)	-	464 962	440 636	24 326	94.8%	454 072	416 645
Salaries and wages	394 525	1 817	-	396 342	377 387	18 955	95.2%	387 916	356 770
Social contributions	70 951	(2 331)	-	68 620	63 249	5 371	92.2%	66 156	59 875
Goods and services	558 892	(21 092)	(29 994)	507 806	481 591	26 215	94.8%	502 562	397 533
Administrative fees	3 325	86	(239)	3 172	3 172	-	100.0%	3 417	2 439
Advertising	10 579	(2 177)	(53)	8 349	8 349	-	100.0%	10 375	1 726
Minor assets	3 618	3 458	-	7 076	7 076	-	100.0%	4 085	3 894
Audit costs: External	25 076	(7 908)	-	17 168	17 168	-	100.0%	19 932	17 788
Bursaries: Employees	2 691	2 821	-	5 512	5 512	-	100.0%	6 289	6 289
Catering: Departmental activities	1 663	(371)	(62)	1 230	1 230	-	100.0%	1 379	749
Communication	23 958	(6 566)	(202)	17 190	17 190	-	100.0%	28 065	19 496
Computer services	162 848	(49 736)	(19 341)	93 771	93 771	-	100.0%	90 638	58 312
Consultants: Business and advisory services	7 159	(1 750)	-	5 409	5 409	-	100.0%	5 554	5 554
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4 137	9 194	-	13 331	13 331	-	100.0%	15 778	15 778
Contractors	2 769	(1 347)	(17)	1 405	1 405	-	100.0%	2 814	1 497
Agency and support / outsourced services	1 482	(666)	(816)	-	-	-	-	2 922	1
Entertainment	136	(62)	(8)	66	66	-	100.0%	123	57
Fleet services	13 854	20 163	(1 478)	32 539	32 539	-	100.0%	28 878	27 288
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	2 183	133	(59)	2 257	2 257	-	100.0%	3 789	3 249

PROGRAMME 1: ADMINISTRATION										
ECONOMIC CLASSIFICATION	2022/23							2021/22		
	APPROVED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Consumable: Stationery, printing and office supplies	9 779	(2 496)	(1 435)	5 848	5 848	-	100.0%	8 459	4 360	
Operating leases	161 453	(456)	(4 748)	156 249	156 214	35	100.0%	146 790	136 751	
Property payments	77 472	9 547	-	87 019	60 839	26 180	69.9%	77 778	59 364	
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	
Travel and subsistence	29 785	10 190	-	39 975	39 975	-	100.0%	32 970	26 108	
Training and development	7 948	(3 831)	(807)	3 310	3 310	-	100.0%	6 731	2 809	
Operating payments	3 501	2 518	(647)	5 372	5 372	-	100.0%	3 258	3 041	
Venues and facilities	3 106	(1 533)	(82)	1 491	1 491	-	100.0%	2 117	854	
Rental and hiring	370	(303)	-	67	67	-	100.0%	421	129	
Transfers and subsidies	2 289	722	-	3 011	3 011	-	100.0%	3 260	3 260	
Provinces and municipalities	734	196	-	930	930	-	100.0%	855	855	
Municipalities	734	196	-	930	930	-	100.0%	855	855	
Municipal bank accounts	734	196	-	930	930	-	100.0%	855	855	
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	12	-	12	12	-	100.0%	15	15	
Social security funds	-	-	-	-	-	-	-	-	-	
Departmental agencies	-	12	-	12	12	-	100.0%	15	15	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	1 555	514	-	2 069	2 069	-	100.0%	2 390	2 390	
Social benefits	1 485	473	-	1 958	1 958	-	100.0%	2 045	2 045	
Other transfers to households	70	41	-	111	111	-	100.0%	345	345	

PROGRAMME 1: ADMINISTRATION									
ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000
Payments for capital assets	74 502	20 331	11 738	106 571	99 708	6 863	93.6%	52 293	38 862
Buildings and other fixed structures	44 650	(231)	-	44 419	39 721	4 698	89.4%	17 854	14 005
Buildings	44 650	(231)	-	44 419	39 721	4 698	89.4%	17 854	14 005
Machinery and equipment	29 852	10 231	11 738	51 821	49 656	2 165	95.8%	29 642	20 060
Transport equipment	6 414	10 000	13 000	29 414	29 190	224	99.2%	6 073	6 034
Other machinery and equipment	23 438	231	(1 262)	22 407	20 466	1 941	91.3%	23 569	14 026
Software and other intangible assets	-	10 331	-	10 331	10 331	-	100.0%	4 797	4 797
Payments for financial assets	-	553	-	553	553	-	100.0%	99	99
TOTAL	1 101 159	-	(18 256)	1 082 903	1 025 499	57 404	94.7%	1 012 286	856 399

PROGRAMME 2: INSPECTION & ENFORCEMENT SERVICES										
	2022/23							2021/22		
	APPROVED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
SUB PROGRAMME										
1. Management & Support Services: Inspection & Enforcement Services	7 177	(393)	7 724	14 508	14 508	-	100.0%	20 140	17 477	
2. Occupational Health & Safety	35 378	(15 339)	-	20 039	-	20 039	-	34 107	10 632	
3. Registration: Inspection & Enforcement Services	86 626	7 765	-	94 391	94 391	-	100.0%	91 863	89 998	
4. Compliance, Monitoring & Enforcement	469 120	8 928	(5 306)	472 742	464 139	8 603	98.2%	487 814	413 638	
5. Training of Staff: Inspection & Enforcement Services	6 151	-	-	6 151	6 148	3	100.0%	6 919	6 919	
6. Statutory & Advocacy Services	10 417	(961)	-	9 456	8 667	789	91.7%	10 059	7 984	
TOTAL FOR SUB PROGRAMMES	614 869	-	2 418	617 287	587 853	29 434	95.2%	650 902	546 648	

PROGRAMME 2: INSPECTION & ENFORCEMENT SERVICES										
ECONOMIC CLASSIFICATION	2022/23							2021/22		
	APPROVED BUDGET R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL BUDGET %	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	
Current payments	595 054	(1 183)	6 659	600 530	571 102	29 428	95.1%	627 676	524 261	
Compensation of employees	498 051	(1 183)	-	496 868	467 443	29 425	94.1%	533 299	444 633	
Salaries and wages	410 257	3 466	-	413 723	396 823	16 900	95.9%	443 250	373 922	
Social contributions	87 794	(4 649)	-	83 145	70 620	12 525	84.9%	90 049	70 711	
Goods and services	97 003	-	6 659	103 662	103 659	3	100.0%	94 377	79 628	
Administrative fees	1 379	1 222	-	2 601	2 601	-	100.0%	1 930	1 798	
Advertising	1 376	(1 170)	-	206	206	-	100.0%	1 340	75	
Minor assets	1 759	2 577	-	4 336	4 336	-	100.0%	1 775	1 318	
Audit costs: External	-	-	-	-	-	-	-	-	-	
Bursaries: Employees	636	(450)	-	186	186	-	100.0%	647	240	
Catering: Departmental activities	3 229	(1 844)	-	1 385	1 385	-	100.0%	2 534	1 134	
Communication	18 266	(10 676)	-	7 590	7 590	-	100.0%	8 145	7 306	
Computer services	-	-	-	-	-	-	-	150	150	
Consultants: Business and advisory services	375	(337)	-	38	38	-	100.0%	549	497	
Scientific and technological services	-	-	-	-	-	-	-	108	-	
Legal services	779	(707)	-	72	72	-	100.0%	758	66	
Contractors	626	30	-	656	656	-	100.0%	716	658	
Agency and support / outsourced services	535	(534)	-	1	1	-	100.0%	521	1	
Entertainment	22	(9)	-	13	13	-	100.0%	22	9	
Fleet services	9 857	2 749	-	12 606	12 606	-	100.0%	9 439	8 201	
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-	
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	
Inventory: Medicine	-	-	-	-	-	-	-	-	-	
Consumable supplies	2 577	(977)	-	1 600	1 600	-	100.0%	2 520	1 751	
Consumable: Stationery, printing and office supplies	2 993	273	-	3 266	3 266	-	100.0%	3 759	2 416	

PROGRAMME 2: INSPECTION & ENFORCEMENT SERVICES									
ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	967	(962)	-	5	5	-	100.0%	945	110
Property payments	7 575	4 485	-	12 060	12 060	-	100.0%	11 490	11 408
Transport provided: Departmental activity	981	(921)	-	60	60	-	100.0%	955	21
Travel and subsistence	30 169	16 636	6 659	53 464	53 464	-	100.0%	40 317	39 367
Training and development	4 851	(3 618)	-	1 233	1 230	3	99.8%	636	636
Operating payments	3 593	(2 537)	-	1 056	1 056	-	100.0%	1 722	1 205
Venues and facilities	4 129	(3 131)	-	998	998	-	100.0%	2 993	883
Rental and hiring	329	(99)	-	230	230	-	100.0%	406	378
Transfers and subsidies	862	1 183	-	2 045	2 039	6	99.7%	2 949	2 943
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	1	1
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	1	1
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	862	1 183	-	2 045	2 039	6	99.7%	2 948	2 942
Social benefits	862	1 158	-	2 020	2 014	6	99.7%	2 948	2 942
Other transfers to households	-	25	-	25	25	-	100.0%	-	-

PROGRAMME 2: INSPECTION & ENFORCEMENT SERVICES									
ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL BUDGET %	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000
Payments for capital assets	18 953	-	(4 241)	14 712	14 712	-	100.0%	20 277	19 444
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	18 953	-	(11 965)	6 988	6 988	-	100.0%	7 070	6 237
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	18 953	-	(11 965)	6 988	6 988	-	100.0%	7 070	6 237
Software and other intangible assets	-	-	7 724	7 724	7 724	-	100.0%	13 207	13 207
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	614 869	-	2 418	617 287	587 853	29 434	95.2%	650 902	546 648

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES										
		2022/23							2021/22	
		APPROVED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
SUB PROGRAMME										
1. Management & Support Services: Public Employment Services		412 989	12 867	7 776	433 632	332 722	100 910	76.7%	300 540	62 442
2. Employer Services		115 726	(6 680)	6 968	116 014	116 014	-	100.0%	123 762	104 315
3. Work Seeker Services		212 847	(6 187)	6 899	213 559	213 113	446	99.8%	204 384	204 384
4. Designated Groups Special Services		25 014	-	-	25 014	23 784	1 230	95.1%	24 245	20 954
5. Supported Employment Enterprises		166 486	-	-	166 486	166 486	-	100.0%	162 266	162 266
6. Productivity South Africa		61 698	-	-	61 698	61 698	-	100.0%	59 853	59 853
7. Unemployment Insurance Fund		1	-	-	1	-	1	-	1	-
8. Compensation Fund		18 514	-	-	18 514	18 514	-	100.0%	18 040	-
9. Training Of Staff: Public Employment Services		1 451	-	112	1 563	1 562	1	99.9%	1 658	1 658
TOTAL FOR SUB PROGRAMMES		1 014 726	-	21 755	1 036 481	933 893	102 588	90.1%	894 749	615 872

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES									
ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL BUDGET %	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	213	219	-	432	432	-	100.0%	770	770
Consumable: Stationery, printing and office supplies	1 989	(577)	-	1 412	1 412	-	100.0%	1 147	1 137
Operating leases	1 126	(1 115)	-	11	11	-	100.0%	44	44
Property payments	7 340	1 164	3 968	12 472	12 472	-	100.0%	11 587	11 587
Transport provided: Departmental activity	-	104	-	104	104	-	100.0%	174	174
Travel and subsistence	9 080	1 938	9 691	20 709	20 708	1	100.0%	11 142	11 142
Training and development	1 451	(909)	-	542	542	-	100.0%	1 008	1 008
Operating payments	1 738	(1 168)	-	570	570	-	100.0%	395	307
Venues and facilities	1 149	(526)	-	623	623	-	100.0%	603	603
Rental and hiring	274	(79)	-	195	195	-	100.0%	291	291
Transfers and subsidies	629 303	317	-	629 620	527 678	101 942	83.8%	503 806	244 327
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	437 147	-	-	437 147	336 453	100 694	77.0%	315 894	59 853
Social security funds	18 515	-	-	18 515	18 514	1	100.0%	18 041	-
Departmental agencies	418 632	-	-	418 632	317 939	100 693	75.9%	297 853	59 853
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	191 500	-	-	191 500	190 270	1 230	99.4%	186 511	183 220
Households	656	317	-	973	955	18	98.2%	1 401	1 254
Social benefits	656	297	-	953	935	18	98.1%	1 394	1 247
Other transfers to households	-	20	-	20	20	-	100.0%	7	7

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES									
ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	5 205	-	7 776	12 981	12 749	232	98.2%	15 465	15 465
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 205	-	-	5 205	4 973	232	95.5%	2 094	2 094
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	5 205	-	-	5 205	4 973	232	95.5%	2 094	2 094
Software and other intangible assets	-	-	7 776	7 776	7 776	-	100.0%	13 371	13 371
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	1 014 726	-	21 755	1 036 481	933 893	102 588	90.1%	894 749	615 872

PROGRAMME 4: LABOUR POLICY & INDUSTRIAL RELATIONS										
	2022/23							2021/22		
	APPROVED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
SUB PROGRAMME										
1. Management & Support Services: Labour Policy & Industrial Relations	16 815	(542)	867	17 140	15 433	1 707	90.0%	18 472	14 170	
2. Strengthen Civil Society	24 760	-	-	24 760	24 760	-	100.0%	21 122	21 045	
3. Collective Bargaining	18 279	542	-	18 821	17 731	1 090	94.2%	18 714	16 071	
4. Employment Equity	15 516	(2 445)	(788)	12 283	11 463	820	93.3%	12 504	10 061	
5. Employment Standard	13 389	(1 488)	-	11 901	11 237	664	94.4%	17 681	8 784	
6. Commission for Conciliation, Mediation & Arbitration	1 046 293	-	-	1 046 293	1 046 293	-	100.0%	994 984	994 984	
7. Research, Policy & Planning	12 744	-	(6 223)	6 521	5 948	573	91.2%	12 359	8 861	
8. Labour Market Information & Statistic	50 940	(425)	-	50 515	46 756	3 759	92.6%	51 658	43 822	
9. International Labour Matters	109 407	4 358	227	113 992	101 373	12 619	88.9%	51 969	36 356	
10. National Economic development & Labour Council	68 879	-	-	68 879	68 879	-	100.0%	59 093	59 093	
TOTAL FOR SUB PROGRAMMES	1 377 022	-	(5 917)	1 371 105	1 349 873	21 232	98.5%	1 258 556	1 213 247	

PROGRAMME 4: LABOUR POLICY & INDUSTRIAL RELATIONS

ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	206 525	(30)	(8 097)	198 398	189 942	8 456	95.7%	149 383	119 242
Compensation of employees	112 086	(30)	-	112 056	105 209	6 847	93.9%	114 350	101 559
Salaries and wages	97 244	(33)	-	97 211	91 146	6 065	93.8%	99 141	88 147
Social contributions	14 842	3	-	14 845	14 063	782	94.7%	15 209	13 412
Goods and services	94 439	-	(8 097)	86 342	84 733	1 609	98.1%	35 033	17 683
Administrative fees	521	344	-	865	850	15	98.3%	157	130
Advertising	6 613	978	-	7 591	7 574	17	99.8%	3 954	2
Minor assets	502	(15)	(2)	485	285	200	58.8%	241	52
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	422	(102)	(34)	286	231	55	80.8%	150	89
Communication	1 124	21	(16)	1 129	946	183	83.8%	1 028	801
Computer services	572	(122)	(220)	230	120	110	52.2%	342	-
Consultants: Business and advisory services	8 180	(1 069)	(5 041)	2 070	2 004	66	96.8%	9 254	4 907
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	13	(13)	-	-	-	-	-	15	-
Contractors	18 482	42	-	18 524	18 508	16	99.9%	167	150
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	23	(7)	-	16	16	-	100.0%	43	14
Fleet services	270	117	-	387	383	4	99.0%	309	271
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	62	92	-	154	140	14	90.9%	79	49
Consumable: Stationery, printing and office supplies	4 847	110	(788)	4 169	4 085	84	98.0%	4 105	2 513

PROGRAMME 4: LABOUR POLICY & INDUSTRIAL RELATIONS									
ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000
Operating leases	1 979	851	-	2 830	2 712	118	95.8%	2 139	1 211
Property payments	1 410	92	-	1 502	1 165	337	77.6%	1 560	1 257
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	12 770	(619)	(847)	11 304	10 980	324	97.1%	7 575	4 210
Training and development	1 659	-	(1 004)	655	655	-	100.0%	1 231	240
Operating payments	1 268	408	(58)	1 618	1 557	61	96.2%	2 313	1 582
Venues and facilities	33 722	(1 108)	(87)	32 527	32 522	5	100.0%	365	199
Rental and hiring	-	-	-	-	-	-	-	6	6
Transfers and subsidies	1 169 358	30	-	1 169 388	1 156 778	12 610	98.9%	1 104 321	1 092 605
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 115 172	-	-	1 115 172	1 115 172	-	100.0%	1 054 077	1 054 077
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	1 115 172	-	-	1 115 172	1 115 172	-	100.0%	1 054 077	1 054 077
Foreign governments and international organisations	29 214	-	-	29 214	16 604	12 610	56.8%	28 467	16 886
Non-profit institutions	24 760	-	-	24 760	24 760	-	100.0%	21 180	21 045
Households	212	30	-	242	242	-	100.0%	597	597
Social benefits	212	30	-	242	242	-	100.0%	597	597
Other transfers to households	-	-	-	-	-	-	-	-	-

PROGRAMME 4: LABOUR POLICY & INDUSTRIAL RELATIONS									
ECONOMIC CLASSIFICATION	2022/23							2021/22	
	APPROVED BUDGET R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000
Payments for capital assets	1 139	-	2 180	3 319	3 153	166	95.0%	4 852	1 400
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 139	-	227	1 366	1 200	166	87.8%	3 856	404
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 139	-	227	1 366	1 200	166	87.8%	3 856	404
Software and other intangible assets	-	-	1 953	1 953	1 953	-	100.0%	996	996
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	1 377 022	-	(5 917)	1 371 105	1 349 873	21 232	98.5%	1 258 556	1 213 247

2.2 NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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	972 768	922 227	50 541	5.2%
Transfers and subsidies	3 011	3 011	-	0.0%
Payment for capital assets	106 571	99 708	6 863	6.4%
Payment for financial assets	553	553	-	0.0%
TOTAL	1 082 903	1 025 499	57 404	5.3%

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 delays in payments for software licensing, reduced travelling, accommodation and S&T: foreign travel.

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

PROGRAMME 2	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
Inspection & Enforcement Services	R'000	R'000	R'000	%
Current payments	600 530	571 102	29 428	4.9%
Transfers and subsidies	2 045	2 039	6	0.3%
Payment for capital assets	14 712	14 712	-	0.0%
TOTAL	617 287	587 853	29 434	4.8%

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 and S&T: foreign travel.

PROGRAMME 3	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
Public Employment Services	R'000	R'000	R'000	%
Current payments	393 880	393 466	414	0.1%
Transfers and subsidies	629 620	527 678	101 942	16.2%
Payment for capital assets	12 981	12 749	232	1.8%
TOTAL	1 036 481	933 893	102 588	9.9%

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 and S&T: foreign travel by Department's officials.

Transfers and Subsidies: Underspending is mainly due to few claims of injuries on duty and delays in the last tranche transfer towards 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	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
Labour Policy & Industrial Relations	R'000	R'000	R'000	%
Current payments	198 398	189 942	8 456	4.3%
Transfers and subsidies	1 169 388	1 156 778	12 610	1.1%
Payment for capital assets	3 319	3 153	166	5.0%
TOTAL	1 371 105	1 349 873	21 232	1.5%

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 and delays in submission of GCIS invoices for marketing and advertising, delays in Government Printers invoices and appointment of Research Consultants.

Transfers and Subsidies: Underspending is mainly due the fluctuation of exchange rates and delayed reporting by non-profit organisation, therefore tranches were not disbursed.

Payments for Capital Assets: Underspending is mainly due to the payment towards National Minimum Wage Phase 2; National Minimum Wage Exemption Report project for enhancement to the existing IT system for the previous two financial years

4.2 PER ECONOMIC CLASSIFICATION

	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	1 412 566	1 351 555	61 011	4.3%
Goods and services	753 010	725 182	27 828	3.7%
Transfers and subsidies				
Provinces and municipalities	930	930	-	0.0%
Departmental agencies and accounts	1 552 331	1 451 637	100 694	6.5%
Foreign governments and international organisations	29 214	16 604	12 610	43.2%
Non-profit institutions	216 260	215 030	1 230	0.6%
Households	5 329	5 305	24	0.5%
Payments for capital assets				
Buildings and other fixed structures	44 419	39 721	4 698	10.6%
Machinery and equipment	65 380	62 817	2 563	3.9%
Software and other intangible assets	27 784	27 784	-	0.0%
Payments for financial assets	553	553	-	0.0%
Total	4 107 776	3 897 118	210 658	5.1%

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

	NOTE	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	4 107 776	3 816 493
Departmental revenue	2	19 008	9 109
Aid assistance		35 081	-
TOTAL REVENUE		4 161 865	3 825 602
EXPENDITURE			
Current expenditure			
		2 076 737	1 813 761
Compensation of employees	4	1 351 555	1 277 749
Goods and services	5	725 182	536 012
Transfers and subsidies			
		1 689 506	1 343 135
Transfers and subsidies	7	1 689 506	1 343 135
Expenditure for capital assets			
		134 865	75 171
Tangible assets	8	107 081	42 800
Intangible assets	8	27 784	32 371
Payments for financial assets			
	6	553	99
TOTAL EXPENDITURE		3 901 661	3 232 166
SURPLUS/(DEFICIT) FOR THE YEAR		260 204	593 436
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		210 658	584 327
Annual appropriation		210 658	584 327
Departmental revenue and NRF receipts	13	19 008	9 109
Aid assistance	3	30 538	-
SURPLUS/(DEFICIT) FOR THE YEAR		260 204	593 436

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	NOTE	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		479 191	640 034
Cash and cash equivalents	9	161 053	241 933
Prepayments and advances	10	2 533	8 200
Receivables	11	315 605	389 901
Non-current assets		49 646	44 504
Prepayments and advances	10	2 004	916
Receivables	11	47 642	43 588
TOTAL ASSETS		528 837	684 538
LIABILITIES			
Current liabilities		512 320	670 381
Voted funds to be surrendered to the Revenue Fund	12	210 658	584 327
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	822	501
Bank overdraft	14	259 091	-
Payables	15	11 211	85 553
Aid assistance unutilised	3	30 538	-
Non-current liabilities		-	292
Payables	16	-	292
TOTAL LIABILITIES		512 320	670 673
NET ASSETS		16 517	13 865
Represented by:			
Recoverable revenue		16 517	13 865
TOTAL		16 517	13 865

STATEMENT OF CHANGES IN NET ASSETS AS AT 31 MARCH 2023

	2022/23	2021/22
	R'000	R'000
RECOVERABLE REVENUE		
Opening balance	13 865	11 180
Transfers:	2 652	2 685
Debts revised	(810)	(8 795)
Debts recovered (included in departmental revenue)	(2 951)	(1 198)
Debts raised	6 413	12 678
TOTAL	16 517	13 865

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	NOTE	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		4 161 266	3 824 966
Annual appropriation funds received	1.1	4 107 776	3 816 493
Departmental revenue received	2	16 907	7 665
Interest received	2.3	1 502	808
Aid assistance received	3	35 081	-
Net (increase)/decrease in net working capital		4 533	214 436
Surrendered to Revenue Fund		(603 014)	(205 492)
Current payments		(2 076 737)	(1 813 761)
Payments for financial assets		(553)	(99)
Transfers and subsidies paid		(1 689 506)	(1 343 135)
Net cash flow available from operating activities	17	(204 011)	676 915
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(134 865)	(75 171)
Proceeds from sale of capital assets	2.4	599	636
(Increase)/decrease in non-current receivables	11	(4 054)	60 949
Net cash flow available from investing activities		(138 320)	(13 586)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		2 652	2 685
Increase/(decrease) in non-current payables		(292)	(280)
Net cash flows from financing activities		2 360	2 405
Net increase/(decrease) in cash and cash equivalents		(339 971)	665 734
Cash and cash equivalents at beginning of period		241 933	(423 801)
Cash and cash equivalents at end of period	18	(98 038)	241 933

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF EMPLOYMENT AND LABOUR FOR THE YEAR ENDED 31 MARCH 2023

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 and the annual Division of Revenue Act.

1.	BASIS OF PREPARATION The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	GOING CONCERN The financial statements have been prepared on a going concern basis.
3.	PRESENTATION CURRENCY Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.
4.	ROUNDING Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	FOREIGN CURRENCY TRANSLATION Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6.	COMPARATIVE INFORMATION
6.1	PRIOR PERIOD COMPARATIVE INFORMATION Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	CURRENT YEAR COMPARISON WITH BUDGET A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7.	REVENUE
7.1	APPROPRIATED FUNDS Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	DEPARTMENTAL REVENUE Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3	ACCRUED DEPARTMENTAL REVENUE Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the Department's debt write-off policy.
8.	EXPENDITURE
8.1	COMPENSATION OF EMPLOYEES
8.1.1	SALARIES AND WAGES Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	SOCIAL CONTRIBUTIONS Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	OTHER EXPENDITURE Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	ACCRUALS AND PAYABLES NOT RECOGNISED Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date. 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.
8.4	LEASES
8.4.1	OPERATING LEASES Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements. 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.
8.4.2	FINANCE LEASES Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest. 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.

9.	AID ASSISTANCE
9.1	AID ASSISTANCE RECEIVED Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. CARA Funds are recognised when receivable and measured at the amounts receivable. 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.
9.2	AID ASSISTANCE PAID Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10.	CASH AND CASH EQUIVALENTS Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11.	PREPAYMENTS AND ADVANCES Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. The Department may also recognise prepayments and advances in the statement of financial performance in accordance with MCS on Expenditure if the prepayment was budgeted for as an expense in the year in which the actual prepayment was made. The Department discloses in its notes for prepayments and advances a reconciliation of the opening balance and the closing balance at the end of the reporting period where goods and services were partially received. Due to the nature of activities, costs may be split between entities of the Department. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities.
12.	LOANS AND RECEIVABLES Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.
13.	INVESTMENTS Investments are recognised in the statement of financial position at cost.
14.	FINANCIAL ASSETS
14.1	FINANCIAL ASSETS (NOT COVERED ELSEWHERE) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a Department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	IMPAIRMENT OF FINANCIAL ASSETS Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15.	PAYABLES Payables recognised in the statement of financial position are recognised at cost.
16.	CAPITAL ASSETS
16.1	IMMOVABLE CAPITAL ASSETS Immovable assets reflected in the asset register of the Department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2	MOVABLE CAPITAL ASSETS Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	INTANGIBLE CAPITAL ASSETS Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	PROJECT COSTS: WORK-IN-PROGRESS Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the Department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17.	PROVISIONS AND CONTINGENTS
17.1	PROVISIONS Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	CONTINGENT LIABILITIES Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	CONTINGENT ASSETS Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.
17.4	CAPITAL COMMITMENTS Capital commitments are recorded at cost in the notes to the financial statements. Due to the nature of activities, costs may be split between 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.

18.	UNAUTHORISED EXPENDITURE Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of: • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • unauthorised incurred in the current year.
19.	FRUITLESS AND WASTEFUL EXPENDITURE Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
20.	IRREGULAR EXPENDITURE Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
21.	CHANGES IN ACCOUNTING ESTIMATES AND ERRORS Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22.	EVENTS AFTER THE REPORTING DATE Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23.	PRINCIPAL-AGENT ARRANGEMENTS The Department is party to a principal-agent.
24.	DEPARTURES FROM THE MCS REQUIREMENTS The financial statements present fairly the Department's primary and secondary information.
25.	CAPITALISATION RESERVE The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

26.	RECOVERABLE REVENUE Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27.	RELATED PARTY TRANSACTIONS Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements. Due to the nature of activities, costs may be split between entities of the Department. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities.
28.	INVENTORIES At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
29.	PUBLIC-PRIVATE PARTNERSHIPS Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the Department are recorded in the notes to the financial statements.
30.	EMPLOYEE BENEFITS The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date. 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.
32.	TRANSFER OF FUNCTIONS 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. 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.
33.	MERGERS Mergers are accounted for by the combined Department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining Departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

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):

	2022/23			2021/22	
	FINAL BUDGET	ACTUAL FUNDS RECEIVED	FUNDS NOT REQUESTED / NOT RECEIVED	FINAL BUDGET	APPROPRIATION RECEIVED
PROGRAMMES	R'000	R'000	R'000	R'000	R'000
Administration	1 101 159	1 101 159	-	1 025 979	1 025 979
Inspection & Enforcement Services	614 869	614 869	-	648 801	648 801
Public Employment Services	1 014 726	1 014 726	-	883 157	883 157
Labour Policy & Industrial Relations	1 377 022	1 377 022	-	1 258 556	1 258 556
TOTAL	4 107 776	4 107 776	-	3 816 493	3 816 493

2. DEPARTMENTAL REVENUE

	NOTE	2022/23	2021/22
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	8 417	5 140
Fines, penalties and forfeits	2.2	1 853	76
Interest, dividends and rent on land	2.3	1 502	808
Sales of capital assets	2.4	599	636
Transactions in financial assets and liabilities	2.5	6 637	2 449
TOTAL		19 008	9 109

2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

	NOTE	2022/23	2021/22
		R'000	R'000
Sales of goods and services produced by the department		8 340	5 121
Sales by market establishment		126	123
Administrative fees		5 398	2 322
Other sales		2 816	2 676
Sales of scrap, waste and other used current goods		77	19
TOTAL	2	8 417	5 140

2.2 FINES, PENALTIES AND FORFEITS

	NOTE	2022/23	2021/22
		R'000	R'000
Fines		1 853	76
TOTAL	2	1 853	76

2.3 INTEREST, DIVIDENDS AND RENT ON LAND

	NOTE	2022/23	2021/22
		R'000	R'000
Interest		1 502	808
TOTAL	2	1 502	808

2.4 SALE OF CAPITAL ASSETS

	NOTE	2022/23	2021/22
		R'000	R'000
Tangible assets			
Machinery and equipments		599	636
TOTAL	2	599	636

2.5 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

	NOTE	2022/23	2021/22
		R'000	R'000
Receivables		2 477	1 041
Other Receipts including Recoverable Revenue		4 160	1 408
TOTAL	2	6 637	2 449

3. AID ASSISTANCE

	NOTE	2022/23	2021/22
		R'000	R'000
Opening balance			
Transferred from statement of financial performance		30 538	-
CLOSING BALANCE		30 538	-

3.1. ANALYSIS OF BALANCE BY SOURCE

	NOTE	2022/23	2021/22
		R'000	R'000
Aid assistance from other sources		30 538	-
CLOSING BALANCE	3	30 538	-

3.2. ANALYSIS OF BALANCE

	NOTE	2022/23	2021/22
		R'000	R'000
Aid assistance unutilised		30 538	-
CLOSING BALANCE	3	30 538	-

3.3. AID ASSISTANCE EXPENDITURE PER ECONOMIC CLASSIFICATION

	NOTE	2022/23	2021/22
		R'000	R'000
Capital		4 543	-
TOTAL AID ASSISTANCE EXPENDITURE	8	4 543	-

4. COMPENSATION OF EMPLOYEES**4.1 SALARIES AND WAGES**

	2022/23	2021/22
	R'000	R'000
Basic salary	917 040	864 694
Performance award	1 117	11 841
Service based	1 984	1 966
Compensative/circumstantial	30 449	16 149
Other non-pensionable allowances	207 999	195 877
Total	1 158 589	1 090 527

4.2 SOCIAL CONTRIBUTIONS

	2022/23	2021/22
	R'000	R'000
Employer contributions		
Pension	113 618	111 555
Medical	78 732	75 075
Bargaining council	337	292
Insurance	279	300
Total	192 966	187 222
 Total compensation of employees	 1 351 555	 1 277 749
 Average number of employees	 3 001	 2 711

5. GOODS AND SERVICES

	NOTE	2022/23	2021/22
		R'000	R'000
Administrative fees		7 604	4 905
Advertising		17 390	2 808
Minor assets	5.1	13 237	5 703
Bursaries (employees)		5 746	6 632
Catering		4 763	3 035
Communication		30 905	32 009
Computer services	5.2	96 723	60 495
Consultants: Business and advisory services	5.8	7 696	12 552
Legal services		13 403	15 844
Contractors		21 341	3 044
Agency and support / outsourced services		1	3
Entertainment		108	84
Audit cost - external	5.3	17 168	17 788
Fleet services		48 870	37 940
Consumables	5.4	19 040	16 245
Operating leases		158 942	138 116
Property payments	5.5	86 536	83 616
Rental and hiring		492	804
Transport provided as part of the departmental activities		164	195
Travel and subsistence	5.6	125 127	80 827
Venues and facilities		35 634	2 539
Training and development		5 737	4 693
Other operating expenditure	5.7	8 555	6 135
TOTAL		725 182	536 012

5.1 MINOR ASSETS

	NOTE	2022/23	2021/22
		R'000	R'000
Tangible capital assets			
Machinery and equipment		13 237	5 703
TOTAL	5	13 237	5 703

5.2 COMPUTER SERVICES

	NOTE	2022/23	2021/22
		R'000	R'000
SITA computer services		22 378	19 163
External computer service providers		74 345	41 332
TOTAL	5	96 723	60 495

5.3 AUDIT COST – EXTERNAL

	NOTE	2022/23	2021/22
		R'000	R'000
Regularity audits		16 783	15 336
Computer audits		385	2 452
TOTAL	5	17 168	17 788

5.4 CONSUMABLES

	NOTE	2022/23	2021/22
		R'000	R'000
Consumable supplies		4 429	5 819
Uniform and clothing		1 673	1 354
Household supplies		1 404	2 209
Building material and supplies		586	782
IT consumables		321	325
Other consumables		445	1 149
Stationery, printing and office supplies		14 611	10 426
TOTAL	5	19 040	16 245

5.5 PROPERTY PAYMENTS

	NOTE	2022/23	2021/22
		R'000	R'000
Municipal services		35 212	36 902
Property management fees		2 333	1 933
Property maintenance and repairs		10 422	7 341
Other		38 569	37 440
TOTAL	5	86 536	83 616

5.6 TRAVEL AND SUBSISTENCE

	NOTE	2022/23	2021/22
		R'000	R'000
Local		119 265	77 046
Foreign		5 862	3 781
TOTAL	5	125 127	80 827

5.7 OTHER OPERATING EXPENDITURE

	NOTE	2022/23	2021/22
		R'000	R'000
Professional bodies, membership and subscription fees		167	137
Resettlement costs		2 377	1 948
Other		6 011	4 050
TOTAL	5	8 555	6 135

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

	NOTE	2022/23	2021/22
Name of Commission / Committee	5	R'000	R'000
Audit Committee		641	791
National Risk Management Committee		446	195
Provincial Risk Management Committee		24	8
ICT Advisory Committee (the Department)		1 399	1 804
Environmental Regulation Technical Committee*		-	382
Employment Services Board		175	201
Employment Equity Committee		356	429
National Minimum Wages		181	253
TOTAL		3 222	4 063

* Function relocated to CF.

In compliance with Treasury Regulations 20.2.4, remuneration of all members of a commission or committee for R3 222 611.92 is detailed above and is included in the total amount of R7 695 978.11 for Consultants: Business and Advisory Services in Note 5 above.

6. PAYMENTS FOR FINANCIAL ASSETS

	NOTE	2022/23	2021/22
		R'000	R'000
Other material losses written off	6.1	553	99
TOTAL		553	99

6.1 OTHER MATERIAL LOSSES WRITTEN OFF

	NOTE	2022/23	2021/22
Nature of losses		R'000	R'000
Receivables relating to:			
Damaged vehicles		333	98
Petty cash		-	1
Bad debts		207	-
Salary claim		13	-
TOTAL	6	553	99

7. TRANSFERS AND SUBSIDIES

	NOTE	2022/23	2021/22
		R'000	R'000
Provinces and municipalities	Annexure 1A	930	855
Departmental agencies and accounts	Annexure 1B	1 451 637	1 113 946
Foreign governments and international organisations	Annexure 1C	16 604	16 886
Non-profit institutions	Annexure 1D	215 030	204 265
Households	Annexure 1E	5 305	7 183
TOTAL		1 689 506	1 343 135

7.1. DONATIONS MADE IN KIND (NOT INCLUDED IN THE MAIN NOTE)

	NOTE	2022/23	2021/22
		R'000	R'000
Office furniture and equipment	Annex 1F	1 235	
TOTAL		1 235	

8. EXPENDITURE FOR CAPITAL ASSETS

	NOTE	2022/23	2021/22
		R'000	R'000
Tangible assets		107 081	42 800
Buildings and other fixed structures	31	39 721	14 005
Machinery and equipment	29	67 360	28 795
Intangible assets		27 784	32 371
Software	30	27 784	32 371
TOTAL		134 865	75 171

8.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS - CURRENT YEAR

			2022/23
	VOTED FUNDS	AID ASSISTANCE	TOTAL
Name of entity	R'000	R'000	R'000
Tangible capital assets	102 538	4 543	107 081
Buildings and other fixed structures	39 721	-	39 721
Machinery and equipment	62 817	4 543	67 360
Intangible capital assets	27 784	-	27 784
Software	27 784	-	27 784
TOTAL	130 322	4 543	134 865

8.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS - PRIOR YEAR

			2021/22
	VOTED FUNDS	AID ASSISTANCE	TOTAL
Name of entity	R'000	R'000	R'000
Tangible capital assets	42 800	-	42 800
Buildings and other fixed structures	14 005	-	14 005
Machinery and equipment	28 795	-	28 795
Intangible capital assets	32 371	-	32 371
Software	32 371	-	32 371
TOTAL	75 171	-	75 171

8.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS

	2022/23	2021/22
	R'000	R'000
Tangible assets	795	3 112
Machinery and equipment	795	3 112
TOTAL	795	3 112

9. CASH AND CASH EQUIVALENTS

	2022/23	2021/22
	R'000	R'000
Consolidated Paymaster General Account	160 500	241 420
Cash receipts	1	-
Disbursements	3	-
Cash on hand	549	513
TOTAL	161 053	241 933

10. PREPAYMENTS AND ADVANCES

	NOTE	2022/23	2021/22
		R'000	R'000
Travel and subsistence		161	8
Advances paid (Not expensed)	10.1	4 376	9 108
TOTAL		4 537	9 116

	2022/23	2021/22
	R'000	R'000
ANALYSIS OF TOTAL PREPAYMENTS AND ADVANCES		
Current Prepayments and advances	2 533	8 200
Non-current Prepayments and advances	2 004	916
TOTAL	4 537	9 116

PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2021/22
Relating to 2021/22	R'000
Prepayments and advances	(9 116)
Current: Prepayments and advances	8 200
Non-current: Prepayments and advances	916
TOTAL PRIOR PERIOD ERRORS	-

Prior year error that affected opening balance included above.

10.1. ADVANCES PAID (NOT EXPENSED)

10.1. ADVANCES PAID (NOT EXPENSED)					2022/23
NOTE	AMOUNT AS AT 1 APRIL 2022	LESS: AMOUNTS EXPENSED IN CURRENT YEAR	ADD / LESS: OTHER	ADD CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2023
	R'000	R'000	R'000	R'000	R'000
National Departments	7 951	(17 834)	(566)	13 061	2 612
Public entities	1 157	(193)	-	800	1 764
TOTAL	109 108	(18 027)	(566)	13 861	4 376

					2021/22	
	NOTE	AMOUNT AS AT 1 APRIL 2021	LESS: AMOUNTS EXPENSED IN CURRENT YEAR	ADD / LESS: OTHER	ADD CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2022
		R'000	R'000	R'000	R'000	R'000
National Departments		5 910	(5 839)	(4 497)	12 377	7 951
Public entities		1 418	(261)	-	-	1 157
TOTAL	10	7 328	(6 100)	(4 497)	12 377	9 108

10.2 PREPAYMENTS (EXPENSED)

					2022/23	
NOTE	AMOUNT AS AT 1 APRIL 2022	LESS: RECEIVED IN THE CURRENT YEAR	ADD / LESS: OTHER	ADD CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2023	
	R'000	R'000	R'000	R'000	R'000	
Goods and services*	2 306	(7 069)	-	8 825	4 062	
TOTAL	10	2 306	(7 069)	-	8 825	4 062

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

					2021/22	
NOTE	AMOUNT AS AT 1 APRIL 2021	LESS: RECEIVED IN THE CURRENT YEAR	ADD / 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	10	5 512	(14 640)	-	11 434	2 306

10.3 ADVANCES PAID (EXPENSED)

					2022/23
NOTE	AMOUNT AS AT 1 APRIL 2022	LESS: RECEIVED IN THE CURRENT YEAR	ADD / LESS: OTHER	ADD CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2023
	R'000	R'000	R'000	R'000	R'000
Public entities	4 466	(2 122)	-	2 955	5 299
TOTAL	4 466	(2 122)	-	2 955	5 299

					2021/22
NOTE	AMOUNT AS AT 1 APRIL 2021	LESS: RECEIVED IN THE CURRENT YEAR	ADD / LESS: OTHER	ADD CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2022
	R'000	R'000	R'000	R'000	R'000
Public entities	3 581	(42 345)	-	43 230	4 466
TOTAL	3 581	(42 345)	-	43 230	4 466

10.3.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2021/22
Relating to 2021/22	R'000
2021/22 Correcting a duplicate advance payment	(2)
Total prior period errors	(2)

Prior year error that affected opening balance included above.

11. RECEIVABLES

		2022/23			2021/22		
NOTE		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	280 289	21 648	301 937	384 220	21 681	405 901
Recoverable expenditure	11.2	1 141	3 269	4 410	2 027	3 477	5 504
Staff debt	11.3	621	20 856	21 477	1 408	17 698	19 106
Other receivables	11.4	33 554	1 869	35 423	2 246	732	2 978
TOTAL		315 605	47 642	363 247	389 901	43 588	433 489

11.1 CLAIMS RECOVERABLE

	NOTE	2022/23	2021/22
		R'000	R'000
National Departments		179	164
Provincial Departments		150	240
Public entities		301 608	405 497
TOTAL	11	301 937	405 901

11.2 RECOVERABLE EXPENDITURE

	NOTE	2022/23	2021/22
		R'000	R'000
Damaged vehicles		2 864	2 384
Salary clearing accounts		414	541
Damage & losses		1 094	1 121
Private telephone account		38	1 412
Disallowance account		-	46
TOTAL	11	4 410	5 504

11.3 STAFF DEBT

	NOTE	2022/23	2021/22
		R'000	R'000
Losses & damages		1 733	1 655
Travel & subsistence		35	78
Bursaries		5 664	4 726
Salary overpayment (in-service)		4 617	4 383
Salary overpayment (out of service)		1 774	1 744
Leave without pay		7 372	5 815
Other		282	705
TOTAL	11	21 477	19 106

11.4 OTHER RECEIVABLES

	NOTE	2022/23	2021/22
		R'000	R'000
Salary clearing accounts		-	183
Transport payment suspense account		34 508	2 245
Supplier debt		520	520
Fruitless and wasteful expenditure		39	30
Irregular expenditure		356	-
TOTAL	11	35 423	2 978

11.5 IMPAIRMENT OF RECEIVABLES

	2022/23	2021/22
	R'000	R'000
Estimate of impairment of receivables	32 846	31 719
TOTAL	32 846	31 719

12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	2022/23	2021/22
	R'000	R'000
Opening balance	584 327	196 215
Transfer from statement of financial performance (as restated)	210 658	584 327
Paid during the year	(584 327)	(196 215)
CLOSING BALANCE	210 658	584 327

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

	2022/23	2021/22
	R'000	R'000
Opening balance	501	669
Transfer from Statement of Financial Performance (as restated)	19 008	9 109
Paid during the year	(18 687)	(9 277)
CLOSING BALANCE	822	501

14. BANK OVERDRAFT

	2022/23	2021/22
	R'000	R'000
Consolidated Paymaster General Account	259 091	-
TOTAL*	259 091	-

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

15. PAYABLES – CURRENT

	NOTE	2022/23	2021/22
		R'000	R'000
Amounts owing to other entities		5 274	81 725
Clearing accounts	15.1	5 273	3 269
Other payables	15.2	664	559
TOTAL		11 211	85 553

15.1 CLEARING ACCOUNTS

	NOTE	2022/23	2021/22
		R'000	R'000
Salary clearing accounts		5 273	3 269
TOTAL	15	5 273	3 269

15.2 OTHER PAYABLES

	NOTE	2022/23	2021/22
		R'000	R'000
Description			
Arrear wages		403	452
Unpaid receipts		-	107
Damages & losses		39	-
Unpaid receipts		222	-
TOTAL	15	664	559

16. PAYABLES – NON-CURRENT

	NOTE	2022/23				2021/22
		ONE TO TWO YEARS	TWO TO THREE YEARS	MORE THAN THREE YEARS	TOTAL	TOTAL
		R'000	R'000	R'000	R'000	R'000
Other payables	16.1	-	-	-	-	292
TOTAL		-	-	-	-	292

16.1 OTHER PAYABLES

	NOTE	2022/23	2021/22
		R'000	R'000
Damaged vehicle		-	193
Garnishee order		-	7
Pension fund		-	92
TOTAL	16	-	292

17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	2022/23	2021/22
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	260 204	593 436
Add back non cash/cash movements not deemed operating activities	(464 215)	83 479
(Increase)/decrease in receivables	74 296	135 948
(Increase)/decrease in prepayments and advances	4 579	(1 788)
Increase/(decrease) in payables – current	(74 342)	80 276
Proceeds from sale of capital assets	(599)	(636)
Expenditure on capital assets	134 865	75 171
Surrenders to Revenue Fund	(603 014)	(205 492)
Net cash flow generated by operating activities	(204 011)	676 915

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

	2022/23	2021/22
	R'000	R'000
Consolidated Paymaster General account	(98 591)	241 420
Cash receipts	1	-
Disbursements	3	-
Cash on hand	549	513
TOTAL	(98 038)	241 933

19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**19.1 CONTINGENT LIABILITIES**

	NOTE	2022/23	2021/22
Liability to	Nature	R'000	R'000
Housing loan guarantees	Employees	28	427
Claims against the Department	Annex 2B	17 947	15 916
Intergovernmental payables (unconfirmed balances)	Annex 4	61	-
TOTAL		18 036	16 343

19.2 CONTINGENT ASSETS

	2022/23	2021/22
Nature of contingent asset	R'000	R'000
Third party litigations – motor vehicle accidents	1 704	1 636
Third party litigations – bursary claim	25	25
TOTAL	1 729	1 661

19.1.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2021/22
Relating to 2021/22	R'000
Removal of prior year claims, incorrectly classified as contingent asset	(119)
Total prior period errors	(119)

Prior year error that affected opening balance included above.

20. CAPITAL COMMITMENTS

	2022/23	2021/22
	R'000	R'000
Intangible assets*	158 941	196 661
TOTAL	158 941	196 661

*Capital commitments: Total includes Unemployment Insurance Fund for R 97 259 768.85, Compensation Fund for R 9 933 116.82 and Supported Employment Enterprises for R 5 163 685.33.

**Capital commitments (2021/22): Total includes Unemployment Insurance Fund for R 110 217 152.30, Compensation Fund for R 20 518 942.25 and Supported Employment Enterprises for R 5 163 685.33

20.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2021/22
Relating to 2021/22	R'000
Removal of prior year claims, incorrectly classified as contingent asset	3 105
Total prior period errors	3 105

Prior year error that affected opening balance included above.

21. ACCRUALS AND PAYABLES NOT RECOGNISED**21.1 ACCRUALS**

	2022/23			2021/22
	30 DAYS	30+ DAYS	TOTAL	TOTAL
Listed by economic classification	R'000	R'000	R'000	R'000
Goods and services	54 821	5 387	60 208	51 710
Capital assets	-	8	8	2 494
TOTAL	54 821	5 395	60 216	54 204

	2022/23	2021/22
Listed by programme level	R'000	R'000
Programme 1 – Administration	27 480	19 673
Programme 2 – Inspection & Enforcement Services	1 824	1 742
Programme 3 – Public Employment Services *	29 999	31 932
Programme 4 – Labour Policy & Industrial Relations	913	857
TOTAL	60 216	54 204

*Accruals: Total includes Unemployment Insurance Fund for R 13 563 924.31 & Compensation Fund for R 14 227 211.21.

**Accruals (2021/22): Total includes Unemployment Insurance Fund for R 15 175 629.61 & Compensation Fund for R 15 061 047.56.

Reasons for material accruals: Accruals for Cleaning, Security & Other (R 9.8 mil), Computer Services (R 11.2 mil), Travel & Accommodation (R 2.3 mil), Telkom Services (R 2.7 mil) and Cell phone services (R 3.6 mil).

21.2 PAYABLES NOT RECOGNISED

	2022/23			2021/22
	30 DAYS	30+ DAYS	TOTAL	TOTAL
Listed by economic classification	R'000	R'000	R'000	R'000
Goods and services	1 064	55 612	56 676	336
Capital assets	-	-	-	-
TOTAL	1 064	55 612	56 676	336

	2022/23	2021/22
Listed by programme level	R'000	R'000
Programme 1 – Administration	11 716	132
Programme 2 – Inspection & Enforcement Services	51	27
Programme 3 – Public Employment Services *	44 847	176
Programme 4 – Labour Policy & Industrial Relations	62	1
TOTAL	56 676	336

*Payables: Total includes Unemployment Insurance Fund for R 22 395 024.17 and Compensation Fund for R 22 395 024.17.

**Payables (2021/22): Total includes Unemployment Insurance Fund for R 146 841.85 and Compensation Fund for R 144 219.51.

Reasons for material accruals: Payables in respect of Computer Services (R 55.6 mil).

	NOTE	2022/23	2021/22
Included in the above totals are the following:		R'000	R'000
Confirmed balances with other Departments	Annex 4	-	601
Confirmed balances with other government entities	Annex 4	1 362	-
TOTAL		1 362	601

*Confirmed balances disclosed in Annexure 4 to the AFS

22. Employee benefits

	2022/23	2021/22
	R'000	R'000
Leave entitlement*	91 596	70 158
Service bonus	37 594	36 215
Performance awards	8 606	12 021
Capped leave	19 396	20 256
Other	308	355
TOTAL	157 500	139 005

*During January 2023 to March 2023, leave is at times taken in excess of the accrued leave days (one quarter of leave entitlement) and these results in negative balances at year-end. Included in the leave entitlement of R 91 595 607.24 for the year-ended 31 March 2023, the value of leave with negative balances amounts to R 40 803.11.

23. LEASE COMMITMENTS**23.1 OPERATING LEASES**

2022/23	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Not later than 1 year	170 598	6 160	176 758
Later than 1 year and not later than 5 years	215 526	2 428	217 954
Later than five years	8 809	-	8 809
Total lease commitments	394 933	8 588	403 521

Buildings & other fixed structures: Total includes Unemployment Insurance Fund for R 118 479 851.42 and Compensation Fund for R 63 189 254.09.

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: Includes Unemployment Insurance Fund for R 81 981 631.00 and Compensation Fund for R 43 723 536.53.*

**Machinery & equipment: Includes Unemployment Insurance Fund for R 10 282.37.*

The main leasing arrangement is for leasing of DPW buildings and photocopy machines.

There are no assets that are being sub-leased.

23.2 FINANCE LEASES **

2022/23	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Not later than 1 year	-	-	-
Later than 1 year and not later than 5 years	-	-	-
Later than five years	-	-	-
TOTAL LEASE COMMITMENTS	-	-	-

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.*

***The main leasing arrangement is for leasing of mobile devices (tablets & cell phones) from Vodacom (RT15/2016 transversal contract through the National Treasury).*

24. ACCRUED DEPARTMENTAL REVENUE

	2022/23	2021/22
Tax revenue	R'000	R'000
Sales of goods and services other than capital assets	63	17
Fines, penalties and forfeits	20	-
Interest, dividends and rent on land	52	39
TOTAL	135	56

24.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

	2022/23	2021/22
	R'000	R'000
Opening balance	56	15
Less: amounts received	(56)	(15)
Add: amounts recorded	135	56
CLOSING BALANCE	135	56

25. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2022/23	2021/22
	R'000	R'000
Irregular expenditure - current year	107 847	17 996
Fruitless and wasteful expenditure - current year	17 499	263
TOTAL	125 346	18 259

26. RELATED PARTY TRANSACTIONS

PAYMENTS MADE		2022/23	2021/22
Item classification	Nature of payment	R'000	R'000
Compensation of employees	Employee costs	-	1 369
Compensation of employees	Internal audit costs	124	263
Compensation of employees	Risk management costs	-	2
Goods and services	Municipal costs	216	639
Goods and services	Rental	27 806	-
Goods and services	Employee costs	-	7
TOTAL		28 146	2 280

Public Entity controlled by the Department of Employment and Labour

Compensation Fund (CF)

Unemployment Insurance Fund (UIF)

Supported Employment Enterprises (SEE)

Commission for Conciliation Mediation & Arbitration (CCMA)

National Economic Development & Labour Council (NEDLAC)

Productivity South Africa (PSA)

27. KEY MANAGEMENT PERSONNEL

	2022/23	2021/22
	R'000	R'000
Political office bearers	4 639	4 423
Officials:		
DG to DDGs (Level 15 to 16)	12 768	12 902
Chief Directors (Level 14)	24 424	25 363
Directors (Level 13)	1 950	1 767
Acting positions	286	189
TOTAL	44 067	44 644

28. PROVISIONS

	2022/23	2021/22
	R'000	R'000
Litigations against the state	566	566
TOTAL	566	566

*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 CURRENT YEAR

2022/23	LITIGATIONS	TOTAL PROVISIONS
	R'000	R'000
Opening balance	566	566
Increase in provision	-	-
Settlement of provision	-	-
Change in provision due to change in estimation of inputs	-	-
Closing balance	566	566

28.2 RECONCILIATION OF MOVEMENT IN PROVISIONS - PRIOR YEAR

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

29. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023					
	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS*	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	578 461	-	71 254	(19 327)	630 388
Transport assets	231 098	-	29 190	(4 239)	256 049
Computer equipment	241 491	-	33 336	(11 336)	263 491
Furniture and office equipment	70 680	-	6 666	(880)	76 466
Other machinery and equipment	35 192	-	2 062	(2 872)	34 382
TOTAL CAPITAL ASSETS	578 461	-	71 254	(19 327)	630 388

**The total additions for R 71 254 480.48.

The total expenditure for R 67 360 180.21 as reported in Note 8.1 and this includes payments to finance lease amounting to R 794 608.51 and non-cash: includes Donations for R 4 669 266.28 and non-cash: includes assets received but not yet paid (accruals) for R 19 642.50.

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
Machinery and equipment*	250	7 694
TOTAL	250	7 694

*Vehicles damaged/stolen, under investigation.

*IT equipment stolen/lost, under investigation.

*Asset stolen/lost, under investigation.

29.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS*	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	560 914	(691)	27 251	(9 013)	578 461
Transport assets	230 196	(174)	6 034	(4 958)	231 098
Computer equipment	227 504	303	16 724	(3 040)	241 491
Furniture and office equipment	68 346	(728)	3 369	(307)	70 680
Other machinery and equipment	34 868	(92)	1 124	(708)	35 192
TOTAL CAPITAL ASSETS	560 914	(691)	27 251	(9 013)	578 461

*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 8.1 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.

29.1.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2021/22
Relating to 2021/22	R'000
Reclassification of assets category and price corrections	(880)
Increase/Decrease of prior year assets (incomplete asset transfer transactions)	(143)
Adjustment to prior period additions (reconciliation of assets received/paid)	332
TOTAL PRIOR PERIOD ERRORS	(691)

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 2023			
	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Opening balance	15	142 734	142 749
Value adjustments	-	-	-
Additions*	-	13 237	13 237
Disposals	-	(5 906)	(5 906)
TOTAL MINOR ASSETS	15	150 065	150 080

*The total additions for R 13 236 511.76 includes Cash and Non-Cash transactions.

Cash: Actual payments for R 13 236 511.76 as reported in Note 5.1 as recognised expenditure

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
Number of R1 minor assets	-	9 152	9 152
Number of minor assets at cost	4	107 391	107 395
TOTAL NUMBER OF MINOR ASSETS	4	116 543	116 547

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	R'000
Machinery and equipment*	192	563
TOTAL	192	563

*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 2022

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Opening balance	15	139 302	139 317
Prior period error	-	(485)	(485)
Additions*	-	10 225	10 225
Disposals	-	(6 308)	(6 308)
TOTAL MINOR ASSETS	15	142 734	142 749

*The total additions for R 10 225 267.58 includes Cash and Non-Cash transactions.

Cash: Actual payments for R 5 702 545.59 as reported in Note 5.1 as recognised expenditure

Non-Cash: Includes Donations for R 966 190.09; receipt of mobile devices at the end of finance lease term for R 3 415 146.00; and assets received but not yet paid (accruals) for R 141 385.90.

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
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

29.2.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR	2021/22
Relating to 2021/22	R'000
Reclassification of assets category and price corrections	(337)
Increase/Decrease of prior year assets (incomplete asset transfer transactions)	(56)
Adjustment to prior period additions (reconciliation of assets received/paid)	(92)
TOTAL PRIOR PERIOD ERRORS	(485)

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 2023

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Assets written off	-	1 440	1 440
TOTAL MOVABLE ASSETS WRITTEN OFF	-	1 440	1 440

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

30. INTANGIBLE CAPITAL ASSETS**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000
SOFTWARE	155 229	8 589	-	163 818
TOTAL INTANGIBLE ASSETS	155 229	8 589	-	163 818

*This additions is the Cash: Actual payment for R8 589 232.17 in respect of SAP licence which is included in the intangible capital expenditure of R27 783 872.12 in Note 8.1.

30.1 MOVEMENT FOR 2020/21**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	OPENING BALANCE	PRIOR PERIOD ERROR	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 8.1 and this includes payments to Tech Mahindra & Alteram Solutions for work in progress amounting to R 32 370 996.78.

30.2. INTANGIBLE CAPITAL ASSETS: CAPITAL WORK-IN-PROGRESS**CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023**

	NOTE	OPENING BALANCE 1 APRIL 2022	CURRENT YEAR WIP	READY FOR USE (ASSETS TO THE AR) / CONTRACTS TERMINATED	CLOSING BALANCE 31 MARCH 2023
		R'000	R'000	R'000	R'000
Intangible assets	Annexure 6	58 278	19 195	-	77 473
TOTAL		58 278	19 195	-	77 473

*This current year WIP for R 19 194 639.96 includes payments made to Tech Mahindra & Alteram Solutions for work-in-progress. This amount is included in the total intangible capital expenditure of R 27 783 872.12 in Note 8.1.

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

	NOTE	OPENING BALANCE 1 APRIL 2021	PRIOR PERIOD ERROR	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	R'000
Intangible assets	Annexure 6	25 907	-	32 371	-	58 278
TOTAL		25 907	-	32 371	-	58 278

31. IMMOVABLE TANGIBLE CAPITAL ASSETS**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	246	30	(13)	263
Non-residential buildings	246	30	(13)	263
TOTAL TANGIBLE CAPITAL ASSETS	246	30	(13)	263

*The total expenditure for R 39 721 329.99 as reported in Note 8.1 and this includes Department's assets (portable buildings) for R 29 900.00 and payments to DPW for capital project amounting to R 39 691 429.99.

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

31.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	OPENING BALANCE 1 APRIL 2021	PRIOR PERIOD ERROR	ADDITIONS*	DISPOSALS	CLOSING BALANCE
	R'000	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 8.1 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.

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

				2021/22
	NOTE	AMOUNT BEF ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
ASSETS:		R'000	R'000	R'000
Advance paid (expensed)	10.3.1	4 468	(2)	4 466
Movable tangible capital assets	29.1.1	579 152	(691)	578 461
Minor assets	29.2.1	143 219	(485)	142 734
NET EFFECT		726 839	(1 178)	725 661

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

				2021/22
	NOTE	AMOUNT BEF ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
OTHER:		R'000	R'000	R'000
Contingent assets	19.2.1	1 780	(119)	1 661
Capital commitments	20.1	193 556	3 105	196 661
NET EFFECT		195 336	2 986	198 322

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

33. COVID-19 RESPONSE EXPENDITURE

	NOTE	2022/23	2021/22
	Annexure 8	R'000	R'000
Goods and services		63	1 879
TOTAL		63	1 879

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	GRANT ALLOCATION				TRANSFER			SPENT				2021/22	
	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	DORA AND OTHER TRANSFERS	ACTUAL TRANSFER
NAME OF MUNICIPALITY	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*	734	-	196	930	930	-	-	-	-	-	-	855	855
TOTAL	734	-	196	930	930	-	-	-	-	-		855	855

*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

	TRANSFER ALLOCATION				TRANSFER		2021/22	
	ADJUSTED BUDGET	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL BUDGET	ACTUAL TRANSFER
DEPARTMENTAL AGENCY/ ACCOUNT	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Licences (Radio & TV)	-	-	12	12	12	100%	16	16
Compensation Fund (CF)	18 514	-	-	18 514	18 514	100%	18 040	-
Unemployment Insurance Fund (UIF)	1	-	-	1	-	-	1	-
Commission for Conciliation, Mediation & Arbitration (CCMA)	1 046 293	-	-	1 046 293	1 046 293	100%	994 984	994 984
Productivity SA	61 698	-	-	61 698	61 698	100%	59 853	59 853
National Economic Development & Labour Council (NEDLAC)	68 879	-	-	68 879	68 879	100%	59 093	59 093
Gov Technical Advisory Centre	356 934	-	-	356 934	256 241	72%	-	-
TOTAL	1 552 319	-	12	1 552 331	1 451 637		1 131 987	1 113 946

ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	ADJUSTED BUDGET	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL BUDGET	ACTUAL TRANSFER
FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
International Labour Organisation (ILO)	27 784	-	-	27 784	15 179	55%	27 073	15 770
African Regional Labour Administration Centre (ARLAC)	1 430	-	-	1 430	1 425	100%	1 394	1 116
TOTAL	29 214	-	-	29 214	16 604		28 467	16 886

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	ADJUSTED BUDGET	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL BUDGET	ACTUAL TRANSFER
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Designated Groups Special Services	25 014	-	-	25 014	23 784	95%	24 245	20 954
Strengthen Civil Society	24 760	-	-	24 760	24 760	100%	21 122	21 045
Donations & Gifts NPI	-	-	-	-	-	-	58	-
TOTAL	49 774	-	-	49 774	48 544		45 425	41 999

Public Employment Services (PES) transfers funds to subsidised work centres for people with disabilities. (Supported Employment Enterprises - SEE)

ANNEXURE 1D (1)

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE			2021/22
	ADJUSTED BUDGET	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL BUDGET	ACTUAL TRANSFER
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Workcentres for the Disabled	166 486	-	-	166 486	166 486	100%	162 266	162 266
TOTAL	166 486	-	-	166 486	166 486		162 266	162 266

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	ADJUSTED BUDGET	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL BUDGET	ACTUAL TRANSFER
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Leave gratuity	3 215	-	1 958	5 173	5 149	100%	6 984	6 831
Exgratia payments	70	-	86	156	156	100%	352	352
TOTAL	3 285	-	2 044	5 329	5 305		7 336	7 183

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23	2021/22
	R'000	R'000
Made in kind		
Office furniture and equipment		
Crowfield Primary School	164	-
Jopie Fourie Primary School	325	-
Andries Meyer Old Age Home	21	-
Bereshith Treatment Centre	21	-
Child Welfare South Africa: Nigel	24	-
Ekurhuleni Arts and Culture Recreation Forum	34	-
God's Ultimate Force	49	-
Harvey Cohen Centre	21	-
Ikwezi Community Development Centre	16	-
On Time Revelation Hill	55	-
Phuthanang Protective Workshop	31	-
Siyabonga Africa Care Centre	15	-
ST Gregory	42	-
ST Lamech	56	-
Tsakane Youth Development Program	20	-
United Reform Church	55	-
Xabiso Community Empowerment Projects	31	-
Zanempilo Home Base Care	43	-
Coastal KZN Tvet College	58	-
Happyfeet Nursery & After Care Centre	30	-
Men's Voice Organisation	59	-
WH De Klerk School	40	-
Yedvwa Primary School	25	-
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	1 235	3 319

ANNEXURE 1G
STATEMENT OF AID ASSISTANCE RECEIVED

		OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON / BY 31 MARCH 2023	CLOSING BALANCE
NAME OF DONOR	PURPOSE	R'000	R'000	R'000	R'000	R'000
Received in cash						
European Union (EU)	Education for Employability (E4E) programme that aims to achieve more inclusive, equitable and quality education and employment prospects for South African (SA) Youth	-	35 081	4 543	-	30 538
TOTAL		-	35 081	4 543	-	30 538

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 – LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2022	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR	REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS	CLOSING BALANCE 31 MARCH 2023	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2023
		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	149	149	-	-	(149)	-	-	-
Firststrand Bank Limited: FNB	Housing Loan Guarantee	97	97	-	-	(97)	-	-	-
Old Mutual Finance Limited	Housing Loan Guarantee	17	17	-	-	-	17	-	-
Peoples Bank (former FBC Fidelity Bank)	Housing Loan Guarantee	15	15	-	-	(15)	-	-	-
Nedbank LTD Incorporation (Former FBC Peoples Bank NBS)	Housing Loan Guarantee	59	59	-	-	(48)	11	-	-
Firststrand Bank Limited: FNB (former Saambou)	Housing Loan Guarantee	59	59	-	-	(59)	-	-	-
Future Bank Corporation Limited	Housing Loan Guarantee	14	14	-	-	(14)	-	-	-
Free State Development Corporation	Housing Loan Guarantee	17	17	-	-	(17)	-	-	-
TOTAL		427	427	-	-	(399)	28	-	-

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

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 2022				31 MARCH 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claims: Supplier-related	421	127	(81)	-	467
Claims: Employee-related	1 211	1 985	-	-	3 196
Civil Claims	14 284	-	-	-	14 284
TOTAL	15 916	2 112	(81)	-	17 947

ANNEXURE 3 CLAIMS RECOVERABLE

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH-IN-TRANSIT AT YEAR END 2022/23	
	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	RECEIPT DATE UP TO SIX (6) WORKING DAYS AFTER YEAR END	AMOUNT R'000
Department								
Statistics South Africa	-	15	-	-	-	15	-	-
National Department of Water & Sanitation	2	65	-	-	2	65	-	-
National Department: Rural Development and Land Reform	-	13	-	-	-	13	-	-
National Department: Higher Education & Training	42	-	-	-	42	-	-	-
Department: Public Service Administration	135	-	-	-	135	-	-	-
Department of Health: North West	-	21	-	-	-	21	-	-
Department Provincial Sport, Arts & Culture: Eastern Cape	28	36	-	-	28	36	-	-
Office of the Premier: Northern Cape	-	51	-	-	-	51	-	-
Office of the Public Service Commission	-	71	-	-	-	71	-	-
Cooperative Gov. & Trad. Affairs: North West	-	132	-	-	-	132	-	-
Department of Transport: Eastern Cape	23	-	-	-	23	-	-	-
Infrastructure Development: Gauteng	6	-	-	-	6	-	-	-
Department Health: Kwazulu-Natal	37	-	-	-	37	-	-	-
Agriculture, Land Reform & Rural Development: Western Cape	3	-	-	-	3	-	-	-
Provincial Treasury: North West	5	-	-	-	5	-	-	-
Correctional Services: Kwazulu-Natal	40	-	-	-	40	-	-	-
Economic Development, Environment and Tourism: Limpopo	8	-	-	-	8	-	-	-
Other Government Entities								
Compensation Fund (CF)	238 748	381 914	1 218	1 218	239 966	383 132	-	-
Unemployment Insurance Funds (UIF)	17 900	-	20 429	20 429	38 329	20 429	-	-
Supported Employment Enterprises (SEE)	23 313	1 930	-	-	23 313	1 930	-	-
Government Pensions Administrations Agency	-	6	-	-	-	6	-	-
TOTAL	280 290	384 254	21 647	21 647	301 937	405 901	-	-

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH-IN-TRANSIT AT YEAR END 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	PAYMENT DATE UP TO SIX (6) WORKING DAYS AFTER YEAR END	AMOUNT
	R'000	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		-
Other Government Entity								
Current								
Government Printing Works	1 362	-	61	-	1 423	-		-
TOTAL INTERGOVERNMENT PAYABLES	1 362	601	61	-	1 423	601		-

ANNEXURE 5 INVENTORIES

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2023						
	LEARNING, TEACHING AND SUPPORT MATERIAL	MATERIALS AND SUPPLIES	OTHER SUPPLIES	INVENTORY NOT YET CLASSIFIED	CLOTHING MATERIAL AND ACCESSORIES	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-	-
Add/(Less): Adjustments to prior year balances	-	-	-	-	-	-
Add: Additions/Purchases - Cash	24	1	16	131	24	196
Add: Additions - Non-cash	-	-	-	-	-	-
(Less): Disposals	-	-	-	-	-	-
(Less): Issues	(24)	(1)	(16)	(131)	(24)	(196)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2022						
	LEARNING, TEACHING AND SUPPORT MATERIAL	MATERIALS AND SUPPLIES	OTHER SUPPLIES	INVENTORY NOT YET CLASSIFIED	CLOTHING MATERIAL AND ACCESSORIES	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-	-
Add/(Less): Adjustments to prior year balances	-	-	-	-	-	-
Add: Additions/Purchases - Cash	-	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	-	-	-	-	-	-

ANNEXURE 6
MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	OPENING BALANCE	CURRENT YEAR CWIP	READY FOR USE (ASSET REGISTER) / CONTRACT TERMINATED	CLOSING BALANCE
SOFTWARE	R'000	R'000	R'000	R'000
Software	58 278	19 195	-	77 473
	58 278	19 195	-	77 473
TOTAL	58 278	19 195	-	77 473

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

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

ANNEXURE 7 INTER-ENTITY ADVANCES PAID (NOTE 9)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Government Communication & Information Systems (GCIS)	1 547	7 711	-	-	1 547	7 711
International Relations & Co-operation (DIRCO)	1 065	240	-	-	1 065	240
PUBLIC ENTITIES						
SA Post Office (Permit Mail)	1 764	1 157	-	-	1 764	1 157
Supported Employment Enterprises (SEE)	77	77	-	-	77	77
National School of Government	4 902	4 092	-	-	4 902	4 092
SABC	8	1	-	-	8	1
SAPO (rental)	15	64	-	-	15	64
SANRAL	90	90	-	-	90	90
Municipal Licences	208	142	-	-	208	142
TOTAL	9 676	13 574	-	-	9 676	13 574

ANNEXURE 8

COVID-19 RESPONSE EXPENDITURE

PER QUARTER AND IN TOTAL

EXPENDITURE PER ECONOMIC CLASSIFICATION	2022/23				2021/22	
	Q1	Q2	Q3	Q4	TOTAL	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services						
Cons Supplies	61	1	-	-	62	1 162
Property Payments	-	1	-	-	1	717
TOTAL COVID 19 RESPONSE EXPENDITURE	61	2	-	-	63	1 879





PART G 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) was 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 opportunities for persons with mental and physical disabilities that prevent them from participating in the open labour market due to the nature of their afflictions. Employment of Persons with Disabilities remains the biggest challenge of Employment Equity in South Africa and as such, SEE through priority No 2 of the current Medium Term Strategic Framework has to create 400 additional employment opportunities for Persons with Disabilities.

There are currently 13 factories across the country, located in eight of the nine provinces with Mpumalanga being the only province without a factory. Plans to establish a factory in Mpumalanga were halted due to economic constraints that were further exacerbated by Covid-19 pandemic, once there is full economic recovery and the funding is made available to the entity, it is then that Mpumalanga expansion will be revisited. SEE has three categories in its product portfolio, which comprises of textile, wood and steel. Factories produce textile products such as hospital linen (theatre gowns, protective clothing, bed linen etc.), furniture products (school desks & office furniture) as well as steel products (safes and braai stands). These products are sold to the public and private sector clients as well as to the general members of the public.

OVERVIEW OF THE RESULTS AND CHALLENGES FOR THE YEAR

Supported Employment enterprises' aggressive market penetration strategies to drive organic growth started to pay off as the entity turned around two years of successive sales decline and posted 88% annual increase in sales revenue relative to the previous financial year. The entity's market facing efforts by the Business Development Unit at SEE earned the entity a number of huge sales orders, such as the Western Cape Provincial Health Department's order of hospital linen worth about R34 Million, The North West Provincial Department of Education and Northern Cape Provincial Education Department who collectively ordered over R20 Million worth of school furniture from SEE. In these current changing market dynamics, SEE has adopted a strategy to expand its customer acquisition efforts to the private sector, as its client base is predominantly the public sector.

SEE also delivered on its legislative mandate of creating employment opportunities for Persons with Disabilities as the entity achieved its pre-determined objective of absorbing additional 50 Persons with Disabilities. Even though this drives up SEE salary costs, it is the cost of unemployment that pre-occupies the management of SEE as unemployment means lack of disposable incomes, which translate to lack of economic activity and this retards economic growth.

The pre-determined target on new agreements concluded is the only target that the entity fell short on achieving as the total signed MOUs were four against the target of seven. The challenge was the delay in obtaining all required documents from two prospective clients and the withdrawal by one client from the agreement. The plan is to sign MOUs with private sector clients to optimize sales revenue output for SEE as well as to ensure consistent financial liquidity for the entity.

The entity's biggest challenge is the underfunded mandate where 94.8% of the transfer payment to SEE goes to salaries of both administrative and factory employees. The minimal balance thereof is expected to cover the cost of raw materials used in production, the cost of maintaining machinery in all 13 factories across the country as well as other operational costs. SEE's further challenge is that it operates in a highly competitive market landscape that demands business fundamentals. These are agility, flexibility, sound judgment and effectiveness. However, the reality that the entity sits within a government space means that by default the entity is subjected to stringent government procurement prescripts, which were designed for government departments as end users and not necessarily for an entity such as SEE, which converts stock into finished products in order to sell them to generate sales revenue.

The ultimate objective for the entity is to obtain its legal status which is being dealt with through the Employment Services Bill that is currently before parliament and upon the completion of ratifying the Bill, the entity will then be able to build a framework that will define and guide its governance, trading identity and how it responds to market dynamics.

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 135 are suitably filled to support the 12 factories as the Durban factory is closed for refurbishment. 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 948 Persons with Disabilities employed under the Basic Condition of Employment Services Act and are spread across the 12 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 01/04/2022	ADDITIONAL EMPLOYMENT AS AT 31/03/2023	TERMINATIONS AS AT 31/03/2023	TOTAL AS AT 31/03/2023
All factories	1 014	50	116	948

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	-	-	-	-	-	-	Closed for refurbishment
	Pietermaritzburg	54	2	4	21	46	35	81
Eastern Cape	East London	45	7	1	17	25	45	70
	Port Elizabeth	35	13	1	20	36	33	69
Northern Cape	Kimberley	35	30	1	7	26	47	73
Western Cape	Ndabeni	48	43	1	42	52	82	134
	Epping	48	53	1	5	31	76	107
North West	Potchefstroom	30	5	0	7	20	22	42
Limpopo	Seshego	43	0	0	0	22	21	43
Gauteng	Pretoria	63	2	0	34	37	62	99
	Rand	56	14	0	32	62	40	102
	Springfield	40	15	0	15	21	49	70
TOTAL		529	184	9	226	401	547	948

SEE FACTORY EMPLOYEES WAGES PER SALARY LEVEL

POST LEVEL	2018/2019 WAGES R	INCREASE 5.3% R	2019/2020 WAGES R	2020/2021 0% R	INCREASE 1.5% R	2021/2022 WAGES R	2022/2023 WAGES R
6	6 410.79	3 39.77	6 750.56	6 750.56	1 01.26	6 851.82	6 851.82
5	5 882.24	3 11.76	6 194.00	6 194.00	92.91	6 286.91	6 286.91
5	5 763.81	3 05.48	6 069.29	6 069.29	91.04	6 160.33	6 160.33
4	5 645.38	2 99.21	5 944.58	5 944.58	89.17	6 033.75	6 033.75
4	5 526.95	2 92.93	5 819.88	5 819.88	87.30	5 907.18	5 907.18
3	5 408.52	2 86.65	5 695.17	5 695.17	85.43	5 780.60	5 780.60
2	5 290.08	2 80.37	5 570.45	5 570.45	83.56	5 654.01	5 654.01
1	5 171.66	2 74.10	5 445.76	5 445.76	81.69	5 527.45	5 527.45
1	5 053.27	2 67.82	5 321.09	5 321.09	79.82	5 400.91	5 400.91

Please note that there was no increase in real terms due to SEE's deficit budget, the only adjustment was to convert the gratuity of 7.5% that pre-existed in the last financial year to a 6.5% permanent feature on the salaries of factory employees and a further 1% employer contribution to their provident fund as a current collective bargaining arrangement with the trade union.

OVERVIEW OF THE FINANCIAL RESULTS OF THE SEE

The SEE budget comprises of a transfer from the Department 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 2022/2023 amounted to R166 486 000 which amounts to 66.1% of SEE revenue. Remaining 25% was generated through conversion of the current MOU to revenue largely with the 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 with the 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 result of direct material, direct labour and variable/fixed costs. The entity aims to embark on cost conversion analysis in 2023/2024 financial year to ensure costs allocation is addressed adequately through SYSPRO enhancement project. Procurement of raw material remains a challenge in cutting down expenses.

SUPPORTED EMPLOYMENT ENTERPRISES REVENUE

RECEIPTS	2022/23			2021/22		
	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	60 927 353	53 711 389	7 215 964	41 884 301	28 647 993	13 236 308
Transfer Grant	166 486 000	166 486 000	-	162 271 000	162 266 000	5 000
Interest, dividends and rent on land	1 190 000	2 602 882	-1 412 882	1 563 957	1 536 862	27 095
Services in Kind	-	28 766 052	-28 766 052	-	32 542 015	-32 542 015
Conditional Grant Income	17 225 314	-	17 225 314	20 479 911	184 511	20 295 400
Sale of capital assets	-	96 314	-96 314	-	-	-
TOTAL	245 828 667	251 662 637	-5 833 970	226 199 169	225 177 381	1 021 788

* Sale of capital assets was not anticipated/budgeted for the 2022/23 financial year

REASONS FOR VARIANCES ON CURRENT YEAR VERSUS PRIOR YEAR ACTUALS

TOTAL REVENUE RECEIVED	2022/23	2021/22	VARIANCE	VARIANCE	REASONS FOR VARIANCES
	R	R	R	%	
Sale of goods and services other than capital assets	53 807 703	28 647 993	25 159 710	88%	More sales orders received for 2022/2023.
Transfer Grant	166 486 000	162 266 000	4 220 000	3%	Transfer baseline increase
Interest, dividends and rent on land	2 602 882	1 536 862	1 066 020	69%	Increase due to higher interest earn on cash excess as well as interest charged on trade debtors
Services in Kind	28 766 052	32 542 015	-3 775 963	-12%	Decreased based on service in kind relating to administrative officials not paid under DEL
Conditional Grant Income	-	184 511	-184 511	-100%	No conditional grant received in 2022/2023
Sale of capital assets	96 314	-	96 314	0%	Sale on disposal of assets relating to Durban Factory closure.

SUPPORTED EMPLOYMENT ENTERPRISES EXPENDITURE

PROGRAMME NAMES	2022/23			2021/22		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R	R	R	R	R	R
Factory Salaries	109 811 245	95 347 777	14 463 468	114 459 773	124 033 642	-9 573 869
Administrative Salaries	68 261 674	62 498 111	5 763 563	61 166 393	32 857 428	28 308 965
Manufacturing Costs	-	71 153 451	-71 153 451	-	39 393 510	-39 393 510
Operational Cost	53 018 956	39 181 227	13 837 729	69 145 250	49 370 745	19 837 505
TOTAL	231 091 875	268 180 566	-37 088 691	244 771 416	245 592 325	-820 909

INFORMATION ON IRREGULAR EXPENDITURE**RECONCILIATION OF IRREGULAR EXPENDITURE**

DESCRIPTION	2022/2023	2021/2022
	R	R
Opening balance	14 026 553.00	13 669 192.00
Add: Irregular expenditure confirmed	228 954.00	357 361.00
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	14 255 507.00	14 026 553.00

RECONCILING NOTES TO THE ANNUAL FINANCIAL STATEMENT DISCLOSURE

DESCRIPTION	2022/2023	2021/2022
	R	R
Irregular expenditure that was under assessment in 2021/2022		-
Irregular expenditure that relates to 2021/22 and identified in 2022/23		-
Irregular expenditure for the current year	228 954.00	357 361.00
TOTAL	228 954.00	357 361.00

B) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

DESCRIPTION	2022/2023	2021/2022
	R	R
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	6 420 000.00	-
Irregular expenditure under investigation	5 646.00	-
TOTAL	6 425 646.00	-

C) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE CONDONED

DESCRIPTION	2022/2023	2021/2022
	R	R
Irregular expenditure condoned	-	-
TOTAL	-	-

D) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED - (NOT CONDONED)

DESCRIPTION	2022/2023	2021/2022
	R	R
Irregular expenditure NOT condoned and removed	-	-
TOTAL	-	-

E) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERABLE

DESCRIPTION	2022/2023	2021/2022
	R	R
Irregular expenditure recovered	-	-
TOTAL	-	-

F) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE NOT RECOVERABLE AND WRITTEN OFF (IRRECOVERABLE)

DESCRIPTION	2022/2023	2021/2022
	R	R
Irregular expenditure written off	-	-
TOTAL	-	-

ADDITIONAL DISCLOSURE RELATING TO INTER-INSTITUTIONAL ARRANGEMENTS

DESCRIPTION
None
TOTAL

G) DETAILS OF NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS NOT RESPONSIBLE FOR THE NON-COMPLIANCE)

DESCRIPTION	2022/2023	2021/2022
	R	R
None	-	-
TOTAL	-	-

I) DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE

DESCRIPTION	2022/2023	2021/2022
	R	R
None	-	-
TOTAL	-	-

INFORMATION ON FRUITLESS AND WASTEFUL EXPENDITURE**RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE**

DESCRIPTION	2022/2023	2021/2022
	R	R
Opening balance	1 756 198.00	1 086 198.00
Add: Fruitless and wasteful expenditure confirmed	1 196 823.00	670 000.00
Less: Fruitless and wasteful expenditure Written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	2 953 021.00	1 756 198.00

RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

DESCRIPTION	2022/2023	2021/2022
	R	R
Fruitless and wasteful expenditure that was under assessment in 2021/2022		-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23		-
Fruitless and wasteful expenditure for the current year	1 196 823.00	670 000.00
TOTAL	1 196 823.00	670 000.00

B) DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

DESCRIPTION	2022/2023	2021/2022
	R	R
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	1 092 000.00	-
TOTAL	1 092 000.00	-

C) DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE RECOVERED

DESCRIPTION	2022/2023	2021/2022
	R	R
Fruitless and wasteful expenditure written off	-	-
TOTAL	-	-

D) DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERED AND WRITTEN

DESCRIPTION	2022/2023	2021/2022
	R	R
Fruitless and wasteful expenditure recovered	-	-
TOTAL	-	-

E) DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

DISCIPLINARY STEPS TAKEN	2022/2023	2021/2022
	R	R
None	-	-
TOTAL	-	-

INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROCUREMENT BY OTHER MEANS

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R
Blanket Wool Type	Ahlesa Blankets PTY LTD	Limited bidding	N03511	1 595 000,00
Fabric Cotton Sheeting P48	Da Gama Textiles	Limited bidding	N03526	108 215,00
Fabric Cotton Type F56	Da Gama Textiles	Limited bidding	F03141	195 725,40
Fabric Towelling	Colibri Towelling Western Cape (PTY) LTD	Limited bidding	J01850	997 640,00
Fabric Cotton Sheeting	Da Gama Textile	Limited bidding	M07296	1 740 306,50
Fabric Drill J54 Royal Blue Without Logo 150 cm Wide	Da Gama Textiles	Limited bidding	N03540	430 440,00
Fabric TCC	Da Gama Textiles	Limited bidding	N03543	87 900,00
Cotton Sheeting P48	Da Gama Textiles	Limited bidding	I05104	117 625,00
Cotton Sheeting P48	Da Gama Textiles	Limited bidding	M07241	397 093,60
Fabric Toweling	Colibri Toweling Western Cape (PTY) LTD	Limited bidding	J01825	624 834,00
Fabric Toweling	Colibri Toweling Western Cape (PTY) LTD	Limited bidding	J01834	63 000,00
Fabric poly cotton type 60	Da Gama Textiles	Limited bidding	B01346	1 408 400,00
Fabric poly cotton type 60	Da Gama Textiles	Limited bidding	K02218	1 408 400,00
TOTAL				8 744 139,50

EVENTS AFTER REPORTING DATE

There are no events after the reporting date.

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 entity.

CONCLUSION

In conclusion, I hereby submit the Supported Employment Enterprises Annual Report for the period ended 31 March 2023.

APPROVAL AND SIGN OFF

The Accounting Officer hereby approves the Annual Financial statements for the 2022/2023 financial year.



T LAMATI

DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

Date: 30/08/2023

SEE PERFORMANCE INFORMATION OVERVIEW

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.

BUSINESS UNITS

• 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

ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

STRATEGIC OUTCOME ORIENTED GOALS

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

IMPACT STATEMENT	A labour market which is conducive to decent employment
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Supported Employment Enterprises is contributing towards priority 2 of the Priorities of government as set out in the Medium Term Strategic Framework (MTSF), the National Development Plan (NDP) and the Department's Revised Strategic Plan 2020-25. The details of the outcomes, indicators, 5-year target and the achievements to date are highlighted in the tables below.

PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	SEE'S FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
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	2020/21 Achieved - 25 additional persons with disabilities employed in the SEE factories by the end of March 2021 2021/22 Achieved 26 additional persons with disabilities employed in the SEE factories by the end of March 2022 2022/23 Achieved 50 additional persons with disabilities employed in the SEE factories by the end of March 2023	N/A	SEE
				To increase revenue to 40% by 2025	2020/21 Not achieved -67% Actual sales R41 865 234 against last year's sales of R128 122 846 2021/22 Not achieved -33% decline in sales 2022/23 Achieved 88% annual increase in revenue from sales of goods and services were achieved by the end of March 2023	Insufficient orders received from government Departments due to reprioritisation of expenditure areas by government Departments as a result of Covid-19 Negative variance, Order of 52 million in total from N/ West Provincial Education Dept. was amended causing delays for delivery in Q4 Better, than expected sales revenue achieved due to contracts from NC DoE and NWDE for school furniture	SEE

MTSF OUTCOME	DEPARTMENTAL OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	SEE'S FIVE YEAR TARGET	ACTUAL ACHIEVEMENTS YEAR 1-3	REASONS FOR DEVIATION FOR YEAR UNDER REVIEW	IMPLEMENTING PROGRAMME
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)	Increase SEE's market share	2020/21 Achieved 3 customer agreements entered into by the end of March 2021 2021/22 Achieved 6 customer agreements entered into by the end of March 2021 2022/23 Not achieved 4 customer agreements entered into by the end of March 2023	Withdrawal from the agreement by 1 customer and 1 costumer also delayed to sign contract, while two contracts could not be concluded due to delays in negotiations. Delayed submission of required documents from prospective clients as well as the lengthy internal legal vetting process	SEE

PERFORMANCE INDICATORS

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/2023	REASONS FOR DEVIATIONS
Number of additional persons with disabilities employed in the SEE factories by the end of March	Employment Services Act and recruitment strategy for PWDs implemented	Number of additional persons with disabilities employed in the SEE factories by the end of March	Achieved 25 additional persons with disabilities employed in the SEE factories by the end of March 2021	Achieved 26 additional persons with disabilities employed in the SEE factories by the end of March 2021	50 additional persons with disabilities employed in the SEE factories by the end of March 2023	50 additional persons with disabilities employed in the SEE factories by the end of March 2023	None	N/A
Increase sales revenue	Financial viability increased and sustained	% annual increase of sales revenue from goods and services by the end of March	Not achieved -67% Actual sales R41 865 234 against last year's sales of R128 122 846	Not achieved -33% decline in sales	10% annual increase of sales revenue from goods and services by the end of March 2023	88% annual increase in revenue from sales of goods and services were achieved by the end of March 2023	78% over achievement from targeted sales	Better than expected sales revenue achieved due to contracts from NC Doe and NWDE for school furniture.
Increase SEE's market share	SEE's market share increased and sustained	Number of customer agreements entered into annually	Not achieved 2 customer agreements entered into by the end of March 2021	Achieved 6 customer agreements entered into by the end of March 2021	7 customer agreements entered into by the end of March 2023	4 customer agreements entered into by the end of March 2023	3 under achievement from targeted MOUs	Withdrawal from the agreement by 1 customer and 1 customer also delayed to sign contract, while two contracts could not be concluded due to delays in negotiations

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SUPPORTED EMPLOYMENT ENTERPRISES

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

ADVERSE OPINION

1. I have audited the financial statements of the Supported Employment Enterprises set out on pages 220 to 257, which comprise the statement of financial position as at 31 March 2023, 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, because of the significance of the matters described in the basis for adverse opinion section of this auditor's report, the financial statements do not present fairly, in all material respects, the financial position of the Supported Employment Enterprises as at 31 March 2023, and 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 ADVERSE OPINION

INVENTORIES AND COST OF SALES

3. I was unable to obtain sufficient appropriate audit evidence that the 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 the entity did not maintain complete and accurate records for production times. Furthermore, the standard rates used in the valuation of inventories could not be substantiated by supporting audit evidence. I could not confirm the production times by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to:
 - » Inventories stated at R71 183 496 (2022: R68 323 167) in note 2 to the financial statements
 - » Cost of sales stated at R71 153 452 (2022: R39 393 510) in note 13 to the financial statements.
 - » Abnormal labour idle time stated at R87 783 462 (2022: R120 005 068) in note 37 to the financial statements.
 - » Under or over recovery fixed overheads stated at R33 368 244 (2022: R36 477 229) in note 37 to the financial statements
 - » Under/over recovery variable overheads stated at R7 848 759 (2022: R158 712) in note 37 to the financial statements.
4. Additionally, cost of sales was not accounted for in accordance with the requirements of GRAP 12, *Inventories*, as transport costs for the distribution of finished goods to customers was incorrectly included in cost of sales. Consequently, cost of sales was overstated and operating expenses were understated by R5 377 897 (2022: R499 955) in the financial statements. There was an impact on the surplus for the period and on the accumulated surplus.

OPERATING EXPENSES

5. Operating expenses were not accounted for in accordance with GRAP 1, *Presentation of Financial Statement*, as some of the expenditure incurred in the current year was not recorded in the accounting records. Consequently, operating expenses were understated by R3 674 703 in the financial statements.

RECEIVABLES FROM EXCHANGE TRANSACTIONS

6. During 2021-22, receivables from exchange transactions was not accounted for 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 485 418 in note 3 of the financial statements as it was impractical to do so. My opinion on the financial statements for the period ended 2021-22 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the receivables from exchange transactions for the current period.

PAYABLES FROM EXCHANGE TRANSACTIONS

7. During 2021-22, payables from exchange transactions were not accounted for in accordance with GRAP 1, *Presentation of financial statement*. The deposits received were not allocated to debtors' accounts after deliveries were made. Consequently, receivables from exchange transactions and payables from exchange transactions were overstated by R4 129 333. My opinion on the financial statements for the period ended 2021-22 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the payable from exchange transactions for the current period.

CONTINGENCIES

8. Contingent liabilities were not properly accounted for in accordance with GRAP 19, *Provisions, contingent liabilities and contingent assets*, due to long service awards that were disclosed as contingencies. Consequently, the contingent disclosed in note 27 was overstated and employee related costs as well as provisions was understated by R42 127 547 (2022: R44 070 809).

PROPERTY, PLANT AND EQUIPMENT

9. Property, plant and equipment were not properly accounted for in accordance with GRAP 17, *Property, Plant and Equipment*; as not all assets were recorded in the fixed assets register. I was unable to determine the full extent of the misstatement of property, plant and equipment stated at R84 005 783 in the statement of financial position as it was impractical to do so.

CONTEXT FOR 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 responsibilities of the auditor-general 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 adverse opinion.

OTHER MATTER

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

NATIONAL TREASURY INSTRUCTION NOTE NO. 4: PFMA COMPLIANCE AND REPORTING FRAMEWORK OF 2022-23

14. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 34 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Supported Employment Enterprises. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of the Supported Employment Enterprises. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

15. 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.
16. 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.

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

17. 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.
18. 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

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected objective presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
20. I selected the following priority presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a priority that measures the trading entity's performance on its primary mandated functions and that is of significant national, community or public interest.

OBJECTIVE	PAGE NUMBERS	PURPOSE
Economic transformation and job creation	210 - 212	Provide work opportunities for people with disabilities

21. I evaluated the reported performance information for the selected objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the trading entity's planning and delivery on its mandate and objectives.
22. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the trading entity's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

23. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

24. I did not identify any material findings on the reported performance information of Economic transformation and job creation.

OTHER MATTER

25. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

26. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

REPORT ON COMPLIANCE WITH LEGISLATION

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the trading entity's compliance with legislation.

28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the trading entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

ANNUAL FINANCIAL STATEMENT, PERFORMANCE REPORTS AND ANNUAL REPORT

31. Financial statements were not submitted for auditing within two months after the end of financial year, as required by section 40(1) (c) of the PFMA.

32. The annual financial statements submitted for audit 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 Public Finance Management Act (PFMA).

33. Material misstatements of non-current assets, current assets, expenditure, statement of changes in net assets and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving an adverse opinion.

REVENUE MANAGEMENT

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

EXPENDITURE MANAGEMENT

35. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 196 823, 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 inventory theft and losses.

36. Resources of the entity were not utilised economically, as required by section 38(1)(b) of the PFMA.

CONSEQUENCE MANAGEMENT

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

38. We were 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 due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.

ASSET MANAGEMENT

39. Preventative mechanisms were not in place to eliminate theft of assets, as required by treasury regulation 10.1.1(a)

OTHER INFORMATION IN THE ANNUAL REPORT

40. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected objective presented in the annual performance report that have been specifically reported on in this auditor's report.
41. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
42. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
43. 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

44. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
45. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the adverse opinion and the material findings on compliance with legislation included in this report.
46. The accounting officer did not ensure that consequence management is implemented on those who fail to implement the designed internal controls of the entity.
47. Preventative controls were not implemented to ensure reliable financial reporting as well as compliance with applicable laws and regulations.

Auditor-General

Pretoria

31 July 2023



Auditing to build public confidence

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

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 objectives and on the trading entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

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
- conclude on the appropriateness of the 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 trading entity 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

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.

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.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Construction Industry Development Board Act 38 of 2000 (CIBD Act)	Section 18(1)
Construction Industry Development Board Act: Regulations (CIBD regulations)	Reg. 17, 25(7A)
Framework for the managing of programme performance information (FMPPi)	Chapter 3.2, 3.3.3, 5
National Treasury Instruction 04 of 2015/16	Par. 3.4, 4.1, SBD 6.2
National Treasury Instruction 4A of 2016/17	Par 6
National Treasury Instruction 07 of 2017/18	Par. 4.3
National Treasury SCM Instruction Note 05 2020/21	Par. 1; 2; 4.8; 4.9 & 5.3
Erratum NT Instruction note No 5 of 2020/21	Par. 2
Second amendment NT Instruction No 5 of 2020/21	Par. 1
National Treasury Instruction 11 of 2020/21	Par. 3.1; 3.4 (b) and 3.9
National Treasury Instruction 01 of 2021/2022	Par. 4.1
National Treasury Instruction 03 of 2021/2022	Par.4.3; 4.4 (C), 4.4(d)
National Treasury regulations	Treasury Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a) & (d); 5.3.1; 6.3.1(a),(b),(c) & (d); 6.4.1(b); 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 12.5.1; 15.10.1.2(c); 16A6.1; 16A6.2(b), 16A3.2 (fairness); 16A3.2(a) and (b); R16A6.3 (a), (b) (c) & (e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii), (d), (e) & (f); 16A9.2(a)(ii); 17.1; 18.2; 19.6.1; 19.8.4; 29.1.1(a) & (c); 29.3.1; 30.1.1; 30.1.3 (a),(d) & (d); 30.2.1; 31.1.2(c); 31.2.1; 31.3.3; 33.1.1; and 33.1.3
Practice Note 5 of 2009/10	Par.3.3
Practice Note 7 of 2009/10	Par 4.1.2
Preferential procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a),(b) & (f)
Preferential procurement regulation of 2017 (PPR)	Regulation 4(1); 4(2); 5(1); 5(3); 5(6); 5(7); 6(8); 7(8); 8(2); 8(5); 9(1); 10(1); 10(2); 11(1); 11(2)
Preferential procurement regulation of 2011 (PPR)	Regulation 9(1) , 9(5)
Preferential procurement regulation of 2022 (PPR)	Regulation 4(4) and 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	PRECCA 34(1)
Public Service Act 103 of 1994 (PSA) and regulations issued in terms of the act	Regulation 13 (C)
Public Service regulations 2001	PSR 25(1)(e)(i) and (iii)
Revised framework for strategic plans and annual performance plans (FSAPP)	Paragraph 4.4.3 & 4.4.4
State Information Technology Agency Act 88 of 1998 and regulations issued in terms of the act	Section 7(3)
Supply Chain Management instruction 3 of 2016	Note 3, 6
Supply Chain Management instruction 02 of 2021-22	Par 3.2.1, 3.2.4; 3.3.1 and 4.1
Supply Chain Management instruction 03 of 2021/22	Definition; par 4.1; 4.2 (b)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

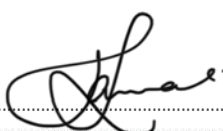
The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting authority 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 2024 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 240-293, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2023 and were signed on its behalf by:



 Mr T Lamati
 Accounting Officer
 Date: 30/08/2023

SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023			
	NOTE(S)	2023 R	2022 RESTATED* R
Assets			
Current Assets			
Inventories	2	71 183 496	68 323 167
Receivables from exchange transactions	3	8 635 218	8 485 418
Receivables from non-exchange transactions	4	-	-
VAT receivable	11	2 145 731	-
Cash and cash equivalents	5	23 077 625	21 610 664
		105 042 070	98 419 249
Non-Current Assets			
Property, plant and equipment	6	84 005 783	88 531 878
Intangible assets	7	-	6 394
		84 005 783	88 538 272
Total Assets		189 047 853	186 957 521
Liabilities			
Current Liabilities			
Finance lease obligation	8	269 362	223 988
Operating lease liability	36	92 544	-
Payables from exchange transactions	9	36 043 591	17 867 008
VAT payable	10	-	107 963
		36 405 497	18 198 959
Non-Current Liabilities			
Finance lease obligation	8	401 723	-
Total Liabilities		36 807 220	18 198 959
Net Assets		152 240 633	168 758 562
Accumulated surplus		152 240 632	168 758 557
Total Net Assets		152 240 632	168 758 557

SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

STATEMENT OF FINANCIAL PERFORMANCE			
	NOTE(S)	2023 R	2022 RESTATED* R
Revenue from exchange transactions	12	53 807 703	28 647 993
Cost of sales	13	(71 153 451)	(39 393 510)
Gross deficit		(17 345 748)	(10 745 517)
Revenue from Non - exchange transactions			
Service in kind- revenue	21	28 766 052	32 542 015
Grant income		-	184 511
Interest income	14	2 602 882	1 536 862
Transfers		166 486 000	162 266 000
		197 854 934	196 529 388
Total revenue from non-exchange transactions	37	(196 872 918)	(207 451 355)
Operating expenses	15	(16 363 732)	(21 667 484)
Operating (deficit)/surplus	17	(154 197)	(14 486)
Finance costs	2	-	1 181 642
Movement of NRV		(154 197)	1 167 156
(Deficit) surplus for the year		(16 517 929)	(20 500 328)

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2022		
	ACCUMULATED SURPLUS / DEFICIT R	TOTAL NET ASSETS R
Opening balance as previously reported	183 776 765	183 776 765
Adjustments		
Prior year adjustments - Refer to note 29	5 482 120	5 482 120
Balance at 01 April 2021 as restated*	189 258 885	189 258 885
Changes in net as-sets		
Surplus for the year	(20 500 328)	(20 500 328)
Total changes	(20 500 328)	(20 500 328)
Restated* Balance at 01 April 2022	168 758 561	168 758 561
Changes in net assets		
Surplus for the year	(16 517 929)	(16 517 929)
Total changes	(16 517 929)	(16 517 929)
Balance at 31 March 2023	152 240 632	152 240 632

SUPPORTED EMPLOYMENT ENTERPRISES

TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

CASH FLOW STATEMENT			
	NOTE(S)	2023 R	2022 RESTATED* R
Cash flows from operating activities			
Receipts			
Sale of goods and services		56 284 267	30 007 681
Grants		166 486 000	162 450 511
Interest income		2 602 882	1 070 799
Other receipts		-	160 635
		225 373 149	193 689 626
Payments			
Employee costs		(61 754 008)	(117 799 532)
Suppliers		(160 183 047)	(83 235 202)
Finance costs		(154 197)	(14 486)
		(222 091 252)	(201 049 220)
Net cash flows from operating activities	24	3 281 897	(7 359 594)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(2 216 964)	(298 184)
Cash flows from financing activities			
Finance lease payments		402 028	71 130
Net increase/(decrease) in cash and cash equivalents		1 466 961	(7 586 648)
Cash and cash equivalents at the beginning of the year		21 610 664	29 197 312
Cash and cash equivalents at the end of the year	5	23 077 625	21 610 664

SUPPORTED EMPLOYMENT ENTERPRISES
TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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 35
Statement of Financial Performance:						
Revenue						
Sale of goods	103 699 999	(44 020 000)	59 679 999	53 535 774	(6 144 225)	
Rendering of services	12 520 000	(11 520 000)	1 000 000	8 144	(991 856)	
Conditional grant	17 225 314	-	17 225 314	-	(17 225 314)	
Other income	127 354	120 000	247 354	263 785	16 431	
Services in kind	-	-	-	28 766 052	28 766 052	
Transfers and sponsorships	166 486 000	-	166 486 000	166 486 000	-	
Interest received	1 190 000	-	1 190 000	2 602 882	1 412 882	
Total revenue from exchange transactions	301 248 667	(55 420 000)	245 828 667	251 662 637	5 833 970	
Expenditure						
Employee cost	(164 872 918)	(13 200 000)	(178 072 918)	(157 845 888)	20 227 030	
Depreciation and amortisation	(8 873 129)		(8 873 129)	(4 495 198)	4 377 931	
Finance costs	(1 124)	-	(1 124)	(154 196)	(153 072)	
Lease rentals on operating lease	(9 276 838)	-	(9 276 838)	(114 942)	9 161 896	
Allowance for debt impairment	-	-	-	(3 217 478)	(3 217 478)	
Cost of sales adjustments	-	-	-	(1 342)	(1 342)	
General expenses	(84 809 922)	49 942 056	(34 867 866)	(102 351 522)	(67 483 656)	
Total expenditure	(267 833 931)	36 742 056	(231 091 875)	(268 180 566)	(37 088 691)	
Deficit before taxation	33 414 736	(18 577 246)	14 736 792	(16 517 929)	(31 254 721)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	33 414 736	(18 577 246)	14 736 792	(16 517 929)	(31 254 721)	

Income

Sales increased due to additional orders from North West and Northern Cape on school furniture

Rendering of services on transportation not charged as anticipated due to deliveries not completed as at year end

Services in kind was not budgeted for as item is in both income and expenditure with no financial impact

Conditional grant was incorrectly budget for as funding was received in prior year for ICT enhancement project

Difference is attributed to discount received on early payments and commission received on administration fee for third party payments relation to employees' deductions

Higher interest were received on excess funds in the bank relating unutilised ICT funding

Expenditure

Difference was as a result of adjustment on employee cost to estimate/make provision for vacancies as well as salary increases.

Difference in decrease is attributed to derecognition of assets due to closure of Durban factory as well as revised useful lives impacting on estimated depreciation

Difference is as a result of interest and penalties on late payments of invoices

Budget inclusive of lease budget for new contracts on printing machines for entire term contract

Debt impairment was not budgeted

Cost of sales adjustments not budgeted as is driven by cost valuation as part of inventory valuation process

Difference is attributed to expenses incurred on administration and operational expenses, which were under budgeted due to insufficient funds

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023

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.

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 provincial 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.

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.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

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. Property plant and equipment is subsequently measured using the cost model.

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

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

Where an item of property plant and equipment is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets the asset acquired is initially measured at fair value (the cost). Unless the fair value of neither the asset received nor the asset given up is reliably measurable its deemed cost is the carrying amount of the asset(s) given up.

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

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

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

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

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

Property, plant and equipment are depreciated 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	8 - 75 years
Buildings	Straight-line	50 years
Computer equipment	Straight-line	10 - 54 years
Furniture and fittings	Straight-line	5 - 75 years
Leased assets	Straight-line	3 years
Office equipment	Straight-line	5 - 75 years
Plant and machinery	Straight-line	25 - 75 years
Motor vehicles	Straight-line	10 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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

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).

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (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 is 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 asset 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 un-collectability.

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

A financial asset is:

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

A financial 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.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

1.5 Financial instruments (continued)

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

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

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

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

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:

Classification

Class	Category
Cash and cash equivalent	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange	Financial asset measured at amortised cost

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

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

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.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

Reclassification (continued)

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

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

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

Impairment and un-collectability of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

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

On derecognition of a financial asset in its entirety the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in surplus or deficit. Any liabilities that are waived forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

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

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

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

1.6 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.

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.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

1.6 Leases (continued)

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. 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.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

1.9 Impairment of cash-generating assets (continued)

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.

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.

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.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

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.

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.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

1.11 Employee benefits (continued)

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.

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/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for in the same way as for any other defined contribution plan.

1.12 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 27 - 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.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

1.12 Provisions and contingencies (continued)

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.

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 29 - 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.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

1.14 Revenue from exchange transactions (continued)

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

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

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 23**.

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.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS 31 MARCH 2023 (CONTINUED)

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 **31 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**

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 34 - 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 2022/04/01 to 2023/03/31.

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.

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Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

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

Where the entity is exempt from the disclosures in accordance with the above, 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 if 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.

1.28 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.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Inventories

NOTE(S)	2022/23 R	2021/22 R
Raw materials and components	55 120 264	58 999 788
Work in progress	7 254 144	4 196 066
Finished goods	13 504 999	9 813 053
Inventory clearing account	-	10 171
	75 879 407	73 019 078
Inventory write down to net realisable value	(4 695 911)	(4 695 911)
	71 183 496	68 323 167

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 of R13 504 999 (2022:R9 813 053) for finished goods is goods dispatched not yet invoiced amounting to R5 280 573.31 (2022:R1 728 101). The inventory balance for finished goods before including goods dispatched not yet invoices is R8 224 426 (2022:R8 084 952)

Inventory pledged as security

No inventory was pledged as security.

3. Receivables from exchange transactions

	2022/23 R	2021/22 R
Trade receivables	24 257 626	22 720 408
Sundry receivables	6 511	36 560
Prepayments	474 019	438 870
Impairment of debtors	(16 106 212)	(14 713 694)
Housing debtors	3 274	3 274
	8 635 218	8 485 418
Trade debtors past due but not impaired is as follows:		
0 - 30 Days	7 903 581	7 953 827
31 - 60 Days	83 273	22 535
61 - 90 Days	164 561	30 582
91 - 120 days	-	-
Greater than 120 daysTerms and conditions	-	-
	8 151 415	8 006 944
	-	-
Total receivables from exchange transactions	8 635 218	8 485 418

Trade and other receivables impaired

As of 31 March 2023, trade and other receivables of R 16 106 212(2022: R 14 713 694) were impaired and provided for.

The amount of the allowance was R 16 106 212 as of 31 March 2023 (2022: R 14 713 694). The ageing of these receivables is as follows:

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3. Receivables from exchange transactions (continued)

THE AGEING OF THESE RECEIVABLES IS AS FOLLOWS:	2022/23 R	2021/22 R
Current (0-30 Days)	147 032	29 808
31 - 60 Days	1 540	137 411
61 - 90 Days	37 282	3 146
91 - 120 Days	409 217	157 153
Greater than 120 Days	15 511 141	14 386 170
	16 106 212	14 713 688

RECONCILIATION OF ALLOWANCE FOR IMPAIRMENT OF TRADE DEBTORS FROM EXCHANGE TRANSACTIONS	2022/23 R	2021/22 R
Opening balance	14 713 694	13 571 463
Increase/ (decrease) in allowance for impairment	1 392 518	1 142 231
	16 106 212	14 713 694

4. Receivables from non-exchange transactions

Other receivables from non-exchange	1 092 000	1 092 000
Impairment of debtors	(1 092 000)	(1 092 000)
	-	-

Receivables general information

The entity recognised a debtor in 2020/2021 financial year due to overpayment to a supplier. Entity is in the process of recovering the overpayment

Receivables from non-exchange transactions past due but not impaired

Other receivables from non-exchange transactions, which are less than 3 months past due are not considered to be impaired. At 31 March 2023, R - (2022: R -) were past due but not impaired.

Receivables from non-exchange transactions impaired

As of 31 March 2023, other receivables from non-exchange transactions of R 1 092 000 (2022: R 1 092 000) were impaired and provided for.

The amount of the provision was R 1 092 000 as of 31 March 2023 (2022: R 1 092 000). The ageing of these receivables is as follows:

Over 6 months	1 092 000	1 092 000
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5. Cash and cash equivalents

CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash on hand	53 529	24 589
Bank balances	23 024 096	21 586 075
	23 077 625	21 610 664

There is no cash and cash equivalents that is held as security for liabilities.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Property, plant and equipment

	2023			2022		
	COST / VALUATION R	ACCUMULAT- ED DEPRECI- ATION AND ACCUMULAT- ED IMPAIR- MENT R	CARRYING VALUE R	COST / VALUATION R	ACCUMULATED DEPRECI- ATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Buildings	2 273 867	(227 511)	2 046 356	2 273 867	(182 033)	2 091 834
Plant and machinery	50 076 558	(12 580 887)	37 495 671	53 227 022	(11 492 306)	41 734 716
Furniture and fittings	3 440 791	(1 001 914)	2 438 877	3 629 683	(1 051 660)	2 578 023
Motor vehicles	10 384 485	(3 368 373)	7 016 112	10 384 485	(2 433 772)	7 950 713
Office equipment	1 869 666	(703 832)	1 165 834	1 869 991	(643 792)	1 226 199
Computer equipment	4 402 238	(1 429 813)	2 972 425	4 308 070	(1 358 824)	2 949 246
Appliances	2 424 284	(253 839)	2 170 445	2 050 313	(201 548)	1 848 765
Leased assets	835 604	(210 016)	625 588	1 236 195	(1 167 807)	68 388
Work in Progress	28 074 475	-	28 074 475	28 083 994	-	28 083 994
Total	103 781 968	(19 776 185)	84 005 783	107 063 620	(18 531 742)	88 531 878

Reconciliation of property, plant and equipment - 2023							
	OPENING BALANCE R	ADDITIONS R	DISPOSALS R	OTHER MOVEMENTS R	TRANSFERS R	DEPRECIATION R	TOTAL R
Buildings	2 091 834	-	-	(1)	-	(45 477)	2 046 356
Plant and machinery	41 734 716	28 000	(1 412 710)	(1 113 185)	-	(1 741 150)	37 495 671
Furniture and fittings	2 578 023	97 472	(190 738)	105 255	-	(151 135)	2 438 877
Motor vehicles	7 950 713	-	-	3	-	(934 604)	7 016 112
Office equipment	1 226 199	33 800	(26 903)	11 257	-	(78 519)	1 165 834
Computer equipment	2 949 246	674 975	(342 553)	5 674	-	(314 917)	2 972 425
Appliances	1 848 765	425 539	(39 478)	(11 787)	-	(52 594)	2 170 445
Leased assets	68 388	957 178	-	(149 048)	-	(250 930)	625 588
Work in progress	28 083 994	-	-	-	(9 519)	-	28 074 475
	88 531 878	2 216 964	(2 012 382)	(1 151 832)	(9 519)	(3 569 326)	84 005 783

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
6. Property, plant and equipment (continued)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2022						
	OPENING BALANCE	ADDITIONS	OTHER MOVEMENTS	TRANSFERS	DEPRECIATION	TOTAL
	R	R	R	R	R	R
Buildings	2 137 311	-	-	(45 477)	-	2 091 834
Plant and machinery	44 341 692	9 100	137 038	(1 690 462)	(1 062 652)	41 734 716
Furniture and fittings	2 602 118	50 227	(11 497)	(57 455)	(5 370)	2 578 023
Motor vehicles	8 885 318	-	-	(934 605)	-	7 950 713
Office equipment	1 293 061	-	1 143	(15 065)	(52 940)	1 226 199
Computer equipment	3 014 483	238 857	(15 755)	(268 158)	(20 181)	2 949 246
Appliances	1 910 587	-	(2 901)	(53 720)	(5 201)	1 848 765
Leased assets	147 262	-	26 256	(105 130)	-	68 388
Work in progress	28 083 994	-	-	-	-	28 083 994
	92 415 826	298 184	134 284	(3 170 072)	(1 146 344)	88 531 878

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	2022/23 R	2021/22 R
Plant and machinery	1 309 712	461 240
Other property, plant and equipment	81 792	51 582
	1 391 504	512 822

ASSETS SUBJECT TO FINANCE LEASE (NET CARRYING AMOUNT)	2022/23 R	2021/22 R
Leased assets - Office equipment	625 588	68 388

RECONCILIATION OF WORK-IN-PROGRESS 2023	INCLUDED WITHIN	TOTAL
Infrastructure		
Opening balance	28 083 994	28 083 994

	2021/22 R	2020/21 R
Expenditure incurred to repair and maintain property, plant and equipment	1 391 505	512 823
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
General expenses	1 391 505	512 823

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. Intangible assets

	2022/23			2021/22		
	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	(48 719)	-	48 719	(42 325)	6 394

Reconciliation of intangible assets - 2023

	OPENING BALANCE R	AMORTISATION R	TOTAL R
Computer software	6 394	(6 394)	-

Reconciliation of intangible assets - 2022

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

8. Finance lease obligation

MINIMUM LEASE PAYMENTS DUE	2021/22 R	2020/21 R
- within one year	319 058	25 326
- in second to fifth year inclusive	428 101	-
	747 159	25 326
less: future finance charges	(76 075)	-
Present value of minimum lease payments	671 084	25 326
Present value of minimum lease payments due		
- within one year	269 362	25 326
- in second to fifth year inclusive	401 722	-
	671 084	25 326
Non-current liabilities	401 723	-
Current liabilities	269 362	223 988
TOTAL	671 085	223 988

It is entity 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 9% (2022: 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.

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9. Payables from exchange transactions

	2022/23 R	2021/22 R
Trade payables	120 182	1 490 294
Income received in advance	810 729	300 651
Stabilisation fund	106 541	106 541
Medical account	204 845	204 845
Accrued leave pay	5 249 375	4 505 272
Accruals	6 152 344	6 515 607
Deposits received	86 889	4 743 798
Department of Employment and Labour Claims	23 312 686	-
	36 043 591	17 867 008

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

Other Creditors

Other creditors comprise of the amount claimed by the Department of employment and labour for expenditure paid on behalf of SEE on a monthly basis. The Department of employment and labour paid for services such as rent; employee cost; municipal rates and taxes and other operating expenses on behalf of the entity and subsequently claim the amount paid from SEE. The current balance of R23 312 686 represent the amount claimed by the Department of employment and labour and not yet paid by the Supported Employment Enterprise.

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	2022/23 R	2021/22 R
10. VAT payable		
VAT	-	107 963
11. VAT receivable		
VAT	2 145 731	-
12. Revenue from exchange transaction		
Sale of goods	53 535 774	28 474 192
Rendering of services	8 144	13 166
Other Income	263 785	160 635
	53 807 703	28 647 993
The amount included in revenue arising from exchanges of goods or services are as follows:		
Sale of goods	53 535 774	28 474 192
Rendering of services	8 144	13 166
Other Income	263 785	160 635
	53 807 703	28 647 993
13. Cost of sales		
Sale of goods		
Opening Inventory	8 084 952	7 735 880
Direct Material	38 405 268	24 297 325
Direct Labour	7 386 920	4 009 776
Variable Manufacturing Overheads	18 223 776	9 892 251
Fixed Manufacturing Overheads	1 899 065	1 103 012
Stock Adjustment	-	(59 737)
Closing Inventory	(8 224 426)	(8 084 952)
	65 775 555	38 893 555
Rendering of services		
Transport Cost to Customers	5 377 897	499 955
	71 153 452	39 393 510

SUPPORTED EMPLOYMENT ENTERPRISES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

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	2022/23 R	2021/22 R
14. Interest income		
Interest revenue		
Bank	1 545 032	1 070 799
Trade and other receivables	1 057 850	466 063
	2 602 882	1 536 862
15. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Equipment		
• Contractual amounts	114 942	528 788
Gain/(loss) on sale of property, plant and equipment	(2 060 489)	(2)
Impairment on property, plant and equipment	-	1 146 345
Reversal of impairment on intangible assets	(6 393)	(16 240)
Depreciation on property, plant and equipment	252 810	3 157 534
Employee costs	62 498 111	31 166 966
16. Lease rentals on operating lease		
Equipment		
Contractual amounts	114 942	528 788
17. Finance costs		
Finance leases	46 093	8 766
Interest and penalties on late payments	108 104	5 720
	154 197	14 486
18. Auditors' remuneration		
Fees	2 541 840	2 357 312

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	2023 R	2022 R
19. Revenue from Non - exchange transactions		
Service in kind- revenue	28 766 052	32 542 015
Grant Income	-	184 511
Transfers (Department of Employment and Labour)	166 486 000	162 266 000
	195 252 052	194 992 526
The amount included in other revenue arising from exchanges of goods or services are as follows:		
Canteen Services	-	243
Commission Received	45 269	51 468
Discount Received	214 440	108 925
	259 709	160 636
The amount included in other revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Grant Income	-	184 511
Transfers (Department of Employment and Labour)	166 486 000	162 266 000
Service In Kind	27 806 187	32 542 015
	194 292 187	194 992 526
20. Employee related costs		
Salaries, allowances and bonuses	157 845 888	156 891 070
Key Management Personnel		
Ms. M Sebaka - Chief Financial Officer		
Basic Salary	773 768	617 964
Allowances and Contributions to UIF, Medical and Pension Funds	299 816	407 702
Service Bonus	64 481	62 603
	1 138 065	1 088 269
Mr. V Pillay - Director: ICT		
Basic Salary	811 641	762 510
Allowances and Contributions to UIF, Medical and Pension Funds	401 374	347 239
	1 213 015	1 109 749
Ms. G Manamela - Director: Operations		
Basic Salary	714 495	693 685
Allowances and Contributions to UIF, Medical and Pension Funds	440 787	425 953
Service Bonus	59 541	56 952
	1 214 823	1 176 590

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	2023 R	2022 R
Ms. KW Tselane - Director: Human Resource Management and Special Projects		
Basic Salary	747 138	717 450
Allowances and Contributions to UIF, Medical and Pension Funds	466 546	440 148
Service Bonus	62 261	59 567
Long Service Award	-	29 064
	1 275 945	1 246 229
Mr. S Phakathi - Chief Executive Officer		
Basic Salary	915 635	518 563
Allowances and Contributions to UIF, Medical and Pension Funds	362 708	205 733
Service Bonus	76 302	18 469
	-	-
	1 354 645	742 765
Mr. DH Matsepe - Acting Director : Business development		
Basic Salary	548 320	540 601
Allowances and Contributions to UIF, Medical and Pension Funds	425 704	407 486
Service Bonus	46 760	44 727
	1 020 784	992 814
Mr. Matsepe was appointed as Acting Director: Business Development with allowance with effect from 3 June 2021 and subsequently appointed from 07 March 2023		
21. Service in kind		
Administrative salaries - Department of Employment and Labour	-	3 674 373
Internal Audit - Department of Employment and Labour	124 217	265 439
Municipal payment - Department of Employment and Labour	835 647	580 811
Expenditure for free use of property	27 806 188	28 021 392
	28 766 052	32 542 015
22. Allowance for debt impairment and impairment losses		
Contributions to debt impairment allowance	1 392 518	2 234 231
23. Depreciation and amortisation		
Property, plant and equipment	252 810	3 157 534

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	2022/23 R	2021/22 R
24. Cash generated from (used in) operations		
Surplus/(deficit)	(22 220 751)	(20 500 328)
Adjustments for:		
Depreciation, impairment and amortisation	8 315 112	4 320 118
(Gain)/loss on sale of assets and liabilities	(2 060 489)	-
Other movements	-	5 738
Finance costs	-	14 486
Debt impairment	3 217 478	1 142 231
Movements in operating lease assets and accruals	92 544	-
Movements in provisions	-	(651 590)
Inventory write down	-	578 214
Losses	1 088 718	-
Losses on lease termination	3 461	-
Changes in working capital:		
Inventories	(2 860 329)	4 068 845
Receivables from exchange transactions	2 476 564	1 470 092
Other receivables from non-exchange transactions	108 104	-
Payables from exchange transactions	17 375 179	2 145 286
VAT	(2 253 694)	47 314
	3 281 897	(7 359 594)

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	2023 R	2022 R
25. Financial instruments disclosure	At amortised cost	Total
Categories of financial instruments		
2023		
Financial assets		
	At amortised cost	Total
Cash and cash equivalent	23 077 625	23 077 625
Trade and other receivables from exchange transactions (Excluding prepayments)	23 466 007	23 466 007
Other receivables from non-exchange transactions	1 092 000	1 092 000
	47 635 632	47 635 632
Financial liabilities		
Finance lease obligation	671 085	671 085
Trade and other payables from exchange transactions	29 787 967	29 787 967
	30 459 052	30 459 052
2022		
Financial assets		
	At amortised cost	Total
Cash and cash equivalent	21 610 664	21 610 664
Trade and other receivables from exchange transactions (Excluding prepayments)	22 760 242	22 760 242
Other receivables from non-exchange transactions	1 092 000	1 092 000
	45 462 906	45 462 906
Financial liabilities		
	At amortised cost	Total
Finance lease obligation	223 988	223 988
Trade and other payables from exchange transactions	13 156 891	13 156 891
	13 380 879	13 380 879

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	2023 R	2022 R
26. Commitments		
26.1 Authorised operational expenditure		
Already contracted for but not provided for		
Total operational commitments	128 956 297	117 697 128
Total operational commitments		
Already contracted for but not provided for	128 956 297	117 841 120
Total commitments		
Total commitments		
Authorised operational expenditure	128 956 297	117 841 120
26.2 Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	640 370	604 123
- in second to fifth year inclusive	107 745	748 115
	748 115	1 352 238

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.

27. Contingencies

27.1 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 01 April 2017.

The long service award liability is reviewed at year-end and adjusted to reflect the current best estimates. The current criteria to qualify for the long service award is as follows:

- For a period of five (5) years an award equivalent to R2 500.00
- 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

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-years, a cash amount equivalent to service is R21 797. For a period of forty-years a cash amount equivalent to service is R 29 064.

An employee who has rendered ten-years or more of continuous service is eligible to a certificate and an increase in annual leave entitlement of absence.

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27.2 Supplier invoices on hold

The Entity has put on hold the payment of invoices for the supplier amounting to R1 287 470 (2022:R235 309) due to insufficient evidence that need to be obtained from the supplier to corroborate the amount owed by the entity.

	2023	2022
Long Service Award-VIP	34 215 000	36 725 000
Long Service Award-PERSAL	7 912 547	7 345 809
Subtotal	42 127 547	44 070 809
	42 127 547	44 070 809

	2023	2022
Invoice on hold	1 287 470	235 309
Subtotal	1 287 470	235 309

	2023 R	2022 R
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28. Related parties

Relationships		
Controlling entity- Department of Employment and Labour		
Entities under common control		
Commission for Conciliation, Mediation and Arbitration		
Compensation Fund		
National Economic Development and Labour Council		
Productivity South Africa		
Unemployment Insurance Fund		
All National spheres of Government of South Africa		
Members of key management-Refer to note 20		
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Commission for Conciliation, Mediation and Arbitration	36 474	118 831
Compensation Fund	318 423	507 909
Unemployment Insurance Fund	-	47 640
Department of Employment and Labour	663 165	1 813 366
Provision for doubtful debts related to outstanding balances with related parties		
Commission for Conciliation, Mediation and Arbitration	35 747	116 804
Compensation Fund	318 423	507 908
Unemployment Insurance Fund	-	47 640
Department of Employment and Labour	702 315	1 642 691

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RELATED PARTY TRANSACTIONS

Sales to related parties (Including finance charges)		
Commission for Conciliation, Mediation and Arbitration	6 062	45 991
Department of Employment and Labour	1 495 041	2 151 690
Services in-kind (From/to) related parties		
Department of Employment and Labour	28 766 052	32 542 015
Transfers received from related parties		
Department of Employment and Labour	166 486 000	162 266 000
Grant income - Department of Employment and Labour	-	184 511
All related parties transactions are at arm's length unless stated otherwise.		

29. 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:

29.1 Inventories

In 2022, the conversion cost of the manufactured inventory was systematically allocated as the cost of inventory using the normal capacity that was based on runtimes that had no approved supporting documents, resulting in a misstatement. As a result the prior year runtimes, where restated with the current runtimes that have sufficient supporting documents. The inventory was revalued by applying the standard cost technique to allocate the conversion cost of raw material in to finished goods. This resulted an increase in closing inventories of finished good for 2022 by R4 862 451 to R68 323 167.

29.2 Property, Plant and Equipment

In 2023 assets verification was conducted and assets were found to not have been recorded resulting in a misstatement of the property, plant and equipment. The cost of property, plant and equipment was restated with R2 204 533.

29.4 Cost of Sales

In 2022, cost of sales was overstated by including abnormal fixed overheads in the cost of inventory sold, as a result the cost of sales of 2022 was adjusted with R60 460 102 after the cost of inventory was revalued using standard cost technique of allocating production costs. The cost of sales was calculated based on weighted average cost method.

29.5 Receivables from non-exchange transactions

In 2022 receivables from non-exchange with an amount of R1 092 000 that was passed due was overstated as provision of impairment was not raised. An amount of R1 092 000 was raised as impairment of debtors.

29.6 Movement in NRV

As a result of prior year error on inventory the NRV for 2022 was overstated by R1 759 854 an adjustment of R1 759 854 was made to prior year's provision for net realisable value.

29.7 Other Operating Expenses

In 2022 the other operating expenses line item was understated by R61 727 126 and was adjusted to R207 451 355 due to the following line items:

In 2022 the abnormal labour idle time was understated by R26 635 597 due to incorrect labour rate used to allocate the cost of labour as part of inventory cost. The corresponding figure for abnormal labour idle time was restated to R120 005 068.

In 2022, cost of sales was overstated by including abnormal fixed overheads in the cost of inventory sold, as a result the cost of sales adjustment of 2022 was adjusted with R-2 320 343 after the cost of inventory was revalued using standard cost technique of allocating production costs. The cost of sales was calculated based on weighted average cost method.

In 2022 receivables from non-exchange with an amount of R1 092 000 that was passed due was overstated as provision of impairment was not raised. An amount of R1 092 000 was raised as impairment of debtors.

In 2022 under/over recovery of fixed overheads was understated by including abnormal fixed overheads in the cost of inventory sold, as a result the under/over recovery of fixed overheads of 2022 was adjusted with R36 477 229 after the cost of inventory was revalued using standard cost technique of allocating production costs. The cost of sales was calculated based on weighted average cost method.

In 2022 under/over recovery of variable overheads was not recognised by including abnormal variable and fixed overheads in the cost of inventory sold, as a result the under/over recovery of variable overheads of 2022 was adjusted with R-158 712.00 after the cost of inventory was revalued using standard cost technique of allocating production costs. The cost of sales was calculated based on weighted average cost method.

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

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29.8 Commitments

In the financial year 2021/22 the commitments were understated by R143 992.00 due to error, the corresponding figures have been adjusted.

29.9 Accumulated fund

As a result of the above adjustment to the individual line items in 2022 financial year the opening accumulated fund was restated by R5 482 120 to R189 258 885.

STATEMENT OF FINANCIAL POSITION 2022	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Inventories		63 460 752	4 862 415	68 323 167
Property, plant and equipment		86 327 345	2 204 533	88 531 878
Receivables from non-exchange		1 092 000	(1 092 000)	-
Accumulated fund		(183 776 765)	(5 482 120)	(189 258 885)
		(32 896 668)	492 828	(32 403 840)
Statement of financial performance				
Cost of sales		99 853 610	(60 460 100)	39 393 510
Operating expenditure		145 724 225	61 727 126	207 451 351
Movement of NRV		(578 212)	(1 759 854)	(2 338 066)
Surplus for the year		244 999 623	(492 828)	244 506 795

Cash flow statement

30. 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.

30.1 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 2023	LESS THAN 1 YEARS	BETWEEN 1 AND BETWEEN 2	BETWEEN 2 AND BETWEEN 5	OVER 5 YEARS
	R	R	R	R
Finance lease obligation	295 174	319 058	109 043	-
Payables from exchange transactions	44 723 362	-	-	-
At 31 March 2022	Less than 1 year			Total
Finance lease obligation	25 326	-	-	-
Payables from exchange transaction	17 867 009	-	-	-

SUPPORTED EMPLOYMENT ENTERPRISES TRADING AS SERVICE PRODUCTS

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Risk management (continued) 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:

	2023	2022
Cash and cash equivalent	23 079 051	21 610 664
Receivables from exchange transactions	24 257 626	22 720 408
Receivables from non-exchange transactions	1 092 000	1 092 000

Trade receivables that have been impaired and provided amounting to R16 106 211 as 31 March 2023 (2022: R14 713 694) have been disclosed. This exposes the entity to the credit risk with regards to the recoverability of these debts.

THE AGEING FOR THE IMPAIRMENT AMOUNT IT IS AS FOLLOWS:

	2023	2022
Current (0-30 days)	147 032	29 808
31-60 days	1 539	137 411
61-90 days	37 282	3 146
91-120 days	409 217	157 153
Greater than 120 days	15 511 141	14 386 170
	16 106 211	14 713 688

DEBTORS PAST DUE, NOT IMPAIRED:

	2023	2022
0 - 30 days	7 903 581	7 953 827
31 - 60 days	83 273	22 535
61 - 90 days	164 561	30 582
91 - 120 days	-	-
Greater than 120 days	-	-
	8 151 415	8 006 944

Market risk

Interest rate risk

Interest rate risk is defined as the risk that the fair value of future cash flows associated with a financial instrument will fluctuate in the amount as a result of market interest rate changes. There were no change in the entity's interest rate risk management policy during the current financial year.

The entity's financial instruments attract interest at rates linked directly to the prime bank overdraft rate. The effective interest rate used by the entity is the prime interest rate.

In the case of receivables whose accounts become in arrears it is endeavoured to collect such accounts by levying penalty interest charges alternatively demand for payment and as last resort handed over for collection in terms of the entity receivables management policy. The interest rate that was charged for receivables as at 31 March 2023 is 10.25% (2022: 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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	2022/23 INTEREST RATE		2021/22 INTEREST RATE	
Cash and cash equivalent	23 079 051	3.5%	21 610 664	3.5%
Receivables from exchange transactions	24 257 626	10.25%	22 720 408	10.25%
(Excluding pre-payments)				
Receivables from non-exchange transactions	1 092 000	0%	1 092 000	0%
Finance lease obligation	696 897	10.35%	223 988	10.35%
Payables from exchange transactions	35 242 187	Depends on Supplier Contract	17 867 009	Depends on Supplier Contract
Subtotal	84 367 761		63 514 069	
	84 367 761		63 514 069	
31. Operating lease				

Describe the lessee's significant leasing arrangements which include:

- basis on which contingent rent payable is determined
- the existence and terms of renewal or purchases options and escalation clauses; and
- restrictions imposed by lease arrangements, such as those concerning return of net surplus, return of capital contributions, dividends or similar distributions, additional debt and further leasing.

32. Going concern

We draw attention to the fact that at 31 March 2023, the entity had an accumulated surplus (deficit) of R 152 240 632 and that the entity's total liabilities exceed its assets by R 152 240 632.

The Supported Employment Enterprise (SEE) is a Government Component under the Department of Employment and Labour (DEL) established in terms of Employment Services Act (ESA) to promote work and employment opportunities for persons with disabilities and is managed in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

Financial relationship

SEE has operations in various factories across provinces that manufacture wood, linen and steel products for purpose of trading at an arm's length. SEE is trading as Service Products and is required to prepare its Annual Financial Statements in accordance with GRAP as per Accounting Standard Board (ASB) mandated in accordance with PFMA of 1999 (as amended by Act 29 of 1999). SEE is financed from:

- money appropriated by Parliament for this purpose
- income earned from services rendered by it
- grants or donations made to it
- money received from any other source.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities contingent obligations and commitments will occur in the ordinary course of business.

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GOING CONCERN ASSESSMENT

We draw attention to the fact that at 31 March 2023, the entity had an accumulated surplus of R133 995 455 and that the entity's total assets exceed its liabilities by R133 995 455.

Management is not aware of any events or conditions that 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 operate as a Chief Directorate of the Department of Labour and has been in operation for the past 80 years
- The entity is funded through National Treasury Grant Allocation as well as revenue generated from sales of goods and services. In the financial year under review, National Treasury grant allocation amounts to 76% of the entity revenue and 24% from sales. This is an improvement in revenue growth compared to prior year of 15% income from sales
- The annual performance plan for 2023/2024 financial year targets to increase sales revenue by 10% through secured MOUs with customers to further improve internal generated funding capacity
- Current assets of R104 509 218 exceeding current liabilities of R18 198 959.

Entity had a significant increase in sales revenue of 82% from a decline of 32% in prior year sales. Current year National Treasury allocation amounted to R166 486 000 (3% increase from prior year) and the total revenue amounted to R218 195 599. The entity is still expected to receive National Treasury grant allocation in 2023/2024 of R167 160 000 and a further funding of R20 000 000 for capital works totaling to R187 160 000. 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 further increase current budget sales revenue.

CONCLUSION

It is then 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

No events after reporting date.

34. Irregular Expenditure and Fruitless and wasteful expenditure

	2023 R	2022 R
Irregular Expenditure	228 954	357 361
Fruitless and wasteful expenditure	1 196 823	670 000
Closing balance	1 425 777	1 027 361
There is no fruitless and wasteful expenditure condoned both in prior year and current year.		
Amounts of material losses through criminal conduct		
Inventory Theft and Losses	1 088 719	575 938

SUPPORTED EMPLOYMENT ENTERPRISES**TRADING AS SERVICE PRODUCTS****ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****35. Budget differences**

Material differences between budget and actual amounts

Sale of goods

Sales increased due to additional orders from North West and Northern Cape on school furniture

Rendering of services

Rendering of services on transportation not charged as anticipated due to deliveries not completed as at year-end

Conditional Grant

Conditional grant was incorrectly budget for as funding was received in prior year for ICT enhancement project

Other income

Difference is attributed to discount received on early payments and commission received on administration fee for third party payments relation to employees' deductions

Revenue from services in kind

Services in kind was not budgeted for as item is in both income and expenditure with no financial impact

Interest received

Higher interest were received on excess funds in the bank relating unutilised ICT funding

Employee cost

Difference was as a result of adjustment on employee cost to estimate/make provision for vacancies as well as salary increases.

Depreciation and amortisation

Difference in decrease is attributed to derecognition of assets due to closure of Durban factory as well as revised useful lives.

Finance costs

Difference is as a result of interest and penalties on late payments of invoices.

Lease rentals on operating lease

Budget inclusive of lease budget for new contracts on printing machines for entire term contract.

Allowance for debt impairment

Debt impairment was not budgeted.

Cost of sales adjustments

Cost of sales adjustments not budgeted as is driven by cost valuation as part of inventory valuation process.

General expenses

Difference is attributed to expenses incurred on administration and operational expenses which were under-budgeted due to insufficient funds

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36. Operating lease asset (liability)

	2023 R	2022 R
Current liabilities	(92 544)	-

37. Other Operating Expenses

	2023 R	2022 R
Advertising	251 616	40 226
Auditors remuneration	2 541 840	2 357 312
Debt Impairment	1 392 518	2 234 231
Bank charges	237 461	183 586
Cleaning	267 579	3 954
Cost of Sale Adjustment	1 343	-
Consulting and professional fees	1 929 492	986 860
Consumables	13 714	(41)
Depreciation, amortisation and impairments	259 203	2 629 657
Employee costs	62 498 111	32 857 428
Entertainment	563 681	6 603
Canteen expenses	176 819	107 630
Under or over recovery fixed overheads	33 368 244	36 477 229
Occupational health and safety expense	42 539	250 851
internet services	481 123	309 780
Lease rentals on operating lease- Vehicle	114 942	528 788
Loss disposal of assets and liabilities	2 060 489	2
Motor vehicle expenses	11 604	64 623
Losses	1 088 718	664 280
Printing and stationery	134 276	51 632
Repairs and maintenance	382 130	159 589
License fees	227 064	545 548
Staff welfare	298 889	-
Telephone and faxes	1 429 415	400 671
Training	286 211	511 097
Travel - local	2 743 787	1 141 462
Utilities	1 497 882	570 023
Service in kind	959 865	4 520 623
Abnormal labour idle time	87 783 462	120 005 068
Under/Over recovery variable overheads	(7 848 759)	(158 712)
IT expenses	1 674 199	-
Loss on lease termination	3 461	-
Seminars, conferences and workshops	-	1 355
	196 872 918	207 451 355





ISBN No
978-0-621-51456-8

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286/2023

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