ANNUAL REPORT

DEPARTMENT OF
EMPLOYMENT AND LABOUR

2023/24
FINANCIAL YEAR

employment & labour

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REPUBLIC OF SOUTH AFRICA

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The Director-General

I have the honour of submitting the Annual Report of the Department of Employment and Labour for the period 2023/2024

.....

Ms Onke Mjo

ACTING DIRECTOR-GENERAL

ORGANISATIONAL STRUCTURE

TOP LEADERSHIP

Ms P Mgcina

Deputy Minister of Employment and Labour

Ms N Meth

Minister of Employment and Labour

Mr J Sibiya

Deputy Minister

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 > SEE Sheltered Employment Enterprises

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LIST OF ABBREVIATIONS/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
PwD	Persons with Disabilities
R&S	Recruitment and Selection
SADC	South African Development Council
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SEE	Sheltered Employment Enterprises
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Services
SP	Strategic Plan
SPEEXS	Situation Specific Evaluation Expert System (used for Psychometric Assessments)
TID	Technical Indication Description
TR	Treasury Regulations
UIF	Unemployment Insurance Fund

PART A
GENERAL INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

FOREWORD BY THE MINISTER

The 2023/2024 Financial Year (FY) has demonstrated the resilience of the Department of Employment and Labour in operationally executing its mandate as we navigate the geopolitical challenges of the Russia-Ukraine war, rising global inflation, and ongoing macroeconomic volatility. It has been a difficult year from a macroeconomic perspective, with our economy facing stubborn fiscal constraints, leading to the National Treasury imposing cost-containment measures. During the FY, inflation has grown by 5.9%, while GDP, since 2008, has shown an increase of 1.0%, which is associated with both formal and informal employment.

The Department of Employment and Labour plays a key role in the economy of our country and is a vital agent of social transformation within South Africa's labor and economic landscape. The 7th Administration marks 30 years since our country achieved a democratic dispensation and since the establishment of the Department of Labour, which was mandated to regulate labour-related aspects of the economy. Under the 6th Administration, the Department underwent significant transformation, drastically impacting the lives of South Africans. It has also played a crucial role on the international stage by advocating for the transformation of the labour and economic landscape in terms of policy, governance, and organizational development.

The 7th Administration is characterized by the Government of National Unity (GNU) and guided by the GNU Statement of Intent, which prioritizes the development of South Africa as central to growing the economy, promoting capital investment and industrialization, creating jobs, supporting livelihoods, and implementing structural reforms and transformational changes. As a result, the Department of Employment and Labour will play a critical role in transforming the labor market for sustainable economic growth. This will be achieved through the use of appropriate legislation and regulations, inspection, compliance monitoring and enforcement, protection of human rights, provision of employment services, promotion of equity, social and income protection, and fostering social dialogue.

In executing the Department's strategy, which is aligned with its constitutionally designated mandate, the Department will ensure the maintenance of good governance, transitioning from an unqualified audit to achieving a clean audit. By focusing on the Department's operational functionality, we will ensure that internal stakeholders are supported to optimize workforce productivity and enhance system improvements. The 7th Administration will expand the Department's efforts to increase the scale of impact on our stakeholders.

After the Department was reconfigured under the 6th Administration with the integration of Employment, its mandate was extended to include job retention and preservation. This reconfiguration occurred against the backdrop of a slight increase in unemployment, with Statistics South Africa (Stats SA) reporting a rise in the unemployment rate from 31,9% to 32,1% in the fourth quarter (Q4) of 2023. The 7th Administration, through collaborative efforts, will focus on retaining employment and fostering a sectoral economic environment that not only mitigates the rise in unemployment but also creates new job opportunities.

We have made commitment to improving our financial position and performance to achieve a clean audit in the 2024/2025 FY. The Department was allocated R4 016 714 000 for 2023/2024 and utilized R3 995 980 000 which amounts to 99.4% of the allocated budget. The Department's financial performance in the 2023/2024 FY year demonstrated improvement and resilience, which we will further enhance in the 2024/2025 FY year.

In the 2023/2024 FY year, the Department worked relentlessly to improve and achieve the Key Performance Indicators and targets set out in the Revised Annual Performance Plan (APP) 2023/2024 FY. From an operational and program perspective, the total

number of planned programs was 36, of which 29 (81%) were achieved, leaving 7 targets unmet (19%). This represents a significant improvement compared to the 72% performance in 2022/2023. In the 2024/2025 FY year, the Department will optimize its operational and administrative functions to meet 100% of the targets set in the revised APP.

I want to acknowledge the excellent work the Department has done in enforcing compliance with the Employment Equity Act of 1998, the Occupational Health and Safety Act of 1993, the Basic Conditions of Employment Act of 1997, the Employment Service Act of 2014, the Labour Relations Act of 1995, and the National Minimum Wage Act of 2018 under 2023/2024 FY. The National Roving Teams augmented their blitz program, focusing on high-risk and problematic sectors to ensure compliance with the country's laws. During the 2023/2024 FY year, 169 295 inspections were conducted under the National Minimum Wage Act and the Basic Conditions of Employment Act, and the Department carried out 3 152 inspections across various provinces to promote equity in the labour market. This was achieved under challenging conditions, as many companies, particularly small and medium enterprises, were struggling to comply while recalibrating post-COVID-19 pandemic.

Despite the challenges posed by the external environment, the Department continues to deliver consistently on its Annual Performance Targets, which underpin our ongoing efforts to improve citizens' livelihoods. The Department's success in achieving its strategy

and targets, as outlined in the 2023/2024 Annual Performance Plan (APP), is attributed to the combined strength of our agencies' leadership, operational agility, and a continuous focus on innovation.

In collaboration with the UIF, as the Department's delivery agency, the 2023/2024 FY year saw work in progress with PricewaterhouseCoopers (PwC) Inc. on the unbundling of the Compensation Fund (CF) and Unemployment Insurance Fund (UIF). This initiative is aimed to repositioning both agencies to enhance service delivery to citizens and optimize their business processes for faster responses. It is anticipated that the project will end in 2024/25 financial year.

The UIF's Labour Activation Programme, a flagship initiative for the 2023/2024 FY year, significantly improved customer and citizen satisfaction by assisting employers with registration, declarations, UIF contributions, and education on UIF-related services. The programme's impact included the preservation of 8,500 jobs and the participation of over 75,000 UIF beneficiaries in the employability scheme, aimed at reintegrating them into the job market. Additionally, UIF's income from investments increased by 10.74%, driven by improved economic conditions both locally and globally. UIF investments are managed through funds streamed to the Industrial Development Corporation (IDC) and the Public Investment Corporation (PIC).

The Department's commitment to supporting South African workers is exemplified by the work of the Compensation Fund in its service delivery efforts. The CF focused on its business turnaround strategy to enhance the adjudication of claims and medical claims, aiming to deliver more efficiently. During the 2023/2024 FY year, improvements were made through enhancements in business processes and systems to achieve the target of adjudicating claims within 25 days.

Furthermore, through the National Economic Development and Labour Council (NEDLAC), the Department has made significant strides in building a social compact by strengthening social dialogue. In the 2023/2024 FY year, NEDLAC focused on enhancing consultations with social partners on the National Labour Migration Policy (NLMP) and the Employment Services Amendment Bill (ESAB). Additionally, to address issues related to migration, NEDLAC conducted workshops for social partners on Labour Migration. On 31 March 2024, the final Framework on Social Compact was developed, tabled, and adopted at NEDLAC. Given South Africa's diversity in race and ethnicity, this social compact will contribute to building social cohesion in our country.

Moreover, the Employment Equity Amendment Bill was passed by Parliament through the National Council of Provinces and the National Assembly on 17 May 2022. Consequently, the Employment Equity Amendment Act, No. 4 of 2022, was enacted into law on 6 April 2023 and published in the Government Gazette on 14 April 2023. This represents a significant achievement for the Department in collaboration with NEDLAC, as it supports transformative work across various sectors of the economy.

The Department, through Productivity South Africa (SA), aims to promote workplace productivity, competitiveness, and social plan interventions. During the 2023/2024 FY year, Productivity SA continued to enhance productive capacity in South Africa by improving labour practices. Productivity SA also focused on building institutional capacity in small businesses to help them remain competitive. This was achieved through project management skills development and collaboration with other government agencies.

The Department continues to prioritize the development of a better Africa and the world in alignment with Agenda 2063 and the African Union's Pan-African Vision of an integrated, prosperous, and peaceful Africa, driven by its own citizens and representing a dynamic force on the international stage. During the 2023/2024 FY year, the Department successfully hosted and chaired the BRICS presidency for 2023. For the first time, the Employment and Labour sector adopted a program of action on the productivity ecosystem platform for decent work under South Africa's leadership. Additionally, South Africa facilitated effective participation in the International Labour Conference to ensure a coherent Southern African Development Community (SADC) approach at the International Labour Organization (ILO).

In the 2024/2025 FY we will strive to strengthen the employment mandate of the Department through collaborations and partnerships with public and private sector. Compliance with labour laws will be strengthened to build a productive economy that enables various industries to create jobs.

MS N METH

Minister of Employment and Labour

Date: 30 August 2024

FOREWORD BY THE DEPUTY MINISTER

The 2023/24 Financial Year (FY) was challenging, but the Department's performance demonstrated its resilience in fulfilling its key mandate of improving the livelihoods of our citizens. The Department of Employment and Labour, as part of the economic cluster, plays a crucial role in supporting the economic growth of our country. Recently, Statistics South Africa (StatsSA) reported that unemployment increased by 0.8% in the last quarter, which is a setback in our strategic fight against unemployment.

South Africa is facing turbulent challenges from the global financial market, including the currency volatility of the South African rand against the dollar, load shedding, the persistently increasing price of oil, and the ongoing consequences of the COVID-19 pandemic. These are all contributing factors that pose challenges to the South African labour market. During the 2023/24 FY, we saw job creation by both the private and public sectors, which signified a positive outcome for consumer spending, directly impacting market demand and ultimately contributing to job creation. The jobs created in the 2023/24 FY reflect the growing resilience among businesses against the impact of load shedding. The Department strongly believes that the pipeline for large-scale solar projects is improving the economic outlook and employment growth, as seen in the 2023/24 FY, and will continue to do so in the 2024/25 FY.

TOWARDS A MORE RESILIENT AND RESPONSIVE DEPARTMENT

The Department demonstrated great resilience in the 2023/24 FY. This resilience is due in large part to the dedication of the Department's staff and the strategic vision of our predecessors in steering the Department towards success. During the 2023/24 FY, the Department had a budget allocation of R4 092 225 000 from Vote 31 for Employment and Labour, including a transfer payment of R1 853 177 000. However, this budget was allocated after a reduction of R75 511 000 (1.84%) during the adjustment budget process, resulting in a final budget allocation of R4 016 714 000.

From a public financial reporting perspective, this meant that the Department had to strategically manage the budget to ensure it met its mandate and fulfilled its constitutional obligations in both capital expenditure (Capex) and operational expenditure (Opex). Despite these challenges, the Department spent R3 995 980 000 against the allocated budget, reflecting an expenditure level of 99.4%. This is a commendable and exceptional achievement by the Department, especially given the difficulties of the 2023/24 FY, enabling it to be responsive to the needs of citizens.

During the 6th Administration, the scope of the Department was extended from being the Department of Labour to include the Employment mandate. This expansion involves not only retaining but also extensively building a conducive environment for job creation by the private sector and our State-Owned Enterprises. Overall, the Department responded positively to the challenges faced by our country. As mentioned above, unemployment increased by 0.8% in the last quarter. However, in the second quarter of 2023, employment in both the formal and informal sectors increased by 154 000 (1.0%). These jobs were 5.0% (784 000) higher compared to Q2 of the 2022/23 FY. This was a substantial increase in jobs, especially given the weak economic growth caused by factors such as local and international supply chain disruptions.

MODERNISATION OF THE DEPARTMENT AND SERVICE DELIVERY

One of the key factors in boosting productivity and enhancing performance levels within the Department is the cultivation of a high-performance, ethical

culture. The Department must leverage technology and digital trends to augment its performance, especially given the constraints of a limited budget. Technologies such as virtual reality and Generative AI can play a significant role in improving our systems.

However, in the 2023/24 FY, there was minimal investment in technology and digital initiatives. The Auditor General South Africa (AGSA) raised concerns regarding procurement issues in securing departmental technologies, but the Department is taking the necessary steps to modernize. Securing advanced technologies can enhance productivity and support the development of an ethical culture of performance.

In the FY under review 2024/25, the Department will apply consequence management. The outcomes from FY 2023/24 will be reflected in the Department's strategy, ensuring that necessary corrective actions are taken to enhance both the financial performance and overall position of the Department.

The Department, in collaboration with its implementing agencies—Unemployment Insurance Fund (UIF), Productivity South Africa, the National Economic Development and Labour Council (NEDLAC), and the Compensation Fund (CF)—is on track to improve service delivery to citizens by focusing on their needs. Our entities are under pressure to deliver better performance for citizens at a low cost, all within a high-stakes, often opaque environment of unprecedented change.

In the 2023/24 FY, the UIF and CF unbundling process aimed at optimising these entities and enhancing their business strategies to ensure they remain citizen-centred commenced. The UIF focused on modernizing its delivery methods and transforming its business strategy to expand its service delivery. It is anticipated that the project will end in 2024/25 financial year. The Department will continue to support NEDLAC in building a socially equitable society through its social partners, as demonstrated by its performance in the 2023/24 FY.

Furthermore, the Department continues to strengthen its core mandate by reinforcing inspections across various sectors, as mandated by the Employment Equity Act of 1998, the Occupational Health and Safety Act of 1993, the Basic Conditions of Employment Act of 1997, the Employment Service Act of 2024, the Labour Relations Act of 1995, and the National Minimum Wage Act of 2018. In the 2023/24 FY, the Department conducted 12 421 inspections across various provinces to promote equity in the labour market. In the current FY, the Department aims to place technology at the centre of enforcement to increase the number of inspections.

Finally, I would like to thank the former Minister, Mr. TW Nxesi, Deputy Minister Ms. Moloi, and Acting DG Ms. Onke Mjo for their outstanding work during the 2023/24 FY. I also extend my gratitude to the Commissioners, Deputy Director Generals, and our staff for ensuring that the Department continues to work towards improving the livelihoods of South Africans.

MS P MGCINA
Deputy Minister of Employment and Labour
30 August 2024

FOREWORD BY THE DEPUTY MINISTER

The year 2024 marks thirty (30) years of democracy in South Africa. As we celebrate this great milestone and the gains in as far as workers' rights are concerned , we continue to draw inspiration and strength to do our work from the Freedom Charter , which declared that "there shall be work and security "and that "All who work shall be free from exploitation and protected against unfair labour practices".

The financial year under review is part of the term wherein the expanded mandate of the Department of Labour (DOL) to include 'Employment' was pronounced. This expansion of the mandate saw a new and additional focus on employment creation and the coordination of employment efforts throughout government and its agencies. This was over and above the labour market regulation mandate, that the departments continue to deliver-on in earnest.

The increasing unemployment rate suggests that, the Department of Employment and Labour and its family of entities, need to pay more attention on interventions that are aimed at creation employment, in the 7th administration. A whole of government approach and deliberate involvements of the private sector in creating decent jobs becomes our utmost priority. Through the role and leadership that South Africa plays in the International arena, we should be able to carefully draw lessons and approaches from countries which are, to a large degree , similar to South Africa. Youth unemployment challenge, as an example, requires a new way of thinking, a whole of government approach and deliberate effort to mobilise all role-players and sectors to contribute. The focus on the unemployment mandate does not , in any way , negates the critical responsibility to regulate the labour market through policies and programmes that were developed in consultation with social partners , lest the hard earned gains get reversed.

In terms of performance, the department recorded a commendable improvement from a 72% achievement in 2022/23 to 81% in the year under review. The overall audit outcomes remained an unqualified audit outcome as per the Auditor - General. The achievement of a clean audit remains a goal that we need to achieve working together with the administration and oversight structures. The question of good governance remains key, as we exercise oversight. Functional audit and risk management committees to manage all risks including fraud and corruption are also of paramount importance. In the year to come, there has to be an effort to augment the capacity to conduct forensic investigations whilst capacitating the current team to be able to deal with all matters as flagged by the various bodies and those that the department is processing.

There are observable service delivery challenges in the centres where the public interfaces with the department and its entities. These challenges are due to system failures, physical as well as human resources capacity shortages. As it shall be noted in this annual report, there are plans in place to address these challenges and we shall work together in our respective roles & responsibilities to ensure that the situation improves drastically. Batho Pele principles need to be complied with; service standards have to be set, communicated to the public and adhered to at all times. There is a need for a greater focus on this area of work alongside the current plans and endeavours to improve the systems, ICT and related infrastructure that is intended to ensure continues quality service delivery to the citizens throughout the Republic of South Africa. There are sixty - six projects that are registered with the Department of Public Works and Infrastructure to further increase the delivery of Department of Employment and Labour services to all communities including those in rural and remote areas.

The Supported Employment Services remains critical in the quest to advance inclusivity and support for citizens with mental and physical disabilities. It remains a

key area that need to be supported for the benefit of the vulnerable groups that it is intended to support.

Warm word of appreciation goes to the former Minister and Deputy Minister of the Department of Employment and Labour, Management team from Department of Employment and Labour and its Entities, and the entire staff complement for all the work done in 2023/2024 and the plans that were put in place.

The task ahead requires hardwork and a resolve to wholeheartedly serve so as to deal with the challenge of high unemployment (especially amongst the youth), defend and not reverse the hard-earned freedoms and liberties. As a team that is led by Minister Nomakhosazana Meth, MP and working with my fellow Deputy Minister, Ms Phumzile Mgcina, MP, supported by the capable team of official at both the Department of Employment and Labour and its Entities, I am confident that we will be able to up the ante and properly respond to the call to serve and provide leadership in the Portfolio of Employment and Labour.

All hands-on deck! ALUTA CONTINUA !

MR J SIBIYA

Deputy Minister of Employment and Labour

30 August 2024

REPORT OF THE ACCOUNTING OFFICER

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 departments and community groups. Social partners discuss and negotiate on public finance and monetary policy, labour market policy, trade and industrial policy, and development policy.

The Commission for Conciliation, Mediation and Arbitration (CCMA). An independent body established by the Labour Relations Act, No 66 of 1995. The CCMA promotes social justice and fairness in the workplace by providing high-quality, ethical, innovative and cost-effective dispute management as well as resolution services.

Supported Employment Enterprises (SEE). This entity facilitates supported employment and provides work opportunities for Persons with Disabilities. It develops and implements programmes that promote the employability of persons with disabilities, including persons with permanent disablement as defines in the Compensation for Occupational Injuries and Diseases Act No 130 of 1993, in the light of their evolving need in a changing economy, and performs any other function as may be prescribed by the Minister. The SEE has a factory network across eight of the nine provinces in the country. The entity has invested in wood and metal machinery for all the factories, which is aimed at improving production efficiency and quality. Other investment includes the procurement of vehicles suitable to enable the delivery of all manufactured products to customers on time and in a good state.

Unemployment Insurance Fund (UIF). This entity registers all employers and employees in South Africa for unemployment insurance benefits in terms of the Unemployment Insurance Act 30 of 2001 (UIA), as amended.

Compensation Fund. This entity provides for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their

employment, or for death resulting from such injuries or diseases, and to provide for matters connected therewith in terms of the Compensation for Occupational Injuries and Diseases Act 35 of 1993 (COIDA).

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

Employers

Employees

Unemployed and under-employed

Private Employment Agencies

Trade Unions and Trade Union Federations

Employer organisations

OVERVIEW OF THE RESULTS AND CHALLENGES OF THE DEPARTMENT

Results

The Annual Report represents the progress made in achieving the Key Performance Indicators and targets set out in the Revised Annual Performance Plan for 2023/24. The total number of planned Key Performance Indicators for the Financial Year 2023/24 were 36 and of these 29 (81%) were achieved and 7 (19%) were not achieved. The overall performance displays an increase as compared to the performance of the previous financial year (2022/23) with performance at 72%. 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. The reduction in budget allocations over the MTEF period as well as the cost containment request from National Treasury seriously impacted on the filling of the vacancies that came to a hold halfway through the financial year. The Department was forced to revise its establishment and verify if all the posts can be afforded. Tough decisions will have to be taken, alongside the reconfiguration of the Department and the unbundling of the Unemployment Insurance Fund and the Compensation Fund.

The continuous levels of load shedding of electricity remain a challenge for the Department through the financial year under review. Electricity is required to operate the systems required to assist our clients and also to ensure that there is sufficient water supply at the offices. Plans are in place to source the correct alternative energy resources to find the perfect solution for each office and visiting points where services are rendered.

The ageing of the Departmental ICT infrastructure is a major challenge for the workload it has to carry. The ICT world is developing faster than what the Department can afford to replace due to budget cuts.

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 2024/25:

Corporate Services Branch current and future projects adopted and the related objectives of each:

The Reconfiguration of the Department project- this project aims for the unbundling of the UIF and CF from the Department and allow them to operate as full schedule-3 Entities as stated in the PFMA. The project will also reconfigure the Department to enable a focused response to the employment mandate. It is anticipated that the project will end in 2024/25 financial year

Software Defined Network- ICT Projects looking into infrastructure is to move to anything as a service (XAAS) by starting with the foundation to move the Wide Area Network (WAN) to WANAAS and the Local Area Network (LAN) to LANAAS. This will give the Department a Software Defined Network (SDN) for ease of manageability and monitoring. This will also ensure the uptimes required for service delivery. On completion of this modernisation of infrastructure and the 10 MBPS data line upgrade to speeds the Department will be well postured to deliver efficient services to the citizens

10 MBPS data Line – Improve data line speeds to ensure no data line congestion and slow response times are experienced

HBT Rollout- Deploying a complete Voice Over IP (VOIP) solution to all Department Labour Centres

Forensic Investigation services- To appoint a Panel of Forensic Investigation Firms that can provide the Department of Employment and Labour (DEL) forensic investigation services on an as-and-when-required-basis for a period of three (3) years. This will assist with the capacitation of the Anti-Fraud and Corruption Unit, which is currently experiencing backlogs of cases pending due to capacity challenges.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Departmental Receipts	2023/24			2022/23		
	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	9 393	11 145	(1 752)	9 233	8 417	816
Fines, penalties and forfeits	1 450	820	630	1 400	1 853	(453)
Interest, dividends and rent on land	1 700	2 762	(1 062)	1 200	1 502	(302)
Sale of capital assets	477	1 783	(1 306)	150	599	(449)
Financial Transactions in assets and liabilities	5 700	5 198	502	5 150	6 637	(1 487)
TOTAL	**18 720**	**21 708**	**(2 988)**	**17 133**	**19 008**	**(1 925)**

REASONS FOR OVER/UNDER COLLECTION OF REVENUE

Total Revenue Received	2023/24	2022/23	Variance	Variance	Reasons for Variances
	R'000	R'000	R'000	%	
Sale of goods and services other than capital assets	11 145	8 417	2 728	32%	More than anticipated revenue has been received iro the renewal of OHS licences
Fines, penalties and forfeits	820	1 853	(1 033)	(56%)	Less than anticipated revenue has been received iro the issuing of fines pertaining to non-compliance to the LRA
Interest, dividends and rent on land	2 762	1 502	1 260	84%	More than anticipated revenue has been received iro interest on bank accounts
Sale of capital assets	1 783	599	1 184	198%	More than anticipated revenue has been received iro the sale of motor vehicles at public auctions
Financial Transactions in assets and liabilities	5 198	6 637	(1 439)	(22%)	Less than anticipated revenue has been received in respect of the recovery of 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	2023/24			2022/23		
	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	1 045 131	1 037 053	8 078	1 082 903	1 025 499	57 404
Inspection and Enforcement Services	608 008	600 855	7 153	617 287	587 853	29 434
Public Employment Services	1 039 641	1 037 011	2 630	1 036 481	933 893	102 588

Programme Names	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(over)/Under Expenditure	Final Appropriation	Actual Expenditure	(over)/Under Expenditure
Labour Policy and Industrial Relations	1 323 934	1 321 061	2 873	1 371 105	1 349 873	21 232
TOTAL	**4 016 714**	**3 995 980**	**20 734**	**4 107 776**	**3 897 118**	**210 658**

The original allocation for Vote 31: Employment and Labour, as included in the Estimates of National Expenditure for 2023/24, was reflected as R4 092 225 000 and included a provision in respect of transfer payments to the value of R1 853 177 000. During the 2023/24 financial year, a reduction of R75 511 000(1.84%) was allocated in the Adjustments Budget process and the final allocation for Vote 31: Employment and Labour was therefore decreased to R4 016 714 000.

As per the appropriation Statement for the Department, in respect of the 2023/24 financial year, the total expenditure defrayed against the Vote amounted to R3 995 980 000. This represents an expenditure level of 99.4%.

Variances: All variances were less than 5 percent, even though there is no law that stipulates that we should not motivate for anything less than 5 percent, in principle we do not motivate for such as the variances are immaterial.

Compensation of Employees: 1.7%

Goods & Service: 0%

Transfers and Subsidies: 0%

Payments for Capital Assets: 0.4%

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

Variances: All variances were less than 5 percent, even though there is no law that stipulates that we should not motivate for anything less than 5 percent, in principle we do not motivate for such as the variances are immaterial.

Compensation of Employees: 0.9%.

Goods & Services: 2.7%

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

Variances: All variances were less than 5 percent, even though there is no law that stipulates that we should not motivate for anything less than 5 percent, in principle we do not motivate for such as the variances are immaterial.

Compensation of Employees: 0%

Transfers and Subsidies: 0.1%

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

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

Variances: All variances were less than 5 percent, even though there is no law that stipulates that we should not motivate for anything less than 5 percent, in principle we do not motivate for such as the variances are immaterial.

Compensation of Employees: 0.7%.

Goods & Services: Underspending is mainly due to low expenditure on training due to the lack of interest for most officials, price variations due to the cheapest quotation being processed, Training and Performance organises training in line with the work place skills plan, and Sector Engagements for sector targets and CEE meeting held online resulting in an under-expenditure on Venues and Facilities.

Transfers and Subsidies: 0%

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

VIREMENT

Post the Adjusted Budget process, a Virement to the value of R41 815 000 was applied: of which (R10 340 000) was moved from Programme 1: Administration to Programme 3: Public Employment Services and (R24 060 000) was moved from Programme 2: Inspection Enforcement Services to Programme 3: Public Employment Services. (R7 415 000) was moved to Programme 4: Labour Policy & Industrial Relations.

The reason for the Virement was to correct capital allocations in respect of software, for transport equipment and from goods & services to goods & services between programs to offset other items.

UNAUTHORISED EXPENDITURE, IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE

No Unauthorised Expenditure was reported during the 2023/24 financial year. Irregular Expenditure as well as Fruitless and Wasteful Expenditure incurred during 2023/24 have been disclosed by the Department in Notes 25 of the Annual Financial Statements, which is in the Part F of this report.

The movement of balances, including Irregular and Fruitless and Wasteful Expenditure cases resolved and those under assessment, determination and investigation have been reported in Part E of this report.

PUBLIC PRIVATE PARTNERSHIPS

The Department did not enter into any Public Private Partnership (PPP) as at 31 March 2024.

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.

GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

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

Exemptions and deviations from National Treasury include:

The details of the deviations are in Part E: PFMA Compliance Report under paragraph 3 Information on Supply Chain Management and can be summarised as follows:

Financial Year:2023/2024

Programme name	Description	Company name	Total in R'000
Administration	Various Reasons	Various Companies	12 398

EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date.

Acknowledgement/s or Appreciation

The Department acknowledge 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 continued energy crisis that hampered service delivery at the various offices.

Conclusion

In conclusion, I hereby submit the Department of Employment and Labour's Annual Report for the period ended 31 March 2024.

Approval and sign-off

The Annual Financial Statements for the 2023/24 financial year are hereby approved by the Accounting Officer.

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Ms Onke Mjo

ACTING DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

DATE: 30 August 2024

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 2024.

Yours faithfully

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Ms Onke Mjo

ACTING DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

Date: 30 August 2024

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:

- 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

Ms P Mgcina

Deputy Minister of Employment and Labour

Ms N Meth

Minister of Employment and Labour

Mr J Sibiya

Deputy Minister

Employment and Labour

Ms O Mjo

Acting Accounting Officer

T Mkalipi
Acting DDG: Labour Policy and Industrial Relations

A Moiloa
DDG: Inspection and Enforcement Services

S Morotoba
DDG: Public Employment Service

T Maruping
Commissioner: Unemployment Insurance Fund

B Matebesi
DDG: Corporate Services

Ms N Sigaba
Acting Chief Operations Officer

B Maduna
Chief Financial Officer

Ms F Fakir
Acting Compensation Fund Commissioner

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
National Economic Development and Labour Council (NEDLAC)	TThe 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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Supported Employment Enterprises (SEE)	The SEE is established in terms of the Employment Services Act to provide employment for people with special disabilities in the various factories across provinces that manufacture wood, linen and steel products	Transfer payment	The Employment Services Act 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

11. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 129 for the Report of the Auditor General, published in Part F Financial Information.

12. OVERVIEW OF DEPARTMENTAL PERFORMANCE

12.1. Service Delivery Environment

The upward trend of unemployment in the country have a serious impact on the Department. As announced in quarter 4 of the financial year under review, the unemployment rate in the country has increased to 32.9%. Demographic growth is a critical factor in the South African economy and labour market. The population is now standing on 60.6 million and keeps growing with no growth in the economy to secure jobs for the growing population. Businesses remain under strain given challenging domestic business conditions. The electricity crisis impacts on investment decisions and reduced profitability through lost production and increased operating costs. This is affecting the prospects of employment growth. Global crude oil and domestic food prices remain sources of inflationary pressure.

The supply-side of the labour market remains a worrying trend. Most work-seekers have reported secondary educational achievement both from the survey and administrative (ESSA) data sources. The lack of work experience limits the potential youth work-seekers to be absorbed in the formal sector. Work-seekers also lack the relevant skills required by employers and they constitute the bulk of long term unemployed individuals.

The Department has a collaborative agreement with the Presidency (through the Project Management Office – PMO), National Youth Development Agency (NYDA) and the Government Technical Advisory Centre (GTAC). This is on the establishment and operationalisation of the Pathway Management Network as a central component of the Presidential Youth Employment Intervention through the Presidential Youth Employment Fund, to facilitate and expedite youth employment creation. The Department is also collaborating with the Department of Home Affairs on the matters of work visa's and scares skills in the country. The Department is also collaborating with other departments that have large work creation schemes running or have the need for large volumes of work-seekers, such as the Department of Public Works and Infrastructure and Department of Health by providing them with work-seekers.

Both micro and macro factors have a strong influence on how successful the Department can contribute to resolving the challenges that the country is faced with. These two environments must be taken into consideration for every decision that the Department has to take.

PES piloted the concept of a Youth Employment Centre, starting with the one at the Cape Town Labour Centre and committed to expand these centres to six (6). A lot of work was done in the post Covid-19 pandemic era, in developing a further three Centres, in Durban, New Castle and De Aar. The four centres (Cape Town, Durban, New Castle and De Aar) have been unveiled and are operational. The Eastern Cape (Mdantsane), Germiston and Johannesburg employment centres were delayed because of the readiness of the three Labour Centres, but have since been launched. PES also secured the assistance of the European Union through a joint project with the Departments of Higher Education and Basic Education, to procure and rollout 14 Mobile Employment Centres from an earlier estimated 24, due to budget cuts. The mobile centres are seen as another way of limiting the numbers at existing Labour Centres, to reach out to work-seekers wherever they are and in the process, reduce their costs of looking for employment and learning opportunities.

Our staff are being affected and demotivated due to the length of time it takes to finalise the current Collective Bargaining process between Government as an employer and its employees.

The back to office work environment is creating difficulty due to the unreliability of our IT System as we still engage with our stakeholders on a virtual platform.

12.2. 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. The beneficiaries for the services of the Department are as follows:

- Employed
- Under-employed
- Unemployed
- Injured on duty
- People with Disabilities
- Employers

Programme	Main Service	Service Delivery Standard/Desired standard of Service	Actual Achievements
Administration	SCM	100% of compliant invoices paid within 30 calendar days of receipt	Not Achieved 98.58% of compliant invoices were paid within 30 days of receipt Reason for variance: Delays in the processing of payments due non-compliant invoices
Inspection and Enforcement Services	Registration and resolution of labour related complaints	Resolve 90% of legitimate labour related complaints within 30 calendar days of registration and the remainder within 60 calendar days of registration	Not Achieved No data available % legitimate labour related complaints were resolved within 30 calendar days of registration and the remainder within 60 calendar days of registration Reason for variance: No mechanisms in place to record resolution statistics on labour
	Registration of incidents relating to the OHS act	Finalise 85% of reported incidents within 90 calendar days	Not Achieved No data available % reported incidents were finalised within 90 calendar days Reason for variance: No mechanisms in place to record resolution statistics on incidents per province
	Registration of entities	Issue a letter/certificate within 5 calendar days of receipt of a valid and complete application	Not Achieved 0 letter or certificate of registration were issued within 5 calendar days of receiving a valid and complete application Reason for variance: The turnaround time is misaligned. The processing of entity registration requires extensive document review and in some instances inspection need to be conducted. Document review need to be conducted and if documents are outstanding sufficient time need to be provided for submission by the applicant. An inspection need to be scheduled and the applicant need to receive sufficient notice of the inspection

Programme	Main Service	Service Delivery Standard/Desired standard of Service	Actual Achievements
	Exemptions on any aspect of the OHSA	Issue a certificate of exemption within 5 calendar days of receiving a valid and complete application	Not Achieved 0 exemption letters were issued within 5 calendar days of receiving a valid and complete application Reason for variance: The turnaround time is misaligned. The processing exemptions for the OHS act and its regulations requires extensive consultation as well as document review and in some instances inspection need to be conducted. Document review need to be conducted and if documents are outstanding sufficient time need to be provided for submission by the applicant. Inspection need to be scheduled and the applicant need to receive sufficient notice of the inspection
	Appeal on decision of an inspector	Issue a letter responding to the appeal within 5 calendar days of receiving a valid and complete appeal	Not Achieved 0 appeal applications were received and/or finalised within 5 calendar days of receiving a valid and complete application Reason for variance: The turnaround time is misaligned. The processing of appeals against the decision of an inspector for the OHS Act and its regulations. The review process of an appeal ne requires extensive document review and in some instances inspection need to be conducted. Document review need to be conducted and information is outstanding sufficient time need to be provided for submission by the applicant. Inspection need to be scheduled and the applicant need to receive sufficient notice of the inspection
	Registration of Government Certificate of Compliance (GCC) examinations	Issue a letter to write the GCC examination within 5 calendar days of receiving the application	Not Achieved 0 letter iro writing the GCC exams (valid for 3 years) were issued within 5 calendar days of receiving a valid and complete application Reason for variance: The turnaround time is misaligned. The processing of GCC applications requires extensive consultation as well as document review and if documents are outstanding sufficient time need to be provided for submission by the applicant
		Extend the validity period to write exam on re-application within 5 calendar days of receiving a valid and complete re-application	Not Achieved 0 GCC exams (validity period 3 years) were extended on re-application within 5 calendar days Reason for variance: The turnaround time is misaligned. The processing of GCC applications requires extensive consultation as well as document review and if documents are outstanding sufficient time need to be provided for submission by the applicant

Programme	Main Service	Service Delivery Standard/Desired standard of Service	Actual Achievements
		Issue a GCC certificate within 5 calendar days of receiving the successful results from the DHET	Not Achieved 0 GCC certificates were issued within 5 calendar days of receiving the successful results of the applicant from the Department of Higher Education and Training Reason for variance: The turnaround time is misaligned. The volumes of applicants as well as the processing of GCC certificates requires extensive quality assurance as well as document review and if document are outstanding sufficient time need to be provided for submission by the applicant and the DHET
Public Employment Services	Placement of work seekers	Placement of work seekers We shall ensure that 60 000 registered employment opportunities filled by registered work seekers per year within 5 calendar days of receipt of the opportunity	Achieved 89 345 registered employment opportunities are filled by registered work-seekers Variance: 29 345 Reason: 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
	Registration of work seekers	We shall register 900 000 eligible work-seekers on the Employment Services of South Africa (immediately) per year	Achieved 1 087 858 eligible work-seekers were registered on the Employment Services of South Africa (ESSA) per year Variance: 187 858 Reason: High levels of unemployment and Increased capacity within the PES establishment
	Registration of employment opportunities	Register 110 000 employment opportunities on ESSA per year within 12 hours of receipt	Achieved 154 817 employment opportunities were registered on the Employment Services of South Africa Variance: 44 817 Reason: 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
	Work seekers provided with employment counselling	Provide employment counselling to 250 000 matched work seekers per year within 3 calendar days of matching	Achieved 333 395 work-seekers were provided with employment counselling Variance: 83 395 Reason: Increased capacity at Labour Centre level, increase in the number of opportunities registered, high levels of matching and extensive counselling sessions, resulted in the higher uptake of referred candidates by employers

Programme	Main Service	Service Delivery Standard/Desired standard of Service	Actual Achievements
	Work visa applications	Adjudicate 100% of complete work visa applications within 14 working days of receipt and make recommendations	Not Achieved 63% of work complete applications for foreign nationals corporate and individual work visas applications) were processed within 14 working days of receipt in Q4 Variance: 37% Reason: The conversion of the turnaround time from 30 working days to 14 working days impacted negatively on the processing of applications
	Registrations of PEAs and TEAs	Finalise 100% of complete PEAs and TEAs within 14 working days of receipt	Not Achieved 42% of PEAs and TES applications (with valid and complete information) were processed within 14 working days of receipt Variance: -58% Reason: The conversion of the turnaround time from 60 calendar days to 14 working days impacted negatively on the processing of applications
Labour Policy and Industrial Relations	Registration of labour organisations	100% of labour organisations' registered or refused within 60 working days of receiving the application	Achieved 100% of labour organisations were registered or refused within 60 working days of receiving the application 128 applications received: 120 Refused 8 Approved
	Extension of collective agreements	100% of collective agreements extended within 60 working days of receipt where there is no publication for comments	Achieved 100% of collective agreements were extended within 60 working days of receipt, where there is no publication for comments 29 received: 29 extended within 60 working days
		120 working days of receipt where there is publication for comments before extension of collective agreement	Achieved 0 collective agreements were received and 0 were extended within 120 working days of receipt, where there is publication for comments before extension of collective agreement
	Deregistration of designated employers through the DG Notification process	100% of applications for deregistration from designated employers (with valid and complete information) finalised within 5 working days of receiving the application	Achieved 100% of applications for deregistration from designated employers (with valid and complete information) were finalised within 5 working days of receiving the application 313 DG Notifications (EEA14) and 313 (100%) de-registrations granted
	Annual EE reporting (manual and online services)	Accept /reject the EE reports within 24 hours of receipt	Achieved 28 015 Employment Equity reports were accepted or rejected within 24 hours of receipt

Programme	Main Service	Service Delivery Standard/Desired standard of Service	Actual Achievements
	National Minimum Wage	Conduct a review and adjust the NMW, based on the date the preceding years' adjustment became binding	Achieved NMW adjusted level published on 2 February 2024 in Government Gazette No 50073
	NMW exemptions	Grant/reject NMW exemptions immediately on application If selected for audit, a decision shall be finalised within 17 calendar days of receiving valid and complete supporting documents	Achieved 100% of applications for National Minimum Wage exemption were granted or rejected immediately upon receiving the application 102 applications received 64 applications granted 38 applications refused
	BCEA Variations	Approve or reject BCEA variations within 60 calendar days of receiving a valid and complete application	Achieved 23.08% applications for NMW exemption (selected for audit) were granted or rejected within 60 days from date of application 39 applications received 10 applications granted 16 applications refused 85.71% of the total receipt applications for NMW were granted or rejected within 30 days from date of application 70 applications received 27 applications granted 33 applications refused 10 applications pending finalisation but not yet due
		Produce labour market trend reports to inform all interested clients on the performance of the economy and labour market within 12 months after year end	Produced labour market trend reports to inform all interested clients on the performance of the economy and labour market within 12 months after year end
Transversal service standards	Complaints, suggestions and compliments (Transversal for ALL Programmes/ Funds/ Provincial operations)	95% of all complaints, suggestions and compliments acknowledged within 24 hours of receipt and the remainder within 36 hours of receipt	Achieved 100% of written complaints were acknowledged within 24 hours of receipt and the remainder within 36 hours of receipt 100% of written suggestions were acknowledged within 24 hours of receipt and the remainder within 36 hours of receipt 100% of written compliments were acknowledged within 24 hours of receipt and the remainder within 36 hours of receipt

Programme	Main Service	Service Delivery Standard/Desired standard of Service	Actual Achievements
		Resolve 95% of all complaints with complete information within 7 calendar days and the remainder within 14 calendar days	Not achieved 18% of complaints (with complete information) were resolved within 7 calendar days and 60% of the remainder were resolved within 14 calendar days The overall resolution rate is 78% with a variance of - 17% Reason for variance: Long lead time to resolve the complaint due to incomplete support document Referred complaints not resolved within the planned resolution date
	Queue management	Prioritise PwD, elderly and pregnant women to front of queue upon arrival Screening of clients' service needs and directing to correct service area upon arrival	Prioritised PwD, elderly and pregnant women to front of queue upon arrival Clients' service needs were screened by queue marshals and directed to correct service area upon arrival

Service Delivery Improvement Plan for Year 2 (FY2023/24)

Period	Performance target	Actual Performance	Variance	Perf increase/ decrease
Q1	15 000 registered employment opportunities filled by registered work-seekers per year	28 279 employment opportunities were filled by registered work-seekers (achieved)	13 124	↑
Q2	30 000 registered employment opportunities filled by registered work-seekers per year	47 519 employment opportunities were filled by registered work-seekers (achieved)	17 519	↑
Q3	45 000 registered employment opportunities filled by registered work-seekers per year	71 017 employment opportunities were filled by registered work-seekers (achieved)	26 017	↑
Q4	60 000 registered employment opportunities filled by registered work-seekers per year	89 345 employment opportunities were filled by registered work-seekers (achieved)	89 345	↑
AR	**60 000 registered employment opportunities filled by registered work-seekers per year**	**89 345 employment opportunities were filled by registered work-seekers (achieved)**	**89 345**	↑

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

Current/actual arrangements	Department specific set standard	Desired target for year of reporting (year 2)	Actual achievement
GENERIC CONSULTATION STANDARDS	All employees to sign/ acknowledge 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	17 600 relevant stakeholders consulted by 31 March 2024 when developing/ amending policies and systems to factor in their service needs	Achieved 18 407 stakeholders were consulted
COURTERSY/ PROFESSIONAL STANDARDS BY PUBLIC SERVANTS	All employees to sign/ acknowledge 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 (HRM)	50% of employees to sign/ acknowledge 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	Not achieved 0% of employees to sign/acknowledge a pledge of commitment certificate on professional standards Reason for variance: The PMDS system would be enhanced to include a mandatory pledge button as part of performance agreement in the next FY
COURTESY/ WORKING ENVIRONMENT STANDARDS	100% compliance with Occupational Health and Safety measures in the work place	100% compliance with Occupational Health and Safety measures in the work place	Achieved National OHS meeting was held in July 2023 20 OHS Reps were trained in August 2023 OHS presented to the North West Provincial Operations on 26 September 2023 OHS Awareness conducted in Free State from 4-15 September 2023
		70% of contact offices have adequate waiting areas with shelter, chairs and rest rooms during waiting times	Achieved 90% of the 125 Labour Centre's, 40 Satellite Offices and 492 Visiting Points across the country have adequate waiting areas with shelter, chairs and rest rooms during waiting times
VIRTUAL ACCESS STANDARDS		10% of service recipients to utilise PES online services per annum	Achieved 10% (113 386 out of 1 087 858) of clients utilised PES online services

Current/actual arrangements	Department specific set standard	Desired target for year of reporting (year 2)	Actual achievement
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	Achieved 100% of service recipients have access to services through different access channels and within average travel distance as per the approved service delivery model
		70% of contact offices have adequate waiting areas with shelter, chairs and rest rooms during waiting times	Achieved 90% of the 125 Labour Centre's, 40 Satellite Offices and 492 Visiting Points across the country have adequate waiting areas with shelter, chairs and rest rooms during waiting times
		Contact details of all service delivery points updated and published on the website by 31 March every year	Achieved The contact details of all service delivery points are published on the website
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 2024	Achieved POPIA effected in the new SAP system in Q1
		Selected service information published in English and 1 African language that is predominately spoken in the region by 31 March 2024	Achieved Employment counselling pamphlets published in English and isiZulu
		Customer care and call center contact details published on the website and prominently displayed in all offices by 31 March 2024	Achieved Customer care and call center contact details published on the website
OPENNESS & TRANSPARENCY		Approved SDIP published on the website by 1 April 2024. SDIP Annual Performance Report published on the website within two days of approval	Achieved The SDIP development and approval was deferred to 31 March 2025 SDIP Annual Performance Report for the FY2022/23 was published on the website
		Approved service charter and service standards to published in the website and prominently displayed in all offices.	Achieved Approved service charter and service standards were published in the website and prominently displayed in all offices

Current/actual arrangements	Department specific set standard	Desired target for year of reporting (year 2)	Actual achievement
VALUE FOR MONEY		10% of service recipients to utilise PES online services per annum	Achieved 10% (113 386 out of 1 087 858) of clients utilised PES online services
		The ESSA system enhanced to allow uploading and downloading of attachments (i.e. Proof of qualifications) by 31 March 2024	Achieved Finalised in year 1. No target in year 2
		The ESSA system enhanced to send instant sms/email notification to matched work seekers by 31 March 2024	Achieved Finalised in year 1. No target in year 2
REDRESS STANDARDS		3% of complaints tolerated per service per annum	Achieved One complaint was received with specific reference to the key service
		92% of complaints acknowledged within 24 hours of receipt	Achieved 100% of complaints acknowledged within 24 hours specific reference to the key service
		92% of complaints resolved within 14 working days of receipt	Achieved 100% of complaints resolved within 7 calendar days specific reference to the key service

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 2024	Customer care and call centre contact details published on the website and prominently displayed in all offices by 1 April 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

12.3. 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 external services provided by SITA and the continuation of electricity load shedding. 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 in the Department's ability to service its clients. The Department is busy with the procurement of

water tanks and alternative power supplies for the different offices across the country to ensure the continuation of services during extended periods of load shedding.

12.4. Key policy developments and legislative changes

Policy Developments

1. National Employment Policy:

The NEDLAC consultations with social partners on NLMP & ESAB commenced in August 2023. In December 2023, the Branch has conducted a workshop for the Social Partners at NEDLAC on Labour Migration. The second SEIAS certificate has been received from the Presidency. The preliminary certification has been received from office of the Chief State Law Advisor. The pending submission to the Cabinet will be pursued soonest in the new Administration. The Draft Implementation plan has been developed. The Draft Policy and Bill will be presented to Cabinet and Parliament during the seventh Administration between August/September 2024.

2. National Labour Migration Policy

The Department of Employment and Labour contributed in the development of the migration profile for the country. It is an important tool that compiles evidence necessary for informed and coherent migration policy development and cross-institutional cooperation on migration in the Republic of South Africa. Currently, migration data in South Africa is mainly published by Statistics South Africa (StatsSA) through population censuses and household surveys, whilst the Department provided administrative records in particular on the Unemployment Insurance claims and Injuries on duties (CF) of migrants to complement other data. The Migration Profile also highlight existing data gaps and challenges faced in sustainable migration management. It further provides a comprehensive set of recommendations towards strengthening migration management.

In December 2023 the Branch conducted a workshop for the Social Partners at NEDLAC on Labour Migration. The second SEIAS certificate has been received from the Presidency. The preliminary certification has been received from office of the Chief State Law Advisor.

A Cabinet Memorandum and presentation were prepared for approval to commence with public consultations. The presentation for the Economic and Infrastructure Cluster was prepared.

The Employment Policy developed is still a Draft. In preparation for a presentation to the Economic Cluster and to Cabinet, consultations were held as follows:

- Department of Cooperative Governance and Traditional Affairs (Follow up consultation held on 10 October 2023)
- Department of Tourism (consultation held on 18 October 2023)
- Department of Minerals and Energy Resources (consultation held on 10 November 2023)
- Department of Agriculture, Rural Development and Land Reform (consultation held on 17 November 2023.

13 ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

13.1. STRATEGIC OUTCOME ORIENTED GOALS

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact statement	A labour market which is conducive to decent employment

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

PRIORITY 1: CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

MTSF Outcome	Departmental Outcome	Outcome Indicator	Five year target	Actual Achievements	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% 2022/23 - 7.14% 2023/24 – 8.63%	The Department had already filled a substantial amount of vacancies just before the moratorium was issued Since then the number of vacancies increased due to retirements, passing of officials and resignations. These positions remain unfilled	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 2023/24 – N/A (SP indicator was replaced with 2.1 and 2.2 below from 2022/23)	N/a	Corporate Services
	2. Modern Systems and ICT services	2.1 Improve Information Security status of the department	3 year Cybersecurity roadmap developed	New from 2022/23: The Cyber Security Framework and Roadmap have been developed The Cyber Security Framework was developed and the Cyber security strategy has not been done 2023/24 - 100% Implementation of roadmap phase 1 complete	None	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: 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 16 May 2023. End User refresher training using system is in progress. The SAP license usage report will be activated post Go Live 2023/24 – Not Achieved- Go live not achieved, only one of the five deployments was achieved	LPIR should have been fully deployed by the service provider by 3/7/2023. The delays can be attributed to the Service Providers deploying all their resources to prioritise the IES and PES Go Live on 1/7/2023 at the expense of their commitment to have LPIR done by 7 July 2023	Corporate Services

The ICT security project is on track and the implementation of the road map has been well managed until the end the financial year. The filling of vacancies target has been achieved after a review on the target considering the current budgetary challenges and the moratorium imposed on the Department by National Treasury and DPSA. SAP for HANA project is still running behind schedule and there are serious delays on the project. These have been escalated to senior management of Tech Mahindra, as the limitations that the Department is facing are largely due to the non-performance and deployment of the appropriate technical experts physically on the project by Tech Mahindra. The project extension has been granted and the project is being implemented with revised timelines and a revised project plan. It has been re-emphasized by the Department executives that Tech Mahindra must ensure that they do meet their obligations as planned and complete all the milestones by the end of the year 2024. Ethics also concluded the financial year with achieved targets of their implementation plan.

PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION

MTSF Outcome	Departmental Outcome	Outcome Indicator	Five year target	Actual Achievements Year 1-5	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 2023/24 – Q4 of 2022= 15 934 000 vs Q4 of 2023= 16 723 000. This means 789 000 jobs were created (Year on Year); Unemployment Q1 of 2022=7 753 000 vs Q4 of 2023=7 895 000. This means 142 000 jobs were lost (Year on Year). However, official unemployment rate decreased by 0.6% over the same period	None	Labour Policy and Industrial Relations

[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 1-5	Reasons for deviation for year under review	Implementing Programme
				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 2023/24 – 89 345 Total: 249 989	The major constraint affecting progress on employment is fiscal consolidation, which has led to the moratorium on advertising job or work opportunities	Public Employment Services
		2.2 Number of jobs created through the Presidential Comprehensive Youth Employment interventions	1 million youth jobs by 2024[2] DEL: 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 2023/24 – 60 078 PES Total – 187 147	The major constraint affecting progress on employment is fiscal consolidation, which has led to the moratorium on advertising job or work opportunities	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 2023/24 – 60 078 PES Total – 187 147	The major constraint affecting progress on employment is fiscal consolidation, which has led to the moratorium on advertising job or work opportunities	Public Employment Services

[2] DEL 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 1-5	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 2023/24 The NEDLAC consultations with social partners on NLMP & ESAB commenced in August 2023. In December 2023 the Branch conducted a workshop for the Social Partners at NEDLAC on Labour Migration. The second SEIAS certificate has been received from Presidency. The preliminary certification has been received from office of the Chief State Law Advisor Cabinet Memorandum and presentation prepared for approval to commence with public consultations. Presentation for the Economic and Infrastructure Cluster prepared	The Draft Policy and Employment Services Bill were not presented to Cabinet and Parliament Delays encountered in consultations with social partners and affected Departments	Public Employment Services
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 2023/24 – 3 152 Total for SP period: 12 421	Due to the moratorium filling of vacancies was put on hold. It 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

MTSF Outcome	Departmental Outcome	Outcome Indicator	Five year target	Actual Achievements Year 1-5	Reasons for deviation for year under review	Implementing Programme
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 2023/24 – 169 295 Total for SP period: 795 125	The underachievement was due to: - Government National lockdown as a result of the Covid-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect - Moratorium by National Treasury on halting of expenditure contributed to inspectors not being able to travel to conduct inspections - Further the under-achievement is also attributed to inspector vacancies	Inspection and Enforcement Services

A total of 1 087 858 work seekers were registered in the ESSA system, 89 345 placements were done into jobs. The Department is confident that Programme 3 will achieve the target of 190 000 jobs as detailed in the strategic plan to implement the Presidential Job Summit agreement. The Employment Policy developed is still a Draft. In preparation for a presentation to the Economic Cluster and to Cabinet, consultations have been held with the following individual government departments: National Treasury, Department of Public Works and Infrastructure, Department of Higher Education and Training, Department of Planning, Monitoring and Evaluation and Department of Cooperative Governance. The process to develop a draft policy took longer than anticipated, due to, amongst others, the consultation process with stakeholders.

Policy Developments

- For more details on the policy developments see paragraph 12.4 up above.

PRIORITY 3: EDUCATION, SKILLS AND HEALTH

MTSF Outcome	Departmental Outcome	Outcome Indicator	Five year target	Actual Achievements Year 1-5	Reasons for deviation for year under review	Implementing Programme
5. Safe and healthy work environment	Promote Occupational health services Protect vulnerable workers Strengthen occupational safety protection Development of the Occupational Health and Safety policies	5.1 Number of Employer/ User inspected per year to determine compliance with the Occupational Health and Safety legislation	Year 1 = 23 844 – this target is for existing inspectors in FY 2020/21 4 x Years = 397 776 (2021/22-2024/25) This is what will be achieved in the next 5 x Years = 421 620	2019/20 – 28 757 2020/21 – 33 272 2021/22 – 89 220 2022/23 – 109 464 2023/24 – 106 390 Total: 367 103	The underachievement was due to: - Government National lockdown as a result of the Covid-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect - Moratorium by National Treasury on halting of expenditure contributed to inspectors not being able to travel to conduct inspections - Further the under-achievement is also attributed to inspector vacancies	Inspection and Enforcement Services

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

MTSF Outcome	Departmental Outcome	Outcome Indicator	Five year target	Actual Achievements Year 1-5	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 2020/21 – 23 128 2021/22 – 25 978 2022/23 – 20 649 2023/24 – 29 962 Total for SP period: 99 917	The underachievement was due to: - Government National lockdown as a result of the Covid-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect - Moratorium by National Treasury on halting of expenditure contributed to inspectors not being able to travel to conduct inspections - Further the under-achievement is also attributed to inspector vacancies	Inspection and Enforcement Services

PRIORITY 6: SOCIAL COHESION AND SAFER COMMUNITIES

MTSF Outcome	Departmental Outcome	Outcome Indicator	Five year target	Actual Achievements Year 1-5	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 – 2019/20 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. 2023/24 – EE Amendment Act, No. 4 of 2022 assented into law on 6 April 2023 and subsequently published in the Government Gazette on 14 April 2023	Publication of the Proclamation Notice on the commencement date of the EE Amendment Act, 2022 is still pending until the 7th Administration is in place	Labour Policy and Industrial Relations
		7.2 At least 2% annual increase in the representation of Africans in senior and middle management levels	Set sector targets and monitor to achieve at least 50% of middle and senior management are African by 2024 [4]	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 2023/24 – African representation increased by 1.2% (from 26.4% in 2022 to 27.6% in 2023) in Senior management level; and increased by 1.0% (from 48.4% in 2022 to 49.4% in 2023) in Middle management level as reported by designated employers during the 2023 EE reporting cycle	EE targets are still self-regulated by designated employers as per the current Employment Equity Act, 1998. The proposed Sector EE targets regulated by the Minister of DEL will only be effective upon the publication of the proclamation notice of the commencement date of the EE Amendment Act, 2022	Labour Policy and Industrial Relations

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

MTSF Outcome	Departmental Outcome	Outcome Indicator	Five year target	Actual Achievements Year 1-5	Reasons for deviation for year under review	Implementing Programme
		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 2023/24 – Persons with disabilities' representation **remained unchanged at 1.2%** of the total workforce in both 2022 and 2023 as reported by designated employers during the 2023 EE Reporting cycle	EE targets are still self-regulated by designated employers as per the current Employment Equity Act, 1998. The proposed Sector EE targets regulated by the Minister of DEL will only be effective upon the publication of the proclamation notice of the commencement date of the EE Amendment Act, 2022	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

[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 1-5	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 (DEL) 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 2023/24 –South Africa successfully hosted and chaired the BRICS presidency for the period of 2023. For the first time the Employment and Labour sectors adopted a programme of action on productivity ecosystem platform for decent work under the leadership of South Africa South Africa managed to facilitate effective participation of its delegates into the June 2023 International Labour Conference South Africa ensured a coherent SADC approach at the ILO South Africa has developed a business case for the G20 presidency in 2025	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 2023/24 – Both the annual affiliation fees for ARLAC and ILO were processed and paid two weeks within the timeframe	None	Labour Policy and Industrial Relations

14 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Summary of The Achievements of the Revised Annual Performance Plan for the Financial Year

The total number of Key Performance Indicators for this Financial Year was 36 as per Revised Annual Performance Plan 2023/24.

Programme contributions to the Key Performance Indicators are outlined in the table below:

BRANCH	Annual Planned Indicators	Indicators with Targets for year	Achieved	Not Achieved	% Achieved
Administration	14	14	8	6	**57%**
Inspections and Enforcement Services	4	4	4	0	**100%**
Public Employment Services	7	7	6	1	**86%**
Labour Policy and Industrial Relations	11	11	11	0	**100%**
OVERALL PERFORMANCE	**36**	**36**	**29**	**7**	**81%**

14.1. 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
- ***Management that includes:***

- ***The Office of the Director-General*** provides administrative oversight for effective implementation of the Department's mandate and overall accounting oversight
- ***Office of the Chief Operations Officer*** manages and directs Medium-Term Strategic Planning processes, Performance Information Reporting, Monitoring and Evaluation of Performance Against Plan, Service Delivery Improvement Plans and Provincial Operations

- ***Corporate Services*** that includes:

- ***Human Resource Management*** ensures optimum and efficient utilisation and development of Human Capital and to provide an advisory service on matters pertaining to Organisational Effectiveness and Development, Transformation Management, individual Performance Management, sound Employee Relations, Employee Health and Wellness, as well as effective and efficient Recruitment, Selection and Placement services including research and development of Human Resources policies and Practices
- ***Internal Audit*** provides management and the Audit Committee with independent objective assurance with a view to improving effectiveness of Governance, Risk Management and control processes
- ***Risk Management*** pro-actively manages/addresses risks that have a negative impact on the Department's performance
- ***Security Services*** renders security support aimed at protecting the Department's information, staff and assets
- ***Communication*** disseminates and improves access to information about the Department
- ***Legal Services*** exists to provide Legal Support Services to the Department
- ***Office of the Chief Information Officer*** caters for the Information and Communications Technology (ICT) needs and requirements of the Department

- ***Office of the Chief Financial Office***r 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

As a result of the revised budget allocations in the Adjusted Estimate of Expenditure the Department had to revise some of the targets and also to ensure alignment with the National Development Plan programme Administration added two new Indicators and revised the targets of two other output indicators that was tabled in a Revised Annual Performance Plan in October 2023. The new outputs and output indicators are number 5 (5.1) and 9 (9.1) in the table below. The revised targets are for output indicators 1.1 and 1.2 did not have an impact on the quarterly performance reports completed for quarter 1 and 2 as it was the same as the original targets for those two quarters. The change was on the targets of quarter 3 and 4 as the filling of vacancies was negatively impacted by the budget cuts and resulted in certain posts not filled.

The two new outputs had no impact on the quarterly performance reports of quarter one and two as it had an annual target for the year.

TABLE 4.1.1: PERFORMANCE INDICATORS

Programme : Administration								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance**	**Audited Actual Performance**	**Planned Annual Target**	**Actual Achievement**	**Deviation from planned target to Actual Achievement**	**Reasons for deviations**
			2021/2022	**2022/2023**	**2023/2024**	**2023/2024**	**2023/2024**	
Strengthen the institutional capacity of the Department	1. Reduction of vacancy rate	1.1 Percentage Vacant funded posts maintained	Not Achieved 9.56% [6] (956 of 9 997 posts)	Achieved Q1-9.65% Q2-8.76%[7] Q3- 7.62%[8] Q4-7.14%	9.9% or less per quarter	Achieved Q1 - 6.83% Q2 - 6.78% Q3 - 7.66% Q4 - 8.63%	0.37%	The Department had already filled a substantial amount of vacancies just before the moratorium was issued Since then the number of vacancies increased due to retirements, transfers, passing of officials and resignations. These positions remain unfilled
	2. Gender Responsive recruitment	2.1 % of SMS positions occupied by women per annum	Achieved 49.7% of SMS positions occupied by women	Achieved Q2-52.4% Q4-47%	46% of SMS positions occupied by women	Achieved 46% (36 of 79 filled posts)	N/A	N/A
		2.2 % of positions occupied by youth per annum	N/A	N/A	25%	Not Achieved 21.2% (1 077 of 5 079 filled posts)	-3.8%	26% of terminations in the Department are from the youth The vacancy rate in the Department has increased compared to previous financial year. The moratorium made it difficult to fill all positions including attracting youth
		2.3 % of positions occupied by PwDs per annum	N/A	N/A	3%	Not Achieved 2.5% (127 of 5 079 filled posts)	-0.5%	The vacancy rate in the Department has increased compared to previous financial year. The moratorium made it difficult to fill all positions including attracting PwDs
	3. Modern Systems and ICT services	3.1 Improve Information Security status of the department per annum	N/A	Not Achieved The Cyber Security Framework and Roadmap have been developed	100 % Implementation of roadmap phase 1	Achieved 100% Implementation of roadmap phase 1 completed	N/A	N/A

[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 2021/22 Annual Report
[7] The vacancy rate in quarter 2 only included DEL posts and discounted the CF and UIF posts.
[8] 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	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024	2023/2024	
		3.2 Legacy systems transitioned to modern integrated SAP Platform per annum	N/A	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	Provisioning of LP and IR systems on an integrated ICT Platform	Not Achieved For International Relations the system went live on 30 November 2023. For Employment Equity unit show and tell and integration testing is complete and the UAT testing signoff is scheduled for 13 May 2024. Show and Tell for Collective Bargaining, LMIS and Employment Standard is completed. UAT signoffs remain outstanding.	-80% Variance- Only one of five deployments was achieved	LPIR should have been fully deployed by the service provider by 3/7/2023. The delays can be attributed to the Service Providers deploying all their resources to prioritise the IES and PES Go Live on 1/7/2023 at the expense of their commitment to have LPIR as originally planned on 7 July 2023
	4. Programme to prevent and fight corruption in the Department	4.1 Ensure functionality of ethics structures and adequate capacity per annum	Achieved Consultation on PSC verification report conducted and report consolidated	Not Achieved Reports on other remunerative work submitted to DG on 31 March 2023	Roll out of the Ethics Management Plan for the year	Not Achieved Ethics Strategy and implementation plan not in place and therefore achievements cannot be confirmed	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
		4.2 Percentage of corruption/ fraud cases finalised by Department through investigations within 6 months of receipt	Not Achieved 64% case completed 894 cases received and 575 investigated and finalised (575/894*100= 64%)19 cases referred to ER 56 case referred to SAPS	Not Achieved Q1- 6% Cases finalized Q2 -67,7% Cases finalized* No fraud cases in quarter 3 and 4	75% [9] of cases finalised within 6 months of receipt	Not Achieved 54% of cases finalised within 6 months of receipt (27 out of 50 cases)	-21%	Capacity constrains to deal with the backlog and new cases received

[9] 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

Programme : Administration								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024	2023/2024	
		4.3 Percentage of consequence management cases related to corruption cases finalised by Employment Relations (ER) through investigation within 90 days	N/A	N/A	80% percent of consequence management cases related to corruption cases finalised within 90 days	Achieved 83% (5 of 6 cases received for the year)	N/A	Employment Relations has 90 working days to finalise all misconduct cases. The outstanding case was received within the last quarter and is still within the required time frame
	5. Business Continuity Management Strategy	5.1 Business Continuity Plan evaluated annually	N/A	N/A	Development of the Business Continuity Plans	Not Achieved The Business Continuity Plan has been finalised and recommended for approval by the National Risk Management Committee to the Director-General in the meeting held in February 2024	Awaiting sign-off by DG	Process was delayed and the Business Continuity Plan was approved in April 2024
	6. 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	6.1 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) compiled per year that comply with guidelines issued by the National Treasury	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	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 2023 IFS1 submitted by the 31 July 2023 IFS2 submitted by the 31 October 2023 IFS3 by 31 January 2024	N/A	N/A

Programme : Administration								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024	2023/2024	
	7. Detection and reporting of Irregular and/ or Unauthorised expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	7.1 Percentage reporting of all detected Irregular and/or Unauthorised expenditure cases per financial year, to the Accounting Officer	Achieved Irregular expenditure R18 816 000 Achieved Unauthorised expenditure - None detected and reported	Achieved Irregular expenditure: 100% R107 847 000 Unauthorised expenditure: None detected during the reporting period	100% reporting of the detected occurrences	Achieved 100% Irregular Expenditure cases for the reporting period reported (12 of 12 cases) R62 787 000	N/A	N/A
	8. Detection and reporting of Fruitless and Wasteful expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	8.1 Percentage reporting of all detected Fruitless and Wasteful Expenditure cases per financial year, to the Accounting Officer	Achieved Fruitless and Wasteful expenditure- R25 811 000	Achieved Fruitless and Wasteful expenditure: 100% R17 499 000	100% reporting of the detected occurrences	Achieved 100% (Fruitless and Wasteful Expenditure 122 detected and 122 reported) R981 000	N/A	N/A
	9. Reconfiguration of department to fully realised its employment mandate	9.1 Reconfiguration of department including unbundling of UIF and CF finalised	N/A	N/A	Progress report on the unbundling of the UIF and CF by 31 October 2023	Achieved Progress report on the unbundling of the UIF and CF submitted by 31 October 2023	N/A	None as the target for the year was met

LINKING PERFORMANCE WITH BUDGETS

After the Adjusted budget process, the programme Administration's budget decreased by R20.5 million, with the final allocation of R1.045 billion for the 2023/24 financial year. Total expenditure of R1.037 billion was recorded, an expenditure level of 99.2%. This is in comparison to the prior year budget of R1.083 billion and a total expenditure of R1.025 million or 94.7% for 2022/23.

As per the appropriation Statement for the Department, in respect of the 2023/24 financial year, the total expenditure defrayed against the Vote amounted to R3 995 980 000. This represents an expenditure level of 99.5%.

SUB-PROGRAMME EXPENDITURE

Sub- Programme Name	2023/2024			2022/2023		
	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	44 608	44 455	153	34 715	34 540	175
Management	344 128	344 128	-	342 036	342 036	-
Corporate Services	301 796	297 172	4 624	288 783	279 279	9 504
Office of the Chief Financial Officer	151 613	148 312	3 301	160 040	143 228	16 812
Office Accommodation	202 986	202 986	-	257 329	226 416	30 913
Total	**1 045 131**	**1 037 053**	**8 078**	**1 082 903**	**1 025 499**	**57 404**

The Programme utilised 99.2% of its allocated budget to carry out its mandated objective and deliverables and achieved 57% (8 of 14) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

Strategy to overcome areas of under performance

The underperformance areas on the targeted groups is beyond the control of the Department due to the moratorium imposed on it by the National Treasury and DPSA. The Department is however doing a reconciliation exercise of determining which posts should be abolished due to lack of funds. Once this exercise is completed, the Department base organogram will be revised. The SAP Diphetogo project timelines have been revised to play catch up with the delayed deliverables and the project has been extended by a period of one year to allow the completion of the project. There will be tight monitoring of the delivery of the milestones and regular meetings will be held to determine the adherence to the timelines. The Risk Management Directorate has appointed a panel of service providers to assist with the capacity constraints on the fraud cases and this should help in reducing the backlog on the case load.

14.2. 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
- serving 95% of noncompliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
- referring for prosecution 65% of employers who fail to comply with a served notice within 30 working days
- increasing awareness of employment law through formal advocacy sessions at 4 seminars and 2 conferences.

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 2023/24 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	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024		
Promote Occupational health services Contribute to decent employment creation Protect vulnerable workers Strengthen occupational safety protection Promote sound labour relations Development of the Occupational Health and Safety policies	1. Workers protected through inspection and enforcement of employment law	1.1 Number of employers / workplaces /users inspected per year to determine compliance with employment law	Not Achieved 252 242	Achieved 312 792	298 104	Achieved 308 799	10 695	The overachievement is as a result of improved and proper planning. Where needed, blitz inspections were conducted. Inspectors are encouraged to embrace optimum performance
		1.2 Percentage of non-compliant employers/ workplaces/users of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection	Achieved 99% (59 743 of the 60 478)	Achieved 98% (72 898 of the 74 559)	95%	Achieved 99% (74 305 of 74 858)	4%	A concerted effort was made to achieve the target. The Branch encourages the issuing of notices to non-compliant employers as it benefits the vulnerable workers and improves enforcement
		1.3 Percentage of non-compliant employers/ workplaces/users received by Statutory Services settled out of Court or CCMA / referred for prosecution within 30 working days	Not Achieved 64% (3 752 of 5 869)	Achieved 79% (6 138 of 7 766)	65%	Achieved 89% (6 719 of 7 583)	24%	The Branch puts a premium on decisively dealing with recalcitrant workplaces / employers. In instances where there would still be noncompliance after the issuance of notices, it is ascertained that these be dealt with

Programme: Inspection and Enforcement Services								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024		
		1.4 Number of formal Advocacy sessions conducted per year to increase awareness of employment law	Not Achieved 7 X Seminars	Achieved 8 X Seminar 2 X Conference	4 x Seminars and 2 conferences to be held	Achieved 9 X Seminars (Advocacy Sessions) 2 X Conferences	5 additional seminars	The IES Branch responds to the ever changing and evolving South African Labour Market. This essentially means that working and employment conditions in workplaces change all the time which necessitates that the IES Branch respond with the hosting of Advocacy Seminars/Workshops/ Information Sessions/ Conferences/Breakfast Sessions & Awareness Sessions in order to address a particular need and challenge as and when it arises Therefore, in as much as we can plan ahead during the start of a particular Financial Year to host a fixed number of Advocacy Sessions, the reality is that often we have to host more Advocacy Activities to timeously respond to challenges and issues confronting both employers, employees, employer organisations and trade unions

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	32 593	27 174	709
Free State	26 628	29 294	23 919	2 666
Gauteng	61 236	64 039	51 989	2 803
Kwa-Zulu Natal	63 720	65 670	46 453	1 950
Limpopo	27 780	27 132	21 105	-648
Mpumalanga	21 528	22 684	15 199	1 156
Northern Cape	12 636	12 404	8 412	-232
North West	19 680	21 454	16 342	1 774
Western Cape	32 724	33 244	23 140	520
HO	288	285	208	-3
Total	**298 104**	**308 799**	**233 941**	**10 695**

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	5 419	5 217	96%	1%
Free State	5 375	5 375	100%	5%
Gauteng	12 050	12 038	100%	5%
Kwa-Zulu Natal	19 217	18 989	99%	4%
Limpopo	6 027	6 027	100%	5%
Mpumalanga	7 485	7 485	100%	5%
Northern Cape	3 992	3 992	100%	5%
North West	5 112	5 112	100%	5%
Western Cape	10 104	9 993	99%	4%
HO	77	77	100%	5%
Total	**74 858**	**74 305**	**99%**	**4%**

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	479	479	100%	35%
Free State	729	717	98%	33%
Gauteng	1 179	1 176	100%	35%
Kwa-Zulu Natal	2 376	1 987	84%	19%
Limpopo	295	268	91%	26%
Mpumalanga	654	492	75%	10%
Northern Cape	762	701	92%	27%
North West	194	175	90%	25%
Western Cape	915	724	79%	14%
HO	0	0	0%	0%
Total	**7 583**	**6 719**	**89%**	**24%**

ANNUAL ACHIEVEMENT FOR 2023/2024 PER LEGISLATION

ANNUAL TARGET	EE			BCEA			OHS		
	Target	Achieved	Variance	Target	Achieved	Variance	Target	Achieved	Variance
Eastern Cape	300	230	-70	19 980	20 188	208	8 808	9 276	468
Free State	216	232	16	13 404	13 609	205	10 572	12 891	2 319
Gauteng	924	940	16	36 600	37 226	626	18 708	20 374	1 666
Kwa-Zulu Natal	636	583	-53	34 836	34 976	140	24 504	25 759	1 255
Limpopo	300	307	7	16 452	15 664	-788	8 592	8 362	-230
Mpumalanga	300	296	-4	13 224	13 213	-11	5 568	6 328	760
Northern Cape	216	177	-39	6 360	5 987	-373	3 624	3 696	72
North West	216	190	-26	10 920	11 393	473	6 288	7 425	1 137
Western Cape	216	197	-19	17 088	17 039	-49	11 904	11 994	90
HO	-			-			288	285	-3
TOTAL	**3 324**	**3 152**	**-172**	**168 864**	**169 295**	**431**	**98 856**	**106 390**	**7 534**

ANNUAL TARGET	EAS			COID			Total		
	Target	Achieved	Variance	Target	Achieved	Variance	Target	Achieved	Variance
Eastern Cape	1 624	1 675	51	1 172	1 224	52	31 884	32 593	709
Free State	1 624	1 672	48	812	890	78	26 628	29 294	2 666
Gauteng	3 604	3 834	230	1 400	1 665	265	61 236	64 039	2 803
Kwa-Zulu Natal	2 344	2 936	592	1 400	1 416	16	63 720	65 670	1 950
Limpopo	1 624	1 785	161	812	1 014	202	27 780	27 132	-648
Mpumalanga	1 624	1 794	170	812	1 053	241	21 528	22 684	1 156
Northern Cape	1 624	2 017	393	812	527	-285	12 636	12 404	-232
North West	1 444	1 579	135	812	867	55	19 680	21 454	1 774
Western Cape	2 344	2 632	288	1 172	1 382	210	32 724	33 244	520
HO	-			-			288	285	-3
TOTAL	**17 856**	**19 924**	**2 068**	**9 204**	**10 038**	**834**	**298 104**	**308 799**	**10 695**

LINKING PERFORMANCE WITH BUDGETS

After the Adjusted budget process, Inspection and Enforcement Services budget decreased by R24.0 million, with the final allocation of R608.0 million for the 2023/24 financial year. Total expenditure of R600.9 million was recorded, an expenditure level of 98.8%. This is in comparison to the prior year budget R617.3 million and a total expenditure of R587.8 million or 95.2% for 2022/23.

The programme spent R600.855 million of the R608.008 million allocated budget which amounts to an 98.8% expenditure rate. 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 inspectors 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	2023/2024			2022/2023		
	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	14 621	14 356	265	14 508	14 508	-
Occupational Health and Safety	3 493	-	3 493	20 039	-	20 039
Registration: IES	99 759	99 759	-	94 391	94 391	-
Compliance, Monitoring and Enforcement Services	473 969	473 454	515	472 742	464 139	8 603
Training of Staff: IES	4 519	2 297	2 222	6 151	6 148	3
Statutory and Advocacy	11 647	10 989	658	9 456	8 667	789
Total	**608 008**	**600 855**	**7 153**	**617 287**	**587 853**	**29 434**

The Programme utilised 98.8% 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.

14.3. 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 contribution through:
  - Registering 900 000 work seekers on ESSA by 31 March 2024
  - Registering 110 000 work opportunities on the employment services of South Africa database system by 31 March 2024
  - Providing employment counselling to 250 000 work seekers by 31 March 2024
  - Filling 60 000 registered employment opportunities by 31 March 2024
  - Conclude 24 partnership agreements with various stake holders, by 31 March 2024
  - Make recommendations on the proposed National Labour Migration Policy and the Employment Services Amendment Bill by 31 March 2024
  - Conduct 9 Job and or Career Fairs, 1 per province by 31 March 2024.

- 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 subsiding 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 DEL 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 councils and workshops for the blind to promote the employment of Persons with Disabilities.

Supported Employment Enterprises promotes work and employment opportunities for people with disabilities by improving the administration, production and financial management of SEE.

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

A total of 1 087 858 work seekers were registered in the DEL ESSA system, 89 345 work-seekers were placed into jobs. A target of 190 000 jobs created as detailed in the strategic plan to implement the Presidential Job Summit agreement, was met and exceeded by DEL (671 941). 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 89 345 registered work and learning opportunities were filled by registered work seekers (i.e. placements) of whom **54 060 (60%)** are women, **35 273 (40%)** to males: **60 078 (67%)** are youth and **572(1%)** are People with Disabilities**.**

The Employment Policy developed is still a Draft. In preparation for a presentation to the Economic Cluster and to Cabinet, consultations have been held with the following individual government departments: National Treasury, Department of Public Works and Infrastructure, Department of Higher Education and Training, Department of Planning, Monitoring and Evaluation and Department of Cooperative Governance. The process to develop a draft policy took longer than was anticipated, due to, amongst others, the consultation process with stakeholders.

TABLE 4.3.1: PROGRAMME PERFORMANCE INDICATORS

Programme: Public Employment Services								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024		
Contribute to decent employment creation	Work seekers registered	1.1 Number of work-seekers registered on Employment Services of South Africa per year	Achieved 936 621	Achieved 1 069 496	900 000	Achieved 1 087 858	187 858	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	Achieved 131 522	Achieved 147 847	110 000	Achieved 154 817	44 817	Increase in capacity in the form of new 250 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	Achieved 281 801	Achieved 325 914	250 000	Achieved 333 395	83 395	Increase in capacity in the form of new 250 Interns recruited under the Presidential Stimulus Initiative and Employment Counsellor 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	Achieved 67 058	Achieved 84 636	60 000	Achieved 89 345	39 345	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	Achieved 20	Achieved 24	24	Achieved 25	1	Increased co-operation with stake-holders to utilise ESSA for recruitment
	6. Job and or Career Fairs conducted to promote employment	6.1 Number of Jobs and or Career Fairs conducted in provinces per year	N/A	N/A	9	Achieved 13	4	Additional fairs were conducted per request of the Minister

Programme: Public Employment Services								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024		
	7. Migration Policy and Bill to regulate employment of foreign nationals developed	7.1 A National Labour Migration Policy (NLMP) and Employment Services Amendment Bill (ESAB) finalised and approved by the Minister for submission to Cabinet by end of the year	Not Achieved 0 The draft policy has been developed and not yet approved	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 NLMP and ESAB finalised and approved for submission to Cabinet by the Minister	Not Achieved The NEDLAC consultations with social partners on NLMP & ESAB commenced in August 2023 In December 2023 the Branch conducted a workshop for the Social Partners at NEDLAC on Labour Migration The second SEIAS certificate has been received from Presidency The preliminary certification has been received from office of the Chief State Law Advisor	The Draft Policy and Employment Services Bill were not presented to Cabinet and Parliament	Delays encountered in consultations with social partners and affected departments

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES: ADDITIONAL INFORMATION ANNUAL ACHIEVEMENT FOR 2023/24 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	108 000	117 377	9 377	15 050	19 689	4 639
Free State	63 000	77 489	14 489	8 686	15 031	6 345
Gauteng	234 000	239 314	5 314	21 074	30 237	9 163
Kwa-Zulu Natal	153 000	159 100	6 100	17 370	19 932	2 562
Limpopo	63 000	68 729	5 729	11 578	19 414	7 836
Mpumalanga	72 000	76 947	4 947	9 264	12 696	3 432
Northern Cape	36 000	45 304	9 304	6 716	10 844	4 128
North West	54 000	69 222	15 222	7 526	10 333	2 807
Western Cape	117 000	120 990	3 990	12 736	15 984	3 248
*Online		113 386	113 386		657	657
TOTAL	**900 000**	**1 087 858**	**187 858**	**110 000**	**154 817**	**44 817**

* 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	31 750	35 932	4 182	8 210	11 324	3 114
Free State	21 750	29 873	8 123	4 738	8 926	4 188
Gauteng	51 500	72 964	21 464	11 495	15 647	4 152
Kwa-Zulu Natal	31 750	48 931	17 181	9 474	11 330	1 856
Limpopo	25 750	37 228	11 478	6 315	14 446	8 131
Mpumalanga	30 000	35 548	5 548	5 053	6 089	1 036
Northern Cape	14 000	17 085	3 085	3 663	6 775	3 112
North West	19 750	30 477	10 727	4 105	6 437	2 332
Western Cape	23 750	25 357	1 607	6 947	8 371	1 424
*Online		0	0		0	0
TOTAL	**250 000**	**333 395**	**83 395**	**60 000**	**89 345**	**29 345**

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

Indicator	5.1 Number of partnership agreements concluded			6.1 Number of job and or Career Fairs conducted .		
	Target	Achieved	Variance	Target	Achieved	Variance
Eastern Cape	3	3	0	1	2	1
Free State	2	2	0	1	1	0
Gauteng	3	5	2	1	1	0
Kwa-Zulu Natal	3	3	0	1	2	1
Limpopo	2	2	0	1	1	0
Mpumalanga	2	2	0	1	2	1
Northern Cape	2	3	1	1	1	0
North West	2	2	0	1	1	0
Western Cape	3	3	0	1	2	1
*Head Office	2	0	-2	0	0	0
TOTAL	**24**	**25**	**1**	**9**	**13**	**4**

Linking performance with budgets

The Public Employment Services programme adjusted appropriation budget was R1.039 billion in 2023/2024. The actual expenditure as at 31 March 2024 is R1.037 billion which constitutes 99.8% of the allocation. Budget allocation for transfers and subsidies was R611.283 million, expenditure is R610.592 million with a variance of R691 thousand. Reason for the variance was due to insufficient contracts not secured by three of the nine Workshops to absorb the total number of beneficiaries (PwD) envisaged and therefore underspending was incurred.

Department agencies and accounts was allocated R290.187 million and actual expenditure is R290.185 million with a variance of R2 thousand.

SUB-PROGRAMME EXPENDITURE

Sub- Programme Name	2023/2024			2022/2023		
	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	367 621	367 621	-	433 632	332 722	100 910
Employer Services	116 719	116 296	187	116 014	116 014	-
Work-Seeker Services	242 257	240 741	1 516	213 559	213 113	446
Designated Groups Special Services	25 156	24 467	689	25 014	23 784	1 230
Supported Employment Enterprises and Subsidies to Designated Workshops	207 915	207 915	-	166 486	166 486	-
Productivity South Africa	71 721	71 721	1	61 698	61 698	-
Unemployment Insurance Fund	1	-	1	1	-	1
Compensation Fund	6 995	6 995	-	18 514	18 514	-
Training of Staff: PES	1 256	1 256	-	1 563	1 562	1
Total	**1 039 641**	**1 037 011**	**2 630**	**1 036 481**	**933 893**	**102 588**

The Programme utilised 99.7% of its allocated budget to carry out its mandated objective and deliverables and achieved 86% (6 of 7) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The pending submission to the Cabinet will be pursued soonest in the new Administration. The Draft Implementation plan for the National Employment Policy has been developed. The Draft Policy and ES Amendment Bill will be presented to Cabinet and Parliament during the seventh administration between August/September 2024. The draft National Employment Policy will be tabled to:

- The Economic and Infrastructure Cluster for it to be pre-certified by Presidency
- Cabinet for approval to commence with public consultations.

14.4 PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

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

Objectives

- Improve employment equity implementation and compliance monitoring mechanisms in the labour market by:
  - Publishing the 2022/2023 employment equity annual report and public register by 30 June 2023, and
  - developing the 2023/2024 employment equity annual report and public register by 31 March 2024
- 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 2024
- 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 2024.

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 pursuit of the mandate to promote equity in the labour market, the Employment Equity Directorate has achieved all the annual targets planned for 2023/24 financial year by ensuring that the draft Regulations on 5-year sector EE targets is re-published for further public comment for 90 days on 1 February 2024. Furthermore, in order to continue monitoring the EE progress made by employers, the 2022-2023 EE Annual Report was published and launched on 23 June 2023 and the 2023-2024 EE Annual Report was successfully developed before 31 March 2024.

The Labour Policy and Industrial Relations Programme has in this financial year reviewed and adjusted the national minimum wage level 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 through the 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.

LMIS Directorate has planned to produced four annual labour market trend reports in 2023/24. In addition, four briefing reports were produced upon the release of new labour market data by Statistics South Africa. These reports provide analysis of the South African labour market statistical trends to inform policy makers about the changes occurred over time to assist in the process of developing evidence-based decision. In this context, all these reports were produced as planned. Furthermore, the development of the national Labour Market Information (LMI) system is at an advanced stage towards the launch of the system in July 2024. This event will simultaneously be conducted with Namibia, Botswana and South Africa with the support of International Labour Organisation (Department of Statistics). The three countries were identified as flagship on the LMI system project in the SADC region.

Key achievements

National Minimum Wage:

The Department of Employment and Labour has reviewed the national minimum wage, which has come into effect on 1 March 2024. The review of the national minimum wage ensures that workers' wages are not eroded by inflation and can respond to the standard of living. The review benefits vulnerable workers like domestic workers and farm workers, among others, and has the potential to uplift the standard of living of millions of workers. It is important to note that since the inception of the national minimum wage, research indicates that the national minimum wages has not led to job losses, as assumed by some. Therefore, there is no correlation between loss of employment and the national minimum wage.

COIDA

The Compensation for Occupational Injuries and Diseases Act (COIDA) previously excluded domestic workers from coverage of workplace diseases and injuries. The Government amended this legislation to ensure that domestic workers are covered for occupational diseases and injuries. Today, about 892 000 domestic workers benefit from the amendments. The amendments to COIDA also ensure that rehabilitation for occupational diseases and injuries allows workers to return to work expeditiously, thus enabling them to contribute to the economy.

Employment Equity Legislation

The Department of Employment and Labour has also amended the Employment Equity Act, which the President has assented to. The Act is waiting for the President to promulgate it. The changes to the Act will transform the labour market and benefit the majority of our people. Given the slow pace of transformation, the law now allows the Minister to set sector targets for a five-year period and monitor their implementation. Furthermore, the Employment Equity changes will reduce regulatory burden on small businesses, which is imperative for job creation and survival.

Labour Law Amendments

The intention on labour law proposals among other things was to respond to the challenges of unemployment by determining what businesses and labour can sacrifice to create employment without compromising job security; and how to assist small business to thrive and create employment. The proposals will articulate changes in the labour market and the nature of work, identify bottlenecks in existing systems, broaden access to collective organisation and bargaining in response to an increasing number of unprotected workers, ensure rights and protection appropriate to the changing nature of work and an increasing number of unprotected workers, reduce levels of disputes and simplify dispute procedures.

Employment Bill

The Department introduced the National Labour Migration Policy (NLMP) and Amendments to the Employment Services Bill (ESAB). The purpose of the policy is to consider four basic interventions and their associated benefits: i) labour migration governance and management, ii) labour migration data, iii) migration management to South Africa and iv) migration management from South Africa. The Employment Service Amendment Bill is before Parliament. The Bill addresses issues from the Policy that need to be legislated into the Bill. It contains sections that deal with Private Employment Agencies operating for gain, employment of foreign nationals in South Africa, and technical issues relating to employment and enterprises. The Bill will assist in certain matters, with the bulk of the regulation included in the guidelines and regulations contained in the Policy in terms of managing migration, while other aspects will be covered by bilateral agreements with countries.

TABLE 4.4.1:

Programme: Labour Policy and Industrial Relations								
Outcome	**Outputs**	**Output Indicators**	**Audited Actual Performance**	**Audited Actual Performance**	**Planned Annual Target**	**Actual Achievement**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
			2021/2022	**2022/2023**	**2023/2024**	**2023/2024**		
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	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	Not Achieved EE Regulations finalised, but not published	N/A	N/A	N/A	N/A
		1.2 Sector EE targets developed and consulted	N/A	N/A	Draft Five-year sector EE targets developed and re-published for public comment by 31 March 2024	Achieved Draft Regulations on five-year sector EE targets re-published for public comment for 90 days on 1 February 2024	None	None
	A number of policy instruments developed and promoted to enhance the implementation of EEA per annum	2.1 Annual EE Report and Public Register published per annum	Achieved 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	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	2022-2023 Annual EE Report published by 30 June 2023	Achieved 2022-2023 Annual EE Report and Public Register published and launched on 23 June 2023	None	None
		2.2 Annual EE report and Public Register developed per annum	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 (Minster approved Public Register for publication on 31 March 2022)	Achieved 2022-2023 Annual EE Report and Public Register developed by 24 March 2023	2023-2024 Annual EE report and Public Register developed by 31 March 2024	Achieved 2023-2024 Annual EE Report and Public Register developed prior to 31 March 2024 (i.e. 2023-2024 EE Annual Report on 20 March 2024 and Public Register on 21 February 2024)	None	None

Programme: Labour Policy and Industrial Relations								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024		
		2.3 Income differential data collection tool (EEA4 form) for designated employers developed per annum	N/A	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	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	N/A
	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	Achieved National Minimum Wage amendments was published on 7 February 2022 in the Government Gazette no 45882	Achieved The National Minimum Wage level reviewed and published in government gazette number 48094 dated 21 February 2023	Review of the National Minimum Wage level by 31 March 2024	Achieved The National Minimum Wage level reviewed and published in the Government Gazette number 50073 dated 2 February 2024	None	None

Programme: Labour Policy and Industrial Relations								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024		
	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	Achieved Twenty-Six (26) collective agreement received. Twenty-Six (26) assessed and verified within 180 working days of receipt = 100% VS: Copy of LRA 3.5/3.6, Copy of signed submissions & Copy of full schedule published in Government notice	Achieved 100% (4 received, 4 verified) collective agreements extended to non-parties within 120 working days	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 31 March 2024	Achieved 0 applications	None	None
		4.2 Percentage of collective agreements assessed and verified within 60 working days of receipt per annum		Not Achieved 90% (20 received, 18 verified) collective agreements extended to non-parties within 60 working days.	100% of collective agreements where parties are representative assessed and verified within 60 working days of receipt by 31 March 2024	Achieved 29 received: 29 verified and extended to non-parties	None	None
	Social Compact Framework developed, approved, and implemented for priority sectors as agreed to by social partners	4.3 Framework agreement finalised and working group established	N/A	N/A	Final Framework on Social Compact developed, tabled, and adopted at NEDLAC by 31 March 2024	Achieved NEDLAC Social partners agreed on addressing electricity, crime, skills and port challenges	None	None

Programme: Labour Policy and Industrial Relations								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024		
	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	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	Achieved Hundred and thirty-two (132) applications received. • Hundred and twenty-five (125) refused Seven (7) approved	100% of labour organisations' applications for registration approved or refused within 90 working days of receipt by 31 March 2024	Achieved 128 received: 120 Refused • 8 Approved	None	None
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	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	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	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 2023 • 1 Mid –term implementation report submitted to the Minister by 31 October 2023 for sign-off	Achieved 1 Annual implementation report submitted to Minister for sign off after 30 April 2023 Achieved 1 Mid-term implementation report submitted to Minister for sign off by 31 October 2023		

Programme: Labour Policy and Industrial Relations								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024		
MTSF OUTCOME More decent jobs created and sustained, with youth, women and persons with disabilities prioritised DEL 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	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	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	4 Annual Labour market trend reports produced by 31 March 2024 These annual reports include: 1. Annual Labour Market Bulletin 2022/23 2. Job Opportunity and Unemployment in the SA 2022/23 3. Industrial Action Report 2023 4. Annual Administrative Statistics report 2023	Achieved 4 Annual Labour market trend reports produced by 31 March 2024 These annual reports include: 1. Annual Labour Market Bulletin 2022/23 2. Job Opportunity and Unemployment in the SA 2022/23 3. Industrial Action Report 2023 4. Annual Administrative Statistics report 2023 All reports are in the process to be printed and disseminated	None	None

Programme: Labour Policy and Industrial Relations								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			2021/2022	2022/2023	2023/2024	2023/2024		
	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	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	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 COVID-19 Crisis	2 research reports completed by 31 March 2024	Achieved 1. Benchmark study on Silicosis in the non-mining sector. 2. Assessment of policy solutions adopted by the South African government on young people's entry into employment. 3. Client Satisfaction Survey (CSS). 4. Ensuring Social Security for all	Two additional studies competed	CSS was conducted internally and Ensuring social security for all was conducted to meet targets made for BRICS research Network

LINKING PERFORMANCE WITH BUDGETS

The Labour Policy and Industrial Relations programme adjusted appropriation budget was R1.323 billion in 2023/2024. The actual expenditure as at 31 March 2024 is R1.321 billion which constitutes 99.2% of the allocation. Budget allocation for transfers and subsidies was R1.162 631 billion, expenditure is R1.162 541 billion with a variance of R90 thousand rand (99.2% 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	2023/2024			2022/2023		
	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	16 472	16 055	417	17 140	15 433	1 707
Strengthen Civil Society	24 854	24 854	-	24 760	24 760	-
Collective Bargaining	19 197	18 903	294	18 821	17 731	1 090
Employment Equity	13 946	13 872	74	12 283	11 463	820
Employment Standards	13 387	12 581	806	11 901	11 237	664
Commission for Conciliation, Mediation and Arbitration	1 041 163	1 041 163	-	1 046 293	1 046 293	-
Research, Policy and Planning	9 492	8 797	695	6 521	5 948	573
Labour Market Information and Statistics	50 359	49 799	560	50 515	46 756	3 759
International Labour Matters	61 454	61 427	27	113 992	101 373	12 619
National Economic Development and Labour Council	73 610	73 610	-	68 879	68 879	-
Total	**1 323 934**	**1 321 061**	**2 873**	**1 371 105**	**1 349 873**	**21 232**

The Programme utilised 99.8% of its allocated budget to carry out its mandated objective and deliverables and achieved 100% (11 of 11) of the predetermined targets. The allocation was sufficient for all operations of the Programme.

Strategy to overcome areas of under performance

None.

ANNEXURE A

The information captured in Annexure A is not for auditing but is used as additional information on the Department's Performance and used for reporting to various structures such as the DPME for the MTSF report, Portfolio and Select Committees in Parliament.

Administration

NUMBER OF INVOICES PAID WITHIN 30 DAYS

OFFICE	NO. OF INVOICES RECEIVED in 2023/24	NO. OF INVOICES THAT WERE RECEIVED AND PAID WITHIN 30 DAYS BEFORE 31 MARCH 2024	NO. OF INVOICES PAID AFTER 30 DAYS BY 31 MARCH 2024	NO OF INVOICES IN 23/24 FY OLDER THAN 30 DAYS AS AT 31 MARCH 2024 AND NOT YET PAID
Eastern Cape	1 165	1 165	0	0
Free State	489	489	0	0
Kwazulu Natal	1 269	1 269	0	0
Mpumalanga	255	255	0	0
Northern Cape	145	145	0	0
North West	189	189	0	0
Limpopo	250	250	0	0
Western Cape	1 351	1 349	2	0
Head Office	888	878	10	0
Gauteng	622	622	0	0
TOTAL	**6 623**	**6 611**	**12**	**0**

Main Service	Standard	Q	R-value of procurement made during period	R-value of spending on women owned businesses	% of spending on women owned businesses	Reasons for non-achievement
SCM – Procurement of Goods and Services	40% of goods and services procurement from women owned businesses	**Q1**	R12 025 537.46	R1 522 673.11	12.66%	N/A
		Q2	R13 528 453.55	R4 267 727.65	32%	N/A
		Q3	R21 423 580.25	R8 079 601.31	38%	N/A
		Q4	R27 462 294.33	R9 179 703.12	33%	Lack of women owned business
		APR	**R74 439 865.59**	**R23 049 705.19**	**31%**	**Lack of women owned business**

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

EMPLOYMENT EQUITY ACT - NUMBER OF WORKPLACES (DESIGNATED EMPLOYERS) INSPECTED PER YEAR TO DETERMINE COMPLIANCE WITH EMPLOYMENT EQUITY LEGISLATION

Prov	Quarter 1				Quarter 2				Quarter 3				Q4 and APR Total for year			
	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %
EC	75	33	14	42%	150	69	35	51%	225	159	63	40%	300	230	106	46%
FS	54	38	23	61%	108	104	35	34%	162	155	60	39%	216	232	81	35%
GP	231	160	21	13%	462	420	68	16%	693	688	167	24%	924	940	258	27%
KZN	159	90	19	21%	318	252	29	12%	477	370	94	25%	636	583	154	26%
LP	75	0	0	0	150	156	29	19%	225	213	69	32%	300	307	112	36%
MP	75	54	7	13%	150	139	32	23%	225	238	65	27%	300	296	109	37%
NC	54	15	12	80%	108	73	73	100%	162	106	63	59%	216	177	97	55%
NW	54	26	16	62%	108	63	34	54%	162	116	50	43%	216	190	97	51%
WC	54	32	18	56%	108	87	20	23%	162	142	32	23%	216	197	68	35%
TOTAL	**831**	**448**	**130**	**29%**	**1 662**	**1 363**	**355**	**26%**	**2 493**	**2 187**	**663**	**30%**	**3 324**	**3 152**	**1 082**	**34%**

BASIC CONDITIONS OF EMPLOYMENT ACT: NUMBER OF WORKPLACES INSPECTED PER YEAR TO DETERMINE COMPLIANCE WITH BASIC CONDITIONS OF EMPLOYMENT

Prov	Quarter 1				Quarter 2				Quarter 3				Q4 and APR Total for year			
	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %
EC	4 995	4 922	4 489	91%	9 990	9 200	8 351	91%	14 985	15 244	13 292	87%	19 980	20 188	17 817	88%
FS	3 351	3 293	3 074	93%	6 702	6 418	6 054	94%	10 053	9 980	9 440	95%	13 404	13 609	12 812	94%
GP	9 150	9 234	8 403	91%	18 300	18 238	16 816	92%	27 450	27 517	25 269	92%	36 600	37 226	34 197	92%
KZN	8 709	8 697	7 695	88%	17 418	15 881	14 183	89%	26 127	25 269	22 451	89%	34 836	34 976	30 201	86%
LP	4 113	3 769	3 623	96%	8 226	8 201	7 848	96%	12 339	11 903	11 392	96%	16 452	15 664	14 907	95%
MP	3 306	3 110	2 682	86%	6 612	7 014	5 755	82%	9 918	10 199	8 399	82%	13 224	13 213	10 954	83%
NC	1 590	1 545	1 184	77%	3 180	3 078	3 078	100%	4 770	4 508	3 710	82$	6 360	5 987	4 843	81%
NW	2 730	2 675	2 284	85%	5 460	5 520	4 817	87%	8 190	8 291	7 193	87%	10 920	11 393	9 776	86%
WC	4 272	4 436	4 045	91%	8 544	8 172	7 500	92%	12 816	12 515	11 431	91%	17 088	17 039	15 515	91%
TOTAL	**42 216**	**41 681**	**37 479**	**90%**	**84 432**	**81 722**	**74 402**	**91%**	**126 648**	**125 426**	**112 577**	**90%**	**168 864**	**169 295**	**151 022**	**89%**

EMPLOYMENT AUDIT SERVICES - NUMBER OF PROCEDURAL AND EMPLOYER PAYROLL AUDITS CONDUCTED PER ANNUM TO DETERMINE COMPLIANCE WITH UNEMPLOYMENT INSURANCE ACT AND UNEMPLOYMENT INSURANCE CONTRIBUTIONS ACT.

Prov	Quarter 1				Quarter 2				Quarter 3				Q4 and APR Total for year			
	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %
EC	406	404	299	74%	812	819	619	76%	1 218	1 295	969	75%	1 624	1 675	1 260	75%
FS	406	255	119	47%	812	579	264	46%	1 218	1 133	414	37%	1 624	1 672	574	34%
GP	901	985	396	40%	1 802	2 070	898	43%	2 703	2 816	1 189	42%	3 604	3 834	1 585	41%
KZN	586	771	292	38%	1 172	1 513	578	38%	1 758	2 156	827	38%	2 344	2 936	1 066	36%
LP	406	297	159	54%	812	910	640	70%	1 218	1 405	897	64%	1 624	1 785	1 075	60%
MP	406	437	87	20%	812	920	215	23%	1 218	1 376	317	23%	1 624	1 794	413	23%
NC	406	496	226	46%	812	990	990	100%	1 218	1 503	669	45%	1 624	2 017	903	45%
NW	361	345	229	66%	722	718	483	67%	1 083	1 105	681	62%	1 444	1 579	943	60%
WC	586	635	217	34%	1 172	1 265	407	32%	1 758	1 824	536	29%	2 344	2 632	740	28%
TOTAL	**4 464**	**4 625**	**2 024**	**44%**	**8 928**	**9 784**	**5 094**	**52%**	**13 392**	**14 613**	**6 499**	**44%**	**17 856**	**19 924**	**8 559**	**43%**

COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT - NUMBER OF EMPLOYER AUDITS CONDUCTED PER YEAR TO DETERMINE COMPLIANCE WITH COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT (COIDA)

Prov	Quarter 1				Quarter 2				Quarter 3				Q4 and APR Total for year			
	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %
EC	293	298	137	46%	586	640	248	39%	879	953	443	46%	1 172	1 224	566	46%
FS	203	208	84	40%	406	417	177	42%	609	677	271	40%	812	890	372	42%
GP	350	462	156	34%	700	925	351	38%	1 050	1 292	498	39%	1 400	1 665	588	35%
KZN	350	354	88	25%	700	684	186	27%	1 050	999	249	25%	1 400	1 416	386	27%
LP	203	160	69	43%	406	530	230	43%	609	737	312	42%	812	1 014	389	38%
MP	203	225	103	46%	406	567	194	34%	609	827	291	35%	812	1 053	371	35%
NC	203	104	22	21%	406	217	217	100%	609	329	56	17%	812	527	87	17%
NW	203	207	101	49%	406	363	158	44%	609	565	238	42%	812	867	344	40%
WC	293	299	67	22%	586	627	112	18%	879	944	182	19%	1 172	1 382	258	19%
TOTAL	**2 301**	**2 317**	**827**	**36%**	**4 602**	**4 970**	**1 873**	**38%**	**6 903**	**7 323**	**2 540**	**35%**	**9 204**	**10 038**	**3 361**	**33%**

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

PUBLIC EMPLOYMENT SERVICES ACT - PERCENTAGE OF INSPECTIONS ON REQUEST BY PES ON WORK PERMITS APPLICATIONS, PEAS AND TES CONDUCTED WITHIN 25 CALENDAR DAYS.[10]

- **90%** of inspections on request for permits conducted within 25 calendar days.

Prov	Quarter 1				Quarter 2				Quarter 3				Q4 and APR Total for year			
	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %	Target	Inspected	Number Compliant	Compliance %
EC	7	7	7	100%	21	21	21	100%	27	27	27	100 %	31	31	31	100%
FS	0	0	0	0	0	0	0	0	0	-	0	0	3	3	3	100%
GP	0	0	0	0	0	0	0	0	183	183	166	91%	229	229	208	91%
KZN	8	8	3	100%	18	18	13	72%	29	29	23	79%	38	38	31	82%
LP	3	2	2	67%	3	2	2	100%	21	16	11	69%	25	18	11	61%
MP	6	6	6	100%	7	7	7	100%	0	-	0	0	36	36	24	67%
NC	0	0	0	0	0	0	0	0	0	-	0	0	1	1	1	100%
NW	0	0	0	0	0	0	0	0	0	-	0	0	6	6	1	17%
WC	28	22	16	79%	28	22	16	73%	0	-	0	0	26	20	8	40%
TOTAL	**52**	**45**	**34**	**86%**	**77**	**70**	**59**	**84%**	**260**	**255**	**227**	**89%**	**395**	**382**	**318**	**83%**

OCCUPATIONAL HEALTH AND SAFETY ACT - NUMBER OF EMPLOYER/USER INSPECTED PER YEAR TO DETERMINE THEIR COMPLIANCE WITH THE OCCUPATIONAL HEALTH AND SAFETY LEGISLATION

Prov	Quarter 1				Quarter 2				Quarter 3				Q4 and APR Total for year			
EC	2 202	2 321	1 839	79%	4 404	4 415	3 565	81%	6 606	6 916	5 476	79%	8 808	9 276	7 425	80%
FS	2 643	3 312	2 595	78%	5 286	6 302	5 010	79%	7 929	9 589	7 529	79%	10 572	12 891	10 080	78%
GP	4 677	5 079	3 985	78%	9 354	10 169	7 707	76%	14 031	15 095	11 500	76%	18 708	20 374	15 361	75%
KZN	6 126	6 202	3 530	57%	12 252	12 115	6 949	57%	18 378	17 894	10 447	58%	24 504	25 759	14 646	57%
LP	2 148	2 248	1 266	56%	4 296	4 485	2 417	54%	6 444	6 595	3 588	54%	8 592	8 362	4 622	55%
MP	1 392	1 363	760	56%	2 784	3 233	1 661	51%	4 176	4 643	2 492	54%	5 568	6 328	3 352	53%
NC	906	913	616	67%	1 812	1 851	1 851	100%	2 718	2 668	1 789	67%	3 624	3 696	2 482	67%
NW	1 572	1 710	1 237	72%	3 144	3 586	2 608	73%	4 716	5 471	3 861	71%	6 288	7 425	5 182	70%
WC	2 976	2 986	1 550	52%	5 952	5 050	2 828	56%	8 928	8 432	4 721	56%	11 904	11 994	6 559	55%
HO	72	67	49	73%	144	67	49	73%	216	215	164	76%	288	285	208	73%
TOTAL	**24 714**	**26 201**	**17 427**	**67%**	**49 428**	**51 273**	**34 645**	**68%**	**74 142**	**77 518**	**51 567**	**67%**	**98 856**	**106 390**	**69 917**	**66%**

[10] The number complaint was updated from 84 to 59

ADDITIONAL STATISTICS ON PUBLIC EMPLOYMENT SERVICES IN RELATION TO WOMEN, YOUTH AND PEOPLE WITH DISABILITIES

NUMBER OF WORK-SEEKERS REGISTERED ON EMPLOYMENT SERVICES OF SOUTH AFRICA PER YEAR

Prov	Quarter 1				Quarter 2				Quarter 3				Q4 and APR Total for year			
	Men	Women	Youth	PwD	Men	Women	Youth	PwD	Men	Women	Youth	PwD	Men	Women	Youth	PwD
EC	12 777	16 818	13 475	69	23 584	29 113	25 030	102	38 556	44 631	35 895	174	55 146	62 231	59 455	247
FS	9 109	9 593	12 143	56	16 181	18 547	22 994	98	25 125	29 380	30 006	149	35 853	41 636	49 555	185
GP	25 348	31 121	34 723	111	43 663	53 338	58 721	177	73 444	89 032	78 247	317	104 411	134 903	139 045	443
KZN	17 610	24 166	25 897	88	31 796	44 045	48 428	145	52 112	73 694	59 684	277	65 749	93 351	103 988	366
LP	7 433	13 391	13 926	72	12 825	22 939	24 187	151	19 765	33 926	26 775	295	25 954	42 775	45 250	323
MP	8 536	9 726	10 747	22	16 484	18 914	21 052	34	26 330	28 766	26 345	49	36 575	40 372	46 071	61
NC	5 218	5 896	4 900	37	9 663	11 499	9 548	53	14 677	17 595	14 281	79	20 533	24 771	20 724	96
NW	6 998	7 985	8 993	55	13 530	15 071	16 766	75	23 717	24 823	21 300	86	34 019	35 203	37 526	106
WC	11 034	15 181	15 100	72	20 771	29 230	28 285	143	35 432	49 705	38 659	216	50 640	70 350	65 932	273
Other	11 279	19 527	25 368	172	14 863	26 124	34 136	205	18 736	33 604	30 302	270	41 365	72 021	100 800	397
Total	**115 342**	**153 404**	**165 272**	**754**	**203 360**	**268 820**	**289 147**	**1 183**	**327 894**	**425 156**	**361 494**	**1 912**	**470 245**	**617 613**	**668 346**	**2 497**

lease note that there were 36 work-seekers where the gender was not captured or assigned

NUMBER OF REGISTERED WORK-SEEKERS PROVIDED WITH EMPLOYMENT COUNSELLING PER YEAR

Province	Quarter 1				Quarter 2				Quarter 3				Quarter 4			
	Men	Women	Youth	PwD	Men	Women	Youth	PwD	Men	Women	Youth	PwD	Men	Women	Youth	PwD
EC	3 647	5 383	5 951	50	7 061	10 901	11 808	98	10 358	16 555	17 765	175	13 769	22 163	23 692	238
FS	2 836	4 311	5 388	30	5 469	9 434	10 946	88	8 342	14 265	16 625	125	11 313	18 560	21 889	152
GP	7 916	14 163	17 870	62	13 668	25 136	30 854	135	20 009	35 575	43 624	308	26 203	46 761	56 897	469
KZN	5 440	13 756	16 778	110	9 445	21 833	26 161	187	13 063	28 793	34 183	292	15 256	33 675	39 318	383
LP	5 072	10 965	11 286	125	7 320	17 074	17 849	189	9 437	22 446	23 464	266	10 997	26 231	27 872	286
MP	5 002	6 768	8 894	46	8 584	12 544	16 183	75	11 770	17 072	21 588	96	14 267	21 281	26 478	117
NC	1 846	2 208	2 915	19	3 821	4 216	5 442	38	6 115	6 621	8 417	68	8 345	8 740	11 114	86
NW	2 893	4 612	5 431	43	5 818	9 348	10 393	89	8 619	13 790	14 877	115	11 930	18 547	20 501	136
WC	2 835	5 367	6 268	52	4 966	8 617	10 009	94	6 791	12 272	14 199	120	8 712	16 645	18 788	152
Total	**37 487**	**67 533**	**80 781**	**537**	**66 152**	**119 103**	**139 645**	**993**	**94 504**	**167 389**	**194 742**	**1 565**	**120 792**	**212 603**	**246 549**	**2 019**

*36 Gender not captured or assigned

NUMBER OF REGISTERED EMPLOYMENT OPPORTUNITIES FILLED BY REGISTERED WORK SEEKERS PER YEAR

Prov	Quarter 1				Quarter 2				Quarter 3				Quarter 4			
	Men	Women	Youth	PwD	Men	Women	Youth	PwD	Men	Women	Youth	PwD	Men	Women	Youth	PwD
EC	1 667	1 647	1 689	75	2 719	2 962	2 822	114	4 072	4 740	4 491	148	5 313	6 011	5 828	159
FS	605	646	967	10	1 692	2 645	3 066	34	2 589	4 079	4 774	42	3 443	5 481	6 248	48
GP	2 270	2 871	4 584	21	3 436	4 840	7 140	51	6 059	7 491	11 303	59	6 796	8 851	12 862	87
KZN	1 727	1 902	2 621	11	2 734	3 373	4 193	30	4 037	5 311	6 256	68	4 806	6 524	7 524	71
LP	1 828	4 095	3 449	48	2 332	6 414	5 365	65	2 827	8 848	6 939	77	3 621	10 825	8 722	85
MP	812	953	1 093	4	1 248	1 427	1 855	6	2 031	2 845	3 436	11	2 523	3 566	4 163	15
NC	513	1 169	991	7	1 296	1 944	2 174	26	2 333	2 595	2 889	17	2 759	4 016	4 591	23
NW	872	689	1 008	6	1 793	1 836	2 578	16	1 736	2 618	3 320	22	2 925	3 504	4 179	34
WC	**1 059**	**1 763**	**1 977**	**18**	**1 989**	**2 823**	**3 623**	**27**	**2 596**	**4 210**	**5 033**	**31**	**3 087**	**5 282**	**5 961**	**62**
Total	**11 353**	**15 735**	**18 379**	**200**	**19 239**	**28 264**	**32 816**	**369**	**28 280**	**42 737**	**48 441**	**475**	**35 273**	**54 060**	**60 078**	**584**

Please note that 12 of the opportunities were filled by work-seekers that did not specify their gender.

15 TRANSFER PAYMENTS

15.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity R'000	FINAL APPROPR-IATION R'000	Actual Expenditure
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	R62 921 (FY24 allocation) Additional transfer to cover liquidity risk of the entity (R8 799.244)	R 66 441	1637 SMMEs and other enterprises supported through Competitiveness Improvement Interventions to improve their competitiveness and sustainability 3016 entrepreneurs, workers and managers capacitated to promote the culture of productivity 542 Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa 10 advocacy and public awareness campaigns to support the Productivity movement in South Africa 2 research reports and publications on priority sectors published and disseminated 2 statistical reports on productivity and competitiveness published

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity R'000	FINAL APPROPR-IATION R'000	Actual Expenditure
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 Labour Law Reform NEDLAC Annual Summit Community Constituency Policy School and Labour School 4 documents to be submitted by the PCC Improvements to the NEDLAC house	73 610	93 031[11]	• Fifteen social dialogue sessions were held focusing on matters such as the socio-economic impact of the Health Promotion Levy (HPL), the National State Enterprises Bill, Productivity Ecosystems for Decent Work in South Africa, 2022 Census national results, Government budget planning and water shortages • NEDLAC Reports were produced in respect of seven bills and one policy. These included the Admission Policy for Ordinary Public Schools, Radioactive Waste Management Fund Bill, National Water Resource Infrastructure Agency Bill, Amendments to Regulations Relating to Minimum Uniform Norms and Standards for Public School Infrastructure, Victims Support Services Bill, Employment Services Amendment (ESA) Bill and Electricity Pricing Policy • The NEDLAC Founding Documents, including the NEDLAC Act, Constitution and Protocols were redrafted and approved by the NEDLAC governance structures in January 2024 • The Labour Law Reform Phase 1: The Task Team concluded engagement on proposals on Essential Services Committee (ESC), the registration of federations and employer organisations, extension of bargaining council agreements and exemption procedures, Minister's powers to make rules in respect of facilitation, and duty to keep records by trade unions and employer organisations • Think pieces on regulatory reforms to enable a just transition to a low climate economy, legislative and regulatory reforms with respect to workers who are not employees, and labour market inefficiencies were also drafted for consideration by the Task Team • The 28th NEDLAC Annual Summit with the theme, "Resilience in the face of adversity: Social partner's preparedness for crises" was held on 08 September 2023 at Gallagher Convention Centre, Midrand. it was attended by 214 people and was also broadcast on social media platforms for access to members of the public • Organised Labour convened its Annual Labour School from 04 to 07 February 2024 while the NEDLAC Community Constituency convened its annual Policy School from 23 to 24 March 2024 • The Presidential Climate Commission concluded the following documents incorporating policy recommendations, scientific briefing and public dialogues: o Social Ownership Models in the Energy Transition o Recommendations on the Draft IRP 2023 o Climate Finance Landscape Report o Energy Dialogue Series o Social Owned Renewable Energy • Solar power was installed at NEDLAC and an emergency exit door was erected in the Chamber room making it disability friendly and OHS compliant

[11] *The amount spent of R93 million is within the approved budget of R107.5 million. The approved budget of R107.5 million is higher than the R73.6 million received as the approved budget was revised during the year to consider the surplus funds of R20.2 million that were approved for retention by the National Treasury relating to 2022/23. These amounts further exclude the impact of any service in kind revenue to be recognised on the annual financial statements for GRAP purposes.

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity R'000	FINAL APPROPR-IATION R'000	Actual Expenditure
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 041 163 (Excluding the approved surplus roll over and own generation revenue)	R1 057 123 (Preliminary Results as of 31st March 2024)	• A total of ten (10) 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 ten (10) 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 • 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 • To improve and promote dispute resolution in essential services, the Essential Services Committee (ESC) conducted three (3) interventions to promote effective dispute resolution, engaged one (1) stakeholder to make inputs on legislative changes and eighty-eight (88) entities to ensure that there are minimums to be maintained during industrial action in essential services. A total of two (2) essential service designations, Minimum Service Agreements (MSAs), Minimum Service Determinations (MSDs) and/or Maintenance Service Determinations were monitored for implementation, and observance. The ESC conducted five (5) sessions with various stakeholders to create awareness of essential service designations • The CCMA implemented 50% of Phase 3 of the CCMA/BUSA SME Labour Advice Web Tool • During the 2023/24 financial year, the CCMA heard 99.65% (140 258/140 750) 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) • 99.99% (17 130/ 17 131) arbitration awards rendered were 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 ESC conducted 100% (3/3) of Section 71 of the LRA and 100% (4/4) Section 73 of the LRA cases, respectively. • CCMA saved 38.74% (14 887/38 428) 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 7.46% (3 740/50 134) in this regard • The CCMA resolved 96.94% (95/98) of public interest disputes and 58.8% (1002/1703) disputes of interest were resolved, respectively • During the 2023/24 financial year, the CCMA implemented 100% (52/52) of the Risk Management Plan to sustain level 5.00 risk maturity level • In addition, CCMA has implemented 100% (42/42) of Compliance Management Plan to maintain an optimum compliance maturity level five (5) • The CCMA conducted an Imvuselelo Strategy impact assessments 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	Claims against the state for medical expenses of government employees that registered an injury on duty in accordance to the COIDA	6 995	6 995	• Payment for medical expenses of government employees that incurred an injury on duty

15.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS MADE FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024.

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'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Sheltered Employment Enterprises (SEE)	Unscheduled entity	• Operational and administrative Cost of the Entity • Provide additional employment for PwDs • Manufacturing of goods for sale		207 915	207 915	N/A

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS WHICH WERE BUDGETED FOR IN THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024, BUT NO TRANSFER PAYMENTS WERE MADE.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for R'000	Amount transferred R'000	Reasons why funds were not transferred
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	The Fund has sufficient funding

16 CONDITIONAL GRANTS

16.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

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

16.2 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

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

17 DONOR FUNDS

17.1 DONOR FUNDS RECEIVED

The donor funds received by the Department was R65 699 835.50. The 1st Tranche was received in January 2023 for R35 081 241.50 with the expenditure of R31 743 200.90 and R3 338 040.60 was surrendered and 2nd tranche was received in February 2024 for R30 618 594.00 with no expenditure which was also surrendered.

18 CAPITAL INVESTMENT

18.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The Department of Employment and Labour (DEL) has a total of 66 projects registered with the Department of Public Works and Infrastructure (DPWI). For construction of new buildings - 5 in Gauteng, 5 in Limpopo, 13 in Mpumalanga, 2 in Eastern Cape and 14 in the Western Cape, for installation of water tanks 7, for installation of emergency power generators 6, 10 DPWI funded projects for Repair and Renovations and 4 other types of projects for maintenance.

The Department has six main capital projects, namely construction of new Taung Labour Centre, Rehabilitation of existing building of Upington Labour Centre, rehabilitation of newly acquired building for Ulundi Labour Centre, construction of new Ermelo Labour Centre, construction of new Swellendam Satellite Office, and construction of new Carolina Labour Centre. These projects are currently at different stages respectively, which is detailed in the table here below. The Department has also undertaken projects for the installation of water tanks and emergency power generators, at various Labour Centres, these are detailed under item number seven (7) and eight (8) here below.

Item	Project list	Status Quo	Expected completion date
1	Taung Labour Centre	Currently under construction	June 2024
2	Upington Labour Centre	Contractor on site	July 2024
3	Ulundi Labour Centre	Currently under re-designs	September 2027
4	Ermelo Labour Centre	Currently under review of costing	August 2027
5	Swellendam Satellite Office	In re-tender stage	December 2025
6	Carolina Labour Centre	Await installation of bulk services	December 2026
7	Installation of water tanks Roodepoort, Krugersdorp, Carletonville, Hendrina, Belfast, Mdantsane, East London PO and Hoedspruit	Hoedspruit under construction. Roodepoort, Carletonville and Krugersdorp to be on tender May 2024, rest in design stage	Up to December 2024
8	Installation of emergency power generators at Atteridgeville, Soshanguve, Mdantsane, Emalahleni PO and Mashishing Labour Centres	Atteridgeville and Soshanguve will be on tender soon, while the rest is still in design stage	Up to June 2025

The Standerton Labour Centre construction was completed in the financial year in question. The eight (8) projects, as indicated above indicates the respective anticipated completion dates for each. The Department has no plans to down-grade or close any of its facilities. Furthermore, the Department's asset holdings over the period in question has not changed and there was no adverse impact on its assets holding. No assets will be scrapped or disposed and no theft can be reported. All assets are recorded in an Asset Register, in accordance to the GIAMA Act, Act 19 of 2007 and in accordance to the National Treasury requirements.

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

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

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

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 2022/2023 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 Regulations, 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 of employees are required to follow the prescribed disclosure mechanisms on different timeframes. Guides on managing remunerative works 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 you become 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 report fraud, corruption, nepotism, maladministration and any act which violates any law which 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 on boarding, orientations programs are conducted. Ethics advocacy includes training on Code of Conduct.

A breach of the Code of Conduct is dealt with through the disciplinary processes. Any reported matter of alleged misconduct is investigated to gather all 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

All Provincial Offices including the two Funds have active OHS Committees. The status of all Departmental offices were evaluated and several issues where identified that required corrective measures. Some of the problems detected were:

Performance Indicator	Annual Target	Actual Achievement	Challenges
Number of OHS Inspection Conducted	OHS Inspections conducted in 5 X Provinces including Head Office	OHS Inspection conducted by Head Office: • Q1 Northern Cape- Kimberley 10/05/2023 • Gauteng- Randfontein 18/05/2023 • Provincial Office 19/05/2023 • Free State: Phuthaditjaba 21/06/2023 • Harrismith 22/06/2023 Ficksburg 23/06/2023 • KZN 28/06/2023 • Northwest 29/09/2023 • Eastern Cape 25/10/2023 • Head Office13-14/11/ 2023 • SEE 27/11/2023	Summary of major non-compliance: • Defective luminaires • Torn chairs / damaged furniture • No backup generator • Lack of drinkable water due to water disruption • Dilapidated Infrastructure • Leakages in ablution facilities • Empty printing machine cartridges not disposed of, they are kept on-site • Insufficient ventilation where windows cannot open and air conditioning system is malfunctioning • Unlabelled electrical distribution board / box • Poor housekeeping, none disposal of old files/lack of storage, dirty (and loose) carpets, broken windows, and blinds • Obstruction of emergency routes and fire-fighting equipment • Cluttered cables, exposed wires, and detached plug points • Expired First Aid box contents • Emergency door/exit door are locked • Expired Fire extinguishers • No valid certificate of compliance
Number of OHS Awareness Conducted	OHS Awareness conducted in 4 X Provinces	• OHS Poster for housekeeping was circulate through exchange • Awareness conducted in Free State from 4-15/09/2023 • Security awareness conducted for SCM in HQ on 19/09/2023 • Departmental orientation presented on the 05/07/2023 in HQ and 30/08/2023 WC • Security awareness conducted in KZN from the 5-9/02/2024 • Departmental Orientation on the 19/03/2024	GP, LP and NC Provinces has requested awareness postponement

7. PORTFOLIO AND SELECT COMMITTEES

PORTFOLIO COMMITTEE

Meeting date	Portfolio Committee Matters raised	Response by the dept.	Resolved (Yes/No)
06/09/2023	Briefing by Department of Employment and Labour on its 2nd and 3rd Quarterly Performance Report 2022/23	Performance of both Northern Cape and Limpopo were seen as cause for concern EEA Roadshow must continue and be broadened	yes
11/10/2023	Briefing by the Department's Internal Audit Committee on Audit Outcomes for the Department of Employment and Labour and entities	ESSA system has a lot of potential. It must be sold to many institutions including NEDLAC A serious review of DEL's ICT is desperately needed Audit Action Plans are not producing required results Losses should be stopped from continuing There is a great need for consequence management	yes
18/10/2023	Briefing by the Department of Employment and Labour (incl. SEE) on the 2023 Annual Report (BRRR)	Concerns over the regression of the SEE. SEE moved from qualified to adverse audit outcome. Issue of skills in the finance section needs to be looked into in as far as SEE is concerned. Drastic action needs to be taken to address IT Eco-System of the Department Provincial Risk Committees should be properly constituted	yes
01/11/2023	2023-24 - 2nd and 3rd Quarterly Performance Reports of the Department of Employment and Labour and its entities	DEL is encouraged to achieve 100% overall performance in all quarters of the targets it sets for itself	yes
08/11/2023	Briefing by the Registry of Trade Unions on Labour Relations	CEPPWAWU Challenges fixture prominently in this meeting, to a point where the Portfolio Committee is considering to have another session with the Registrar	yes
15/11/2023	Briefing by the Department on the Petition by Solidarity and Cape Forum regarding EE regulations; and • on the Revised Annual Performance Plan of the Department – 2023/24.	Regulations petitioned are not final yet, they are still a draft. Prudent use of funds by DEL has been impressed upon. Good that the Performance Agreement of the Minister has now found expression in the APP	yes
29/11/2023	Draft 1 Legacy Report of the Portfolio Committee on Employment and Labour in the 6th Parliament	Report delivered	yes
13/03/2023	Budget Review – Department of Employment and Labour (DEL) and SEE (Incl. Sector Plan, Strategic Plan and Annual Performance Plan)	Discussed	yes

SELECT COMMITTEE

Meeting date	Select Committee Matters raised	Comments
25/04/2023	Department of Employment and Labour 2023/24 Annual Performance Plan	The Department was requested to provide information of Trade Unions under administration The Department was also requested to speed up processing Labour Migration Policy The Department was requested to inspect the following farms: Bear and Seun Farming Company CPJ Erasmus and Seun Westfalia Fruit Estate Allegations of ill-treated of farm workers in the above-mentioned farms
24/11/2023	Briefing of the Select Committee on: 2023/24 Quarterly Performance Report	Among the matters that surface in this meeting was the concerns from Hon. Members on the inability of Northern Cape, Mpumalanga and Western Cape to achieve targets in relation to IES among others

Meeting date	Select Committee Matters raised	Comments
07/11/2023	Briefing on Social Compact progress by NEDLAC and Social Partners	NEDLAC is a process institution NEDLAC should be interested in tracking and tracing legislative process beyond in its boundaries. NEDLAC Act must be updated There must be aspects of Social Compact that ought to have been agreed upon by now, which must serve as a platform to build from
28/11/2023	SEE Q1 and Q2	Report discussed
06/02/2024	Department of Employment and Labour on follow up in relation to the unbundling of the Compensation Fund and Unemployment Insurance Fund from the Department.	Report discussed

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	**None**	**None**
Other Matters		
Annual financial statements		
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)		
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		• Confirmations requested from Entities reporting to the Department, in respect of related party transactions
Expenditure management		

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
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		• The Department entered into information technology (IT) contracts in prior financial years, these contracts were for extended periods i.e. over several financial years • Subsequent, to auditing the contracts, in the previous financial years, the Auditor-General of South Africa (AGSA), deemed the contracts to be irregular • Expenditure incurred in a specific reporting period, and not the contract value, is disclosed as irregular. The expenditure incurred in the previous financial years, for the IT contracts, were disclosed in those respective financial years • The bulk of expenditure, as disclosed in the March 2023 Annual Financial Statements, are in respect of legacy contracts, as the service was only rendered and invoiced in the 2022/23 reporting period • Consequence management is a tool utilised by the Department to deter officials from incurring Unauthorised, Irregular, as well as Fruitless and Wasteful expenditure • The Office of the Chief Financial Officer has drafted a financial circular which outlines the procurement process for information technology, which emphasises that all procurement must done through the State Information Technology Agency (SITA)
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		
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. This was because investigations into irregular expenditure were not performed		• The Department established a Loss Control Committee (LCC) to perform the tasks as outlined in National Treasury Instruction no. 4 of 2022/23 • The LCC is responsible to perform an assessment, determination and subsequently redirect the report to the appropriate unit to perform and finalise the investigation
The Auditor-General of South Africa 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		
Internal control deficiencies		
Management did not ensure that there were effective controls over information technology systems, consequently, significant weaknesses were identified		• The Department developed several comprehensive audit actions plans, with due dates, to the twenty-two (22) audit communications issued by the AGSA, during the respective reporting period • A total of two (2) actions were resolved and a total of 20 actions were initiated with an anticipated due date of mid-2024
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		• Monthly review of the lead schedules by managers to ensure correctness of transactions, prior disclosure • The Department, in the 2023/24 financial year, commenced with the procurement process of an accounting program for the preparation of the financial statements • The accounting program will eliminate the manual process of entering figures in the lead schedule and will provide sufficient time for analysis of transactions prior disclosure
Leadership did not ensure that consequence management is fully implemented and supported by investigation reports		• The Department established a Loss Control Committee (LCC) to perform the tasks as outlined in National Treasury Instruction no. 4 of 2022/23 • The LCC is responsible to perform an assessment and determination, subsequently redirect the report to the appropriate unit to perform and finalise the investigation

10. INTERNAL CONTROL UNIT

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

- Ensure compliance with prescripts in respect of revenue, payments and the transversals systems (i.e. Basic Accounting System, PERSAL and LOGIS)
- BAS, Safety Web and Safety Net system training provided to the respective system users during awareness and training sessions
- 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.

Performance Management controls in place are:

- Performance Reporting Templates and Annual Circular was issued to all Branches to utilise for Quarterly Performance Reports
- 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-off
- 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

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

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

The Internal Audit Function provides its services for both the Department of Employment and 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 three-year internal audit plans and annual plans approved by the Audit Committee and the Accounting Officer
- Implementation of the approved internal audit plans
- Quarter reporting to the Audit Committee
- Perform secretarial functions to the Audit Committee
- Review the Audit Charter's (Internal Audit and Audit Committee)

- Tracking of the implementation of the management action plans to improve on the control environment.

Summary of work done

The 2023/24 Internal Audit annual plan was approved by the Audit Committee. Internal Audit completed 39 audits, of which 27 are from the Departments annual plan and 12 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 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 audit deferred
- Financial Audits, i.e. Interim Financial Statements and the draft Annual Financial Statements
- Performance Information, i.e. Quarter performance information Head Office and two (2) selected Provinces and Draft Annual Performance Plan
- Risk Management audit on both Head Office and two (2) Provinces
- Follow-up Audits, i.e. 2022/23 Audit Action Plan adequacy and effectiveness review
- Due to the lack of ICT internal audit structure, funding, internal skills and competencies, ICT audit on SEE VIP & SYSPRO deferred to the next Financial Year.

Supported Employment Enterprise

- Financial Audits, i.e. Draft Annual Financial Statements, Management Accounts
- 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 Departments 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

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 Phiosophy. (Internal Auditing) • MBL • B.Com • CIA • CRMA • CGAP • CCSA	Member (External)		October 2017	October 2020 May 2021	7/8

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date resigned	No. of Meetings attended
Ms Jane Masite	• Com • CMIIA • QIAL • CIA • CFE	Member (External)		December 2020	N/A	8/8
Ms J Nkosi	• B. Compt Accountancy • Higher Diploma Computer Auditing • Certified Internal Auditor (CIA) • Certified Information Systems Auditor (CISA)	Member (External)		June 2020	N/A	8/8
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	Member (External)		May 2021	N/A	5/5

12. THE AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee (AC), embracive of the national aspirations that are foundational to regulations, delivered on its mandate in adherence to pertinent regulatory frameworks. Specifically, both the PFMA's Section 38 (1) (a) (ii) and the Treasury Regulations' Section 3.1.13, as well as the Department's Audit Committee Policy, continued to serve as a definitive premise for the AC Charter. In reviewing the latter, during the year under review, the due diligence included mapping of the AC responsibilities to pertinent clauses in the three documents cited earlier.

Informed, in part, by the national drive towards professionalising public service, the AC Charter was mapped also to relevant Global Standards as published by a professional body, viz. the Institute of Internal Auditors. Further, the infusion of some emerging market practices continued in the form of selectively integrating these in the quarterly reports to the Accounting Officer as well as being contributed into the quarterly meeting Agenda. Overarching these latter initiatives was the reality that DEL is a learning organisation, hence Learning and Development is one of its values. As such, it is this context that inspired all AC responsibilities, which were oversight on:

- Management accounts and financial statements;
- Internal Audit, including the appointment, replacement and performance of the CAE;
- Statutory or external audit, as undertaken by the AGSA;
- Risk management, including compliance, and fraud mitigation;
- Information and communication technology governance;
- Institutional performance, including regular reporting in the context of predetermined objectives; and
- Combined assurance, including remaining mindful not to encroach onto the operational activities.

Effectiveness of internal control systems

The increasingly vocal stance of, in particular, the current Auditor General (Ms Tsakani Maluleke) on institutional culture, implied that the AC be mindful of it. Zooming into the risk culture aspect of the Department, the AC is of the opinion that:

- The IAF is appropriately positioned in terms of the hierarchical structure in that it reports administratively to the DDG:CS, with full access to the Accounting Officer, and functionally to the AC. However, the continued under-capacitation of IAF remains a deeply concerning matter for the AC. Compounding this dire situation is the delayed utilisation of a limited additional budget, aimed at sourcing external services, addressing specific projects such as ICT audits. This, the AC believes, is directly linked to poor coordination of interdependencies within DEL – a risk culture weakness pointer. Nonetheless, within these constraints, the IAF continued to play its key role including delivering internal audit reports, seven of which served as a basis on which the AGSA based its own risk analysis that fed into the statutory audit.
- Despite the disabilities agenda being of strategic national significance, and DEL having commendably gone the extra mile of incorporating the SEE under its wing/umbrella, the required support seemed inadequate. Specifically, the financial resourcing necessary to ensure that relevant skills are acquired has not been adequate. As such, the continued faltering on basic internal control measures is deeply concerning to the AC. For instance, inconsistent review of financial information, including adequacy of supporting schedules, and the lack of proactive prioritisation of prior year misstatements as well as failure to attend to repeat findings, were confirmed by the AGSA as well. Further, although having procured the services of an external consultant to supplement capacity in relation to year-end processes, such initiative was commended late, with the specification not adequately focused in terms of the service provider performance clause. Thus, pointing to a risk culture weakness.
- The continued vacancy on as supremely critical a role as the Chief Information Officer, with an Acting incumbent still going on during the year under review, constitutes a business continuity concern for DEL. Failure to finalise the ICT strategy, and continuing to rely on the version thereof whose 'tenure' has expired, could be deemed to be a tone-at-the-top related concern – and thus, a risk culture issue.
- Repeat findings that persist have an adverse impact on the Department's aspiration of graduating from an Unqualified with Findings opinion to a Clean Audit opinion, are of concern. These talk to risk culture elements such as continuous improvement, the regulatory compliance, as well as the coordination of interdependencies.

Quality of in-year management and reports submitted

The delayed submission of SEE AFS for statutory audit purposes is directly linked to challenges pertaining to inadequate proficiency in the utilisation of the CASEWARE system. Failure to utilise this system efficiently, during the year, inevitably compounds efforts at delivering the AFSs in time for the AGSA to undertake their work on time. In addition, inconsistencies in terms of maintaining credible supporting schedules during the year, and undertaking both daily and monthly reconciliations, as well as lack of proper manufacturing related skills, all contributed towards compromising the integrity of reporting within the SEE.

On the overall, the AC undertook its oversight responsibilities without hindrance from management, leading to oversight delivery in relation to:

- The audited AFSs, together with information on pre-determined objectives that was to be included in the annual report.
- The areas on which the IAF provided independent assurance and, in this context, serving to reinforce assurance by management. Specifically, this pertains to both the unaudited financial statements as well as the unaudited information on performance objectives.
- Compliance with legal and regulatory provisions – particularly given the fact that the Department is a national brand that contributes towards co-shaping the legislative landscape within our country.
- The basis for going concern assumption, including any financial sustainability risks and issues.

Evaluation of Financial Statements

The financial health of the Department, as expressed through the annual financial statements, is also a good pointer to how sound the governance and internal control environment is. As such, the AC was largely satisfied with the quality of monthly and quarterly reports submitted during the year under review. In this regard, the Audit Committee has, for both the Department and Supported Employment Enterprise, undertaken the following:

- Reviewed and discussed the quarterly/ interim financial statements during the reporting period.
- Reviewed and discussed the Annual Financial Statements to be presented for audit purposes.
- Reviewed the Department's and SEE compliance to legal and regulatory provisions.
- Reviewed the annual Audit Report and Management Report from Auditor-General.
- Reviewed the information on predetermined objectives prepared for annual report.
- Reviewed the quality and observed the timeliness of the financial information made available to ensure that adequate oversight is provided.

Auditor General's Report

Whilst the Department continued to prepare credible financial statements, the AC was concerned at the misstatement of irregular expenditure and other material misstatements as noted in the AGSA management report. Its failure to achieve an improvement in terms of AGSA opinion remains an area that requires added effort on the part of management.

In relation to the SEE, in particular, the AC is deeply concerned. Despite an optimist view, by the SEE leadership team, the necessary documents were not submitted on time for the statutory audit; when this happened there were material misstatements.

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

In-Appreciation

The concerns raised by the AC are, by no means, an indication of our disregard of the positive effort and broadly good intentions by the leadership team of the Department. Rather, they are informed by the learning organisation posture of DEL, whereby the institution itself seeks to elevate the bar, doing so mindful of the challenges bedevilling the country.

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.
Developing and implementing a preferential procurement policy?	YES	Due to the legal challenges in the implementation of BBBEE, the Departments were advised to develop their own Procurement Goals that should be incorporated into their Procurement Policies. The SCM Policy was edited in line with the Preferential Procurement Regulations, 2022.
Determining qualification criteria for the sale of state-owned enterprises?	No	The Department doesn't have State Owned Entities that can be considered for sale. Only Entities that further implement the Strategic Plans of the Department I.e. NEDLAC on consultative forum on legislation, CCMA on handling disputes in the Labour Market and Productivity SA on promoting productivity in private and public production environments thus saving and creating jobs.
Developing criteria for entering into partnerships with the private sector?	YES	Included as part of the SCM Policy. The Branches of the Department have not identified with partnerships in the formulation and enforcement of Labour Laws of the country.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	YES	Department adopted the procurement goals (Women, Promotion of SMMEs, HDI, Disability and Locality), in procurement for empowering the identified group as advised by National Treasury, points stipulated in the approved Procurement Goals for the Department.

PART D

HUMAN RESOURCE MANAGEMENT

DEPARTMENT OF EMPLOYMENT AND LABOUR

1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The Chief Directorate: Human Resource Management is committed to provide a supportive environment to all employees of the Department. Amongst other initiatives, a service provider has been appointed to provide Employee Health and Wellness Programmes to all employees of the Department. This is aimed at assisting employees to maintain physical, emotional and mental health.

While faced with the challenge of cost containment measures which had a negative impact in realising the vacancy rate target, the Department has made progress in achieving 46% of women at SMS level and 2.5% for persons with disabilities.

There is a continuous improvement in the implementation of Performance Management and Development System Policy as a result of automation of the system. Advocacy sessions conducted on this policy amongst others, as well as training on the system has improved efficiencies from the side of users. The Harassment Policy and the Working from Home Policy have been approved and are being implemented. Employee Satisfaction Survey has been conducted and when approved, the report will be communicated to all employees of the Department.

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

TABLE 3.1.1 PERSONNEL EXPENDITURE BY PROGRAMME FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

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	1 033 427	444 397	2 590	5 057	43.00	461
Inspection & Enforcement Services	600 855	488 333	1 084	237	81.27	448
Public Employment Services	1 037 247	352 256	932	2 256	33.96	472
Labour Policy & Industrial Relations	1 321 061	110 364	586	4 976	8.35	694
Total	**3 992 590**	**1 395 350**	**5 193**	**12 526**	**34.95**	**472**

TABLE 3.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (level 3-5)	135 749	9.73	757	179
Highly skilled production (levels 6-8)	780 493	55.94	1 687	463
Highly skilled supervision (levels 9-12)	379 618	27.21	445	853
Senior and Top management (levels 13-16)	99 490	7.13	70	1 421
Total	**1 395 350**	**100.00**	**2 959**	**472**

TABLE 3.1.3 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

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	308 047	22.08	10 060	0.72	14 830	1.06	29 365	2.10
Inspection & Enforcement Services	350 721	25.13	3 041	0.23	17 876	1.28	33 478	2.40
Public Employment Services	256 474	18.38	619	0.04	9 169	0.66	17 074	1.22
Labour Policy & Industrial Relations	77 339	5.54	201	0.01	2 648	0.19	5 076	0.36
Total	**992 580**	**71.13**	**13 922**	**1.00**	**44 523**	**3.19**	**84 993**	**6.09**

TABLE 3.1.4 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 3-5)	90 367	6.48	3 324	0.24	8 217	0.59	14 459	1.04
Highly skilled production (levels 6-8)	559 237	40.08	8 389	0.60	32 266	2.31	58 924	4.21
Highly skilled supervision (levels 9-12	277 299	19.86	2 209	0.16	4 041	0.29	10 678	0.77
Senior management (level 13-16)	65 677	4.71	0	0.00	0	0.00	932	0.07
Total	**992 580**	**71.13**	**13 922**	**1.00**	**44 523**	**3.19**	**84 993**	**6.09**

3.2 EMPLOYMENT AND VACANCIES

TABLE 3.2.1 EMPLOYMENT AND VACANCIES BY PROGRAMME AS ON 31 MARCH 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	977	844	13.61%	133
PES	616	568	7.79%	48
LP&IR	155	141	9.03%	14
IES	1 110	1 028	7.39%	82
UIF	7 916	3 522	55.51%	4 394
CF	3 210	2 938	8.47%	272
SEE	159	136	14.47%	23
Total	**14 143**	**9 177**	**35.11%**	**4 966**

TABLE 3.2.2 EMPLOYMENT AND VACANCIES BY SALARY BAND AS ON 31 MARCH 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled (3-5)	1 298	1 165	10.25%	7
Highly skilled production (6-8)	11 195	6 541	41.57%	27
Highly skilled supervision (9-12)	1 485	1 331	10.37%	11
Senior management (13-16)	165	140	15.15%	7
Total	**14 143**	**9 177**	**35.11%**	**615**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.2.3 EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS ON 31 MARCH 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Inspectors	1 863	1 736	6.82%	14
ESPs & Counsellors	339	312	7.96%	0
Medical Practitioners	95	72	24.21%	0
Total	**2 297**	**2 120**	**7.71%**	**14**

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 2024

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	0	0%	1	100%
Salary Level 15	8	6	75%	2	25%
Salary Level 14	33	28	84.85%	5	15.15%
Salary Level 13	123	106	86.18%	17	13.82%
Total	**165**	**140**	**84.85%**	**25**	**15.15%**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.3.2 SMS POST INFORMATION AS ON 30 SEPTEMBER 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%	2	25%
Salary Level 14	33	29	87.88%	4	12.12%
Salary Level 13	123	108	87.80%	15	12.20%
Total	**165**	**144**	**82.27%**	**21**	**12.73%**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.3.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

SMS Level	Advertising	Filling of Posts	% of SMS posts filled
	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	0	0	0
Salary Level 14	1	1	0
Salary Level 13	1	1	0
Total	2	2	0

*Inclusive of DEL, 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 2023 AND 31 MARCH 2024

Reasons for vacancies not advertised within six months
Cost containment measures introduced in the public service

Reasons for vacancies not filled within twelve months
Cost containment measures introduced within the Department and in the public services

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 2023 AND 31 MARCH 2024

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within twelve months
Cost containment measures introduced within the Department and in the public services

3.4 JOB EVALUATION

TABLE 3.4.1 JOB EVALUATION BY SALARY BAND FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

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)	1 298	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	11 195	0	0	0	0	0	0
(Levels 9-12)	1 485	3	0.2	0	0	0	0
Senior Management Service Band A	123	0	0	0	0	0	0
Senior Management Service Band B	33	0	0	0	0	0	0
Senior Management Service Band C	8	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	**14 143**	**3**	**0.2**	**0**	**0**	**0**	**0**

TABLE 3.4.2 PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Gender	African	Indian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	1
Total	1	0	0	0	1

Employees with a disability	**0**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.4.3 EMPLOYEES WITH SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION BY OCCUPATION FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Occupation	Number of employees	Job evaluation level	Remun-eration 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	7	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	12	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
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				43
Percentage of total employed				**0.46%**

TABLE 3.4.4 PROFILE OF EMPLOYEES WHO HAVE SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Gender	African	Asian	Coloured	White	Total
Female	6	0	0	4	10
Male	11	2	5	15	33
Total	17	2	5	19	43
Employees with a disability	**0**	**0**	**0**	**1**	**1**

*Inclusive of DEL, UIF, CF and SEE

3.5 EMPLOYMENT CHANGES

TABLE 3.5.1 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Skilled (Levels3-5)	1 182	60	47	3.98%
Highly skilled production (Levels 6-8)	6 597	207	262	3.97%
Highly skilled supervision (Levels 9-12)	1 340	46	77	5.75%
Senior Management Service Bands A	107	2	7	6.54%
Senior Management Service Bands B	30	2	5	16.67%
Senior Management Service Bands C	6	0	1	16.67%
Senior Management Service Bands D	1	0	0	0.00%
Contracts	581	376	534	91.91%
Total	**9 844**	**693**	**933**	**9.48%**

TABLE 3.5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Inspectors	1 739	72	68	3.91%
ESPs & Counsellors	320	7	16	5.00%
Medical Practitioners	70	8	6	8.57%
TOTAL	**2 129**	**87**	**90**	**4.23%**

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 2023 AND 31 MARCH 2024

Termination Type	Number	% of Total Resignations
Death	29	3.11%
Resignation	294	31.51%
Expiry of contract	448	48.02%
Dismissal – operational changes	0	0.00%
Dismissal – misconduct	14	1.50%
Dismissal – inefficiency	0	0.00%
Discharged due to ill-health	14	1.50%
Retirement	79	8.47%
Transfer to other Public Service Departments	55	5.89%
Other	0	0.00%
Total	933	100%
Total number of employees who left as a % of total employment	**9 844**	**9.48%**

TABLE 3.5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Occupation	Employees 1 April 2023	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	1 739	19	1.09%	0	0.00%
ESPs & Counsellors	302	0	0.00%	11	3.44%
Medical Practitioners	70	0	0.00%	0	0.00%
TOTAL	**2 129**	**19**	**0.89%**	**11**	**0.52%**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.5.5 PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Salary Band	Employees 1 April 2023	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 (Levels3-5)	1 182	7	0.59%	9	0.76%
Highly skilled production (Levels 6-8)	6 597	80	1.21%	3	0.05%
Highly skilled supervision (Levels 9-12)	1 340	28	2.09%	12	0.90%
Senior Management (Level 13-16)	144	5	3.47%	0	0.00%
Total	**9 263**	**120**	**1.30%**	**24**	**0.26%**

*Inclusive of DEL, 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 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (SR 13 – 16)	59	2	7	1	59	3	2	7	**140**
Professionals (SR 11 -12)	230	10	10	14	237	17	2	17	**537**
Technicians and associate professionals (SR 7 – 10)	1 677	97	40	60	1 571	129	40	149	**3 763**
Clerks (SR 4 – 6)	1 813	209	58	53	1 990	255	54	102	**4 534**
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**
Total	**3 779**	**318**	**115**	**128**	**3 857**	**404**	**98**	**275**	**8 974**
Employees with disabilities	**100**	**11**	**7**	**16**	**81**	**10**	**5**	**20**	**250**

TABLE 3.6.2 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (SR 15 – 16)	3	0	0	0	2	0	0	1	**6**
Senior Management (SR 13– 14)	56	2	7	1	57	3	2	6	**134**
Professionally qualified and experienced specialists and mid-management (SR 9 – 12)	596	26	21	28	568	45	14	33	**1 331**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (SR 6 – 8)	2 730	248	76	84	2 830	305	68	200	**6 541**
Semi-skilled and discretionary decision making (SR 3 – 5)	472	52	13	16	502	59	15	36	**1 165**
Unskilled and defined decision making (SR 1 – 2)	0	0	0	0	0	0	0	0	**0**
Total	**3 857**	**328**	**117**	**129**	**3 959**	**412**	**99**	**276**	**9 177**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.6.3 RECRUITMENT FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

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	4	0	0	0	0	0	0	0	**4**
Professionally qualified and experienced specialists and mid-management	22	0	0	0	21	2	0	1	**46**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	62	1	2	0	23	2	0	0	**90**
Semi-skilled and discretionary decision making	90	12	4	3	55	4	0	2	**170**
Unskilled and defined decision making	4	2	0	0	1	0	0	0	**7**
Total	**182**	**15**	**6**	**3**	**100**	**8**	**0**	**3**	**317**
Employees with disabilities	**4**	**0**	**1**	**0**	**5**	**1**	**0**	**1**	**13**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.6.4 PROMOTIONS FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

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	4	0	0	0	1	0	0	0	**5**
Professionally qualified and experienced specialists and mid-management	21	0	0	0	5	1	1	0	**28**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	38	2	0	0	24	1	2	1	**68**
Semi-skilled and discretionary decision making	6	1	0	1	9	1	0	1	**19**
Unskilled and defined decision making	0	0	0	0	0	0	0	0	**0**
Total	**69**	**3**	**0**	**1**	**39**	**3**	**3**	**2**	**120**
Employees with disabilities	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**2**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.6.5 TERMINATIONS FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	1	**1**
Senior Management	5	0	0	1	5	0	0	1	**12**
Professionally qualified and experienced specialists and mid-management	30	3	1	3	33	2	1	4	**77**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	80	0	2	2	61	8	2	15	**170**
Semi-skilled and discretionary decision making	70	7	0	4	43	4	0	5	**133**
Unskilled and defined decision making	3	0	0	0	2	1	0	0	**6**
Total	**188**	**10**	**3**	**10**	**144**	**15**	**3**	**26**	**399**
Employees with Disabilities	**6**	**0**	**1**	**0**	**1**	**0**	**0**	**1**	**9**

TABLE 3.6.6 DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Total	107	21	5	4	63	15	0	12	**227**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.6.7 SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	98	1	10	1	152	6	0	9	**277**
Professionals	99	5	1	2	130	9	2	3	**251**
Technicians and associate professionals	33	3	0	4	61	5	1	2	**109**
Clerks	29	5	0	0	85	5	3	1	**128**
Service and sales workers	10	0	0	0	12	0	0	0	**22**
Skilled agriculture and fishery workers	20	0	0	0	22	0	0	0	**42**
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	15	0	0	0	13	1	1	0	30
Elementary occupations	0	0	0	0	1	0	0	0	**1**
Total	**304**	**14**	**11**	**7**	**462**	**26**	**7**	**15**	**860**
Employees with disabilities	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**6**

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

TABLE 3.7.1 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 31 MAY 2023

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	6	6	100%
Salary Level 14	33	29	29	100%
Salary Level 13	123	107	103	96%
Total	**165**	**143**	**139**	**97%**

TABLE 3.7.2 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MARCH 2024

Reasons
Non-compliance for 2 SMS members
Dispute on the Performance Agreement

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

**Two (2) SMS members did not submit their performance agreements as on 31 May 2023.

TABLE 3.7.3 DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 31 MARCH 2023

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

3.8 PERFORMANCE REWARDS

TABLE 3.8.1 PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African		7 816			
Male	11	3 857	0.28	378.58	34 796.00
Female	16	3 959	0.40	567.77	35 686.00
Asian		216			
Male	1	117	0.85	28.16	28 441.00
Female	2	99	2.02	40.00	20 203.00
Coloured		740			
Male	0	328	0	0	0
Female	0	412	0	0	0
White		405			
Male	0	129	0	0	0
Female	1	276	0.36	24.59	24 592
Total	**31**	**9 177**	**0.33**	**1 039.1**	**143 718**

***Inclusive of DEL, 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 2023 TO 31 MARCH 2024

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	4	1 165	0.34	82.92	20 887.00	0.01
Highly skilled production (level 6-8)	23	6 541	0.35	683.57	30 007.00	0.05
Highly skilled supervision (level 9-12)	5	1 331	0.37	249.71	50 043.00	0.02
Total	**32**	**9 037**	**0.35**	**1 016.20**	**32 016.00**	**0.07**

TABLE 3.8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Inspectors	2	1 736	0.11	56.64	28 608.00
ESP's & Counsellors	2	312	0.64	90.00	45 001.00
Medical Practitioners	0	72	0.00	0.00	0.00
Total	**4**	**2 120**	**0.75**	**146.64**	**73 609.00**

*Inclusive of DEL, 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 2023 TO 31 MARCH 2024

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	1	106	0.94	61.95	61 954.00	0.64
Band B	0	28	0.00	0.00	0.00	0.00
Band C	0	6	0.00	0.00	0.00	0.00
Band D	0	0	0.00	0.00	0.00	0.00
Total	**1**	**118**	**1.10**	**61.95**	**61 954.00**	**0.64**

3.9 FOREIGN WORKERS

TABLE 3.9.1 FOREIGN WORKERS BY SALARY BAND FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Salary band	1 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% of total
Lower skilled	0	0	2	11.1	2	16.7
Highly skilled production (Lev. 6-8)	2	33.3	5	27.8	3	25
Highly skilled supervision (Lev. 9-12)	3	50	9	50	6	50
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	1	16.7	2	11.1	1	8.3
Total	**6**	**100**	**18**	**100**	**12**	**100**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.9.2 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Major occupation	1 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Top Management	1	14.3	1	11.1	0	0
Professional and managers	4	57.1	5	55.6	1	50
Technicians and associated professionals	2	28.6	3	33.3	1	50
Total	7	100	9	100	2	100

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

3.10 LEAVE UTILISATION

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 2023 TO 31 DECEMBER 2023

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	6 827	11.5	2 965	12.2	2	R6 893 622.00
Highly skilled production (levels 6-8)	44 307	74.3	18 043	74.2	2	R69 169 082.00
Highly skilled supervision (levels 9 -12)	7 818	13.1	3 073	12.6	2	R2 341 951.00
Top and Senior management (levels 13-16)	660	1.1	239	1	3	R3 066 944.00
Total	**59 612**	**100**	**24 320**	**100**	**9**	**R81 471 599**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.10.2 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2023 TO 31 DECEMBER 2023

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)	1 127	100	50	12.2	22	R1 004 954.00
Highly skilled production (Levels 6-8)	8 429	100	311	76	27	R11 590 734.00
Highly skilled supervision (Levels 9-12)	1 441	100	48	11.8	30	R3 830 079.00
Senior management (Levels 13-16)	41	100	1	0	41	R231 729.00
Total	**11 038**	**100**	**410**	**100**	**120**	**R16 657 496.00**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.10.3 ANNUAL LEAVE FOR THE PERIOD 1 JANUARY 2023 TO 31 DECEMBER 2023

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)	22 818	1 050	21
Highly skilled production (Levels 6-8)	165 034	6 838	24
Highly skilled supervision(Levels 9-12)	34 825	1 458	23
Senior management (Levels 13-16)	3 308	159	20
Total	**225 985**	**9 505**	**24**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.10.4 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2023 TO 31 DECEMBER 2023

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)	NA	NA	NA	NA
Skilled Levels 3-5)	NA	NA	NA	NA
Highly skilled production (Levels 6-8)	NA	NA	NA	NA
Highly skilled supervision(Levels 9-12)	NA	NA	NA	NA
Senior management (Levels 13-16)	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.10.5 LEAVE PAY-OUTS FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual – Discounting with Resignation (Work Days)	1 892.92**	2	946.46
Annual – Gratuity: Death/Retirement/Medical Retirement (Work Days)	0	0	0
Capped – Gratuity: Death/ Retirement/Medical Retirement (Work Days)	0	0	0
Total	**1 892.92**	**2**	**946.46**

*Inclusive of DEL, UIF, CF and SEE

**Contract expiry

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		No	The Department does not have members of SMS on Health promotion programmes
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		The Unit does have a Sub-Directorate EHWP and GDY
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		The department is using hybrid Employee Assistance Programme due to lack of capacity a service provider has been appointed cover all provinces
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 Department has Health promotion programmes on HIV/AIDS and sexually transmitted infections in place
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		No	The policies on unfair discrimination on basis of employees HIV-positive status is not reviewed
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		Our EHWP programme is based on confidentiality principle to protect the information of all programme users
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved	Yes		The Sub-directorate EHWP & GDY conducts Health Screenings once every quarter to all DEL employees
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators	Yes		Under Health and productivity Pillar the Department compile sick leave analysis report which guides EHW intervention

3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2023 and 31 March 2024

Total number of Collective agreements	0

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 and 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	1	0,7%
Written warning	78	60%
Final written warning	18	13,85%
Dismissal	5	3,85%
Case withdrawn	25	19.23%
Official Resigned	3	2.30%
Total	**130**	**100%**

*Inclusive of DEL, UIF, CF and SEE

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024

Type of misconduct	Number	% of total
Abscondment	1	0,44%
Absenteeism	23	10,13%
Abuse Of State Asset	3	1,32%
Irregular Appointment	1	0,44%
Damage of State Vehicle	9	3.98%
Improper Conduct	17	7.49%
Contravention of Departmental Policy	26	11.45%
Dereliction of Duty	36	15.85%
Insubordination	12	5,28%
Misrepresentation	5	2.20%
Fraud	5	2.20%
Fruitless and Wasteful Expenditure	2	0.88%
Negligence	6	2.64%
None Disclosure of Financial Interest	15	6.60%
Remunerative Work Without Permission	0	0%
Underperformance	10	4.40%
None Submission of Performance Agreement	54	23.79%
Soliciting a Bribe	2	0.88%
None Payment of Invoice Within 30 Days	0	0%
Sharing SMARTGOV	0	0%
Total	**227**	**100%**

*Inclusive of DEL, UIF, CF and SEE

Table 3.12.4 Grievances logged for the period 1 April 2023 and 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	87	68%
Number of grievances not resolved	41	38%
Total number of grievances lodged	128	100%

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.12.5 DISPUTES LOGGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Disputes	Number	% of Total
Number of disputes upheld	12	40%
Number of disputes dismissed	18	60%
Total number of disputes lodged	30	100%

TABLE 3.12.6 STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 and 31 March 2024

Number of people suspended	5
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	60
Cost of suspension(R'000)	R209 928.46

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 2023 AND 31 MARCH 2024

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	76	0	94	0	94
	Male	68	0	50	0	50
Professionals	Female	275	0	26	0	26
	Male	274	0	15	0	15
Technicians and associate professionals	Female	1 930	0	58	0	58
	Male	1 876	0	26	0	26
Clerks	Female	2 415	0	50	0	50
	Male	2 138	0	19	0	19
Service and sales workers	Female	n/a	0	6	0	6
	Male	n/a	0	1	0	1
Skilled agriculture and fishery workers	Female	n/a	0	5	0	5
	Male	n/a	0	4	0	4
Craft and related trades workers	Female	n/a	0	0	0	0
	Male	n/a	0	0	0	0
Plant and machine operators and assemblers	Female	n/a	0	0	0	0
	Male	n/a	0	0	0	0
Elementary occupations	Female	118	0	0	0	0
	Male	93	0	1	0	1
Sub Total	Female	4 814	0	239	0	239
	Male	4 449	0	116	0	116
Total		**9 263**	**0**	**355**	**0**	**355**

*Inclusive of DEL, UIF, CF and SEE

TABLE 3.13.2 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Occupational category	Gender	Number of employees as at 1 April 2023	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	76	0	16	4	20
	Male	68	0	19	7	26
Professionals	Female	275	0	15	2	17
	Male	274	0	26	3	29
Technicians and associate professionals	Female	1 930	0	27	13	40
	Male	1 876	0	35	18	53
Clerks	Female	2 415	0	96	32	128
	Male	2 138	0	84	14	98
Service and sales workers	Female	n/a	0	0	0	0
	Male	n/a	0	0	0	0
Skilled agriculture and fishery workers	Female	n/a	0	0	0	0
	Male	n/a	0	0	0	0
Craft and related trades workers	Female	n/a	0	0	0	0
	Male	n/a	0	0	0	0
Plant and machine operators and assemblers	Female	n/a	0	0	0	0
	Male	n/a	0	0	0	0
Elementary occupations	Female	118	0	47	0	47
	Male	93	0	71	0	71
Sub Total	Female	4 814	0	202	51	253
	Male	4 449	0	235	42	277
Total		**9 263**	**0**	**437**	**93**	**530**

*Inclusive of DEL, UIF, CF and SEE

3.14 INJURY ON DUTY

TABLE 3.14.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	36	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Covid-19	0	0%
Total	**36**	**100%**

*Inclusive of DEL, 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 2023 AND 31 MARCH 2024

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 (University of Cape Town)	36 Months	R1 568 177.94
Restructuring of DEL	8	21 Months	R13 273 992.00
Project title	**Total number of consultants that worked on project**	**Duration (work days)**	**Contract value in Rand**
Employment Vulnerability And the Basic Conditions of Employment Act (BCEA) Earnings Threshold	1 (Rhodes University)	6 Months	R482 712.50
Project title	**Total number of consultants that worked on project**	**Duration (work days)**	**Contract value in Rand**
Diphetogo Project Administration - 152	1.00	193	855 016.96
CF SAP Cust. Reports	2.00	225	2 431 399.65
CRM TOOL	2.00	100	1 277 333.88
Debt Collection System	3.00	123	1 350 680.43
Schedule B - Data Migration	1.00	1	9 454.13
CIPC Ease of doing business	1.00	2	25 661.21
RoE SAP Employer Registration	4.00	74	830 302.87
ROE SAP Nature of Change Sub-Class	2.00	9	108 905.27
K-Pro Document Management	2.00	79	1 006 359.97
SAP Auditor General	1.00	10	106 696.61
UIF App & USSD	1.00	23	248 508.56
UIF Integration	1.00	1	5 402.36
CF Data Management and Reporting	1.00	227	2 006 734.48
SAP XIPI Project - Interface Application	1.00	52	560 494.85
Employer Service Segregation Duties	5.00	273	1 483 560.67
K-Pro - Income Management Document and Workflows	1.00	43	460 551.19
KPRO Segregation of Duties – Config. and Doc types	1.00	9	97 242.48
CRM Tool/ DCE Integration	3.00	147	1 754 800.38
Schedule D: NMW & ROE interfaces on the New Search	1.00	1	8 103.54
Architecture Support Services	1.00	242	2 137 680.54
Schedule D - Diphetogo Project Management.	2.00	220	2 378 388.99
Enhance Business Partners - all systems - audit findings	2.00	38	415 306.43
Schedule E - Nature Of Business/Segregation Integration	1.00	177	1 908 383.67
Schedule D - Implementation LMIS (ILO) in South Africa - DEL & Funds	2.00	28	299 830.98
Schedule D DEL CRM Contact Centre project	2.00	7	34 992.61
SAP and Non-SAP services contract	1.00	33	143 930.16
MISS (Cyber Security) Project	1.00	21	222 847.35
UIF project support and enhancement	2.00	542	5 852 106.47
Schedule D - SEE SYSPRO project	1.00	4	43 894.18

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
MS Support Exchange	2.00	244	2 159 394.37
Schedule A Maintenance and Support	1.00	3	33 518.73
DEL SAP CRM Tool-DCE CRM web services	1.00	64	690 151.49
Customer Care Complaint Project	1.00	0	2 701.18
Schedule D BW Reports for Customer	2.00	4	43 218.88
Schedule D BW Reports for Income Management	3.00	33	396 701.19
Schedule D "Bank and Payment" System Changes	2.00	9	97 242.48
CF Nedbank Integration project	2.00	15	164 096.69
TV Kiosk change	1.00	19	205 289.68
ROE Development - ER Loading of documents	1.00	10	103 995.43
Schedule D Meeting at Alteram	1.00	0	1 350.59
CRM SMS Integration Project	2.00	32	404 404.56
43 Project	**18 Consultants**	**3 333**	**32 303 895.51**

Role	Hours	Days	Total	Ethnic Group
Project Coordinator	1 892	237	975 647.64	Colored
Project Manager	1 931	241	2 750 246.06	White
SAP Training	1 908	239	1 897 525.08	Black
Senior .NET Developer	240	30	238 682.40	Black
Oracle PL/SQL Developer	1 741	218	1 731 690.54	White
Project Manager	1 826	228	2 600 698.76	Black
Network Architect	1 858	232	2 007 513.26	Black
System Analyst	1 843	230	1 832 384.68	Black
Microsoft Developer	1 768	221	1 757 796.43	Indian
Oracle PL/SQL Developer	726	91	721 765.63	White
Java Developer	1 902	238	1 891 558.02	Indian
Project Manager	1 973	247	2 810 064.98	White
Application Architect	1 047	131	1 195 516.95	White
Java Developer	1 902	238	1 891 558.02	Indian
System Analyst	1 948	244	1 937 305.48	Black
Oracle PL/SQL Developer	1 960	245	1 949 239.60	Indian
Senior MS SharePoint Developer	1 257	157	1 389 022.71	Indian
Oracle PL/SQL Developer	464	58	461 452.64	Black
SAP Training	1 916	240	1 905 481.16	Black
Total	**30 101**	**3 762**	**31 945 150.03**	

TABLE 3.15.2 ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS) FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
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))	1
Employment Vulnerability And the Basic Conditions of Employment Act (BCEA) Earnings Threshold	State Owned Entity (Rhodes University)	State Owned Entity (Rhodes University)	2

3.16 SEVERANCE PACKAGES

TABLE 3.16.1 GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2023 AND 31 MARCH 2024

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	2023/2024	2022/2023
	R'000	R'000
Opening balance	305 938	89 370
Prior year error	-	18 469
As Restated	305 938	107 839
Add: Irregular expenditure confirmed	62 787	198 099
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(861)	-
Closing balance	**367 864**	**305 938**

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	83 628
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	6 624
Irregular expenditure for the current year	62 787	107 847
Total	**62 787**	**198 099**

b) Details of current and previous year irregular expenditure (under assessment, determination and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	12 843	83 628
Irregular expenditure under determination	349 051	218 361
Irregular expenditure under investigation	935	-
Total	**362 829**	**301 989**

c) Details of current and previous year irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	-	-
Total	**-**	**-**

d) Details of current and previous year irregular expenditure removed – (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	(861)	-
Total	**(861)**	**-**

e) Details of current and previous year irregular expenditure recovered

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recovered	-	-
Total	**-**	**-**

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	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	2023/2024	2022/2023
	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
None

1.2 FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	45 881	28 079
Prior year error	-	-
As restated	45 881	28 079
Add: Fruitless and wasteful expenditure confirmed	981	17 815
Less: Fruitless and wasteful expenditure written off	(49)	-
Less: Fruitless and wasteful expenditure recoverable	(39)	(13)
Closing balance	**46 774**	**45 881**

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	316
Fruitless and wasteful expenditure for the current year	981	17 499
Total	**981**	**17 815**

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	311	142
Fruitless and wasteful expenditure under determination	45 294	45 717
Fruitless and wasteful expenditure under investigation	1 372	22
Total	**46 977**	**45 881**

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recovered	(39)	-
Total	**(39)**	-

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	(49)	-
Total	**(49)**	-

e) Details of current and previous year disciplinary steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
None

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
		R'000
Valid invoices received	6 623	R1,626,858
Invoices paid within 30 days or agreed period	6 611	R1,530,075
Invoices paid after 30 days or agreed period	12	R96,783
Invoices older than 30 days or agreed period (unpaid and without dispute)	N/A	N/A
Invoices older than 30 days or agreed period (unpaid and in dispute)	N/A	N/A

Reasons for late payments were as follows:

- There were delays in the routing (i.e. to obtain the relevant authorisation for the respective expenditure) for paying invoices
- End user was uncertain if services were actually received or not by service provider and had to seek clarity which delayed the payment
- Problems experienced with ICN numbers related to asset items on LOGIS
- BAS system error, the payment couldn't be processed within thirty (30) days
- Invoices were received by different business units in December 2023 and paid after thirty (30) days in January 2024 due to officials being on leave
- Invoice paid after thirty (30) days due to delay caused by the Department's network connectivity.

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'000
Dukkah restaurant to host the ministerial on September 2023 during the BRICS EWG and LEMM meeting	Dukkah Restaurant	Deviation	HO225/09/2023-24	278
DG'S Cocktail evening on 26 November 2023 during the Bricks EWG and LEMM meeting	Daruma Restaurant	Deviation	HO226/09/2023-24	150
Membership renewal for Thirteen (13) officials and the registration of three 03 officials	The Institute of Internal Auditors	Deviation	HQ149/08/2023-24	49
Training course (Public sector Enterprise Risk Management; Aligning Risk, Strategy and performance)	Institute of Risk Management South Africa	Deviation	HO154/08/2023-24	6
To procure Governance, risk and compliance training	Institute of Risk Management South Africa	Deviation	HO155/08/2023-24	11
26th South African Internal Audit Hybrid conference	IIA	Deviation	HO170/08/2023-24	82

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
External venue for the Bricks Research Network Seminar	Capital Pearls	Deviation	HO174/08/2023-24	115
Utilise AHA Gateway Hotel as an external venue for the BRICS Trade Union Forum (BTUF)	AHA Gateway	Deviation	HO184/08/2023-24	58
To procure 16th Annual Association of Certified Fraud Examiners (ACFE) Africa conference & Exhibition	Annual Association of Certified Fraud Examiners (ACFE)	Deviation	HO194/08/2023-24	83
Van Zyl, Rudd & Associates SA (PTY) LTD to procure 39th Annual South African Labour Seminar	Van Zyl, Rudd & Associates SA (PTY) LTD	Deviation	HO195/08/2023-24	32
SITA for two (2) SCM Officials to attend the Annual GovTech Conference	SITA	Deviation	HO126/09/2023-24	34
SITA for ICT Officials to attend the Annual GovTech Conference	SITA	Deviation	HO203/09/2023-24	485
Annual Employee Assistance Professional Association of South Africa (EAPA-SA) EDUWEEK 2023 conference	Employee Assistance Professional Association of South Africa (EAPA-SA)	Deviation	HO209/09/2023-24	49
Face-face in house training on Sampling for sixteen (16) Internal Auditors with all Leadership Academy	Leadership Academy.	Deviation	HO220/09/2023-24	38
Installation of security cages/ grids over the fire pumps, generator, water pumps and air conditioner at Labour Centre Standerton	Burewa trading	Deviation	HO229/10/2023-24	222
Risk Management South Africa (IRMSA) Annual Conference	Risk Management South Africa (IRMSA)	Deviation	HO230/10/2023-24	79
Pinpoint Stewards training and conferencing for Ten (10) Women from programmes	Pinpoint Stewards training and conferencing	Deviation	HO241/10/2023-24	90
Approval from SBAC to procure training on conducting an audit from cradle to grave training (CACTG) face to face on 4-8 December 2023 for one (1) official	Leadership Academy	Deviation	HO255/11/2023-24	14
Envirocon Instrumentation to procure service for the maintenance and calibration of Occupational Health and Hygiene equipment	Envirocon Instrumentation	Deviation	HO246/10/2023-24	34
LexisNexis to procure license for the Pre-Employment Screening for 24 months	LexisNexis	Deviation	HO243/10/2023-24	448
Law Society of South Africa (LSSA) to procure Practical Legal Training Course 2024 (PLT) for one (01) official	Law Society of South Africa (LSSA)	Deviation	HO265/11/2023-24	19
Law Society of South Africa (LSSA) to procure Practical Legal Training Course 2024 (PLT	Law Society of South Africa (LSSA)	Deviation	HO263/11/2023-24	19
Law Society of South Africa (LSSA) to procure Practical Legal Training Course 2024 (PLT	Law Society of South Africa (LSSA)	Deviation	HO264/11/2023-24	19
PSAAA to procure Government Budgeting and Annual Reporting Training Specification	PSAAA	Deviation	HO279/12/2023-24	48

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Renewal of membership subscription with the Institute of Risk Management South Africa (IRMSA) for Risk Management officials	Institute of Risk Management South Africa (IRMSA	Deviation	HO319/02/2023-24	47
The Ethics Institute for Renewal of Membership for the Ethics Institute for a period of 12 month from April 2024 to March 2025, for the Directorate: Risk Management	The Ethics Institute	Deviation	HO319/02/2023-25	1
The South African Board of People Practices (SABPP) for renewal of membership registration and renewal for Five (05) officials with the South African Board of People Practices (SABPP) for the year 2024, for the Directorate: Management Advisory Services	South African Board of People Practices (SABPP)	Deviation	HO332/03/2023-24	10
The Institute of Director Southern Africa for renewal of membership for Institute of Directors in Southern Africa (IODSA) period of 9 months ending December 2024, for the Directorate: Risk Management	Institute of Directors in Southern Africa (IODSA)	Deviation	HO334/03/2023-24	8
SABS to procure SABS Collection of standards for inspectors to provide evidence in court, amendment of the regulations, code of practice	SABS	Deviation	HO342/03/2023-24	650
Membership renewal for Mr. Abram Maaga.	Health Professional Council of South Africa	Deviation	GP-279-02-23/24, 13 March 2023.	2
Membership renewal for Dr. Vuyiswa Mabudusha	Health Professional Council of South Africa	Deviation	GP-281-03-23/24,13 March 2023.	3
CPD Online Training	Solution Focused Institute of South Africa	Deviation	KZN 172/10/2023/24 09 October 2023	24
CPD accredited AMA Guides Training	Xite Group Consulting	Deviation	KZN 271/03/2024/24 05 March 2024	168
Training	Employee Assistance Professionals	Deviation	NW15-09-23: 2023/09/15	13
Provision of Clean water	Hamada Construction and Projects (PTY) Ltd	Deviation	NW47-10-23/24	6
Security Services For a period of 15 days	Madiali Security	Deviation	100A23	25
Total				**12 398**

3.2 CONTRACT VARIATIONS AND EXPANSIONS

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Extension of Tourvest Travel Services (TTS) contract with a period of six months from 1 June 2023-30 November 2023 not exceeding 15%	Tourvest Travel Services (TTS)	Variation	DBAC 05/05/2023-24	4 032	13 803	9 771
Extension of the SAP enterprise support and maintenance agreement for a further period of two months	Alteram Solutions (PTY) LTD	Variation	DBAC 06/06/2023-24	312 969	-	9 759
Approval for the extension of the current SAP enterprise support and maintenance agreement between the department and sap running from January 2023 to August 2023, with 6 months from September 2023 until the end of February 2024 to allow the SITA procurement process to conclude as per the latest SITA project plan	SAP South Africa/ Alteram Solutions (PTY) LTD	Variation	DBAC16/08/2023/24	-	9 759	25 864
Approve the extension of the contract that the Department has with Alteram Solutions (PTY) LTD for a period of six (6) months, from the 23 November to the 22 May 2024	Alteram Solutions (PTY) LTD	Variation	DBAC 19 /10/2023-24	-	25 864	69 781
Request the Departmental Bid Adjudication Committee to consider and approve the change request under the Alteram Solutions contract, schedule b for the deployment of SAP ERP into production from testing environment	Alteram Solutions (PTY) LTD	Expansion	DBAC 32/02/2023-24	-	69 781	11 213
Approve the extension of the contract between the Department of Employment and Labour "Department" and Alteram Solutions for a period not exceeding two years	Alteram Solutions (PTY) LTD	Variation	DBAC 40/03/2023-24		11 213	429 556
Approve the Unemployment Insurance Fund change request to address additional business requirements in the contract that exist between the Department and Tech Mahindra for the implementation of SAP S/4 HANA	Tech Mahindra	Expansion	DBAC 37/02/2023-24	434 751	316 064	42 291
Request for the DBAC to note the annual CPI adjustment for the agreement between the department and mitigate security services for rendering cyber security monitoring	Mitigate security solutions	Expansion	DBAC 11/06/2023-24	145 036	-	2 854
Total				**896 788**	**446 484**	**601 089**

PART F

FINANCIAL INFORMATION

DEPARTMENT OF EMPLOYMENT AND LABOUR

1. REPORT OF THE AUDITOR GENERAL

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

I have audited the financial statements of the Department of Employment and Labour set out on pages 135 to 202, which comprise the appropriation statement, statement of financial position as at 31 March 2024, 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.

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 2024 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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.

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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matters

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

Unaudited supplementary schedules

- The supplementary information set out on pages 66 to 71 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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.

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

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.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 132, forms part of our auditor's report.

Report on the audit of the annual performance report

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 the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes

that measures 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 services	45-51	Protect vulnerable workers through the inspection and enforcement of labour legislation.
Programme 3: Public employment services	51-56	Assist companies and workers to adjust to changing labour market conditions.

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.

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.
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those 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 and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

I did not identify any material findings on the reported performance information for the selected programmes.

Report on compliance with legislation

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.

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.

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.

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

Annual Financial Statements

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 PFMA.

Material misstatements of related party disclosure note, accruals and payables not recognised, operating leases, irregular expenditure, movable tangible assets and capital commitments identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure Management

Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R62 787 000, 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-compliance with PPPFA2022.

Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R981 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 fruitless and wasteful expenditure was caused by vehicle damage and no show on flights and accommodation.

Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Consequence Management

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.

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

Procurement and contract management

The preference point system was not applied in some of the procurement of goods and services as required by section 2(a) of the PPPFA and Treasury Regulation 16A6.3(b).

Other information in the annual report

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.

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.

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.

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

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.

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.

Management did not ensure that there were effective controls over information technology systems, consequently, significant weaknesses were identified.

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.

Leadership did not ensure that consequence management is fully implemented and supported by investigation reports.

Material irregularities

In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities identified during the audit

Payments for unused / underutilised software licenses

It was noted that there are 13 licence types that are currently being underutilised. As per the "Master Services Agreement" between SAP and the

Department of Labour, dated February 2017, the SAP licence terms require a fixed percentage of annual maintenance fees as payable, based on 22% of the licence entitlement base purchased ("AMC").

The entitlement base purchased for the identified licences is R94 395 265. Therefore, the apportioned AMC that would have been paid over the contractual period for the underutilised licences would be R23 032 444, even though these licences were not in use, which constitute non-compliance with section 38 (1) (b) of the PFMA.

I recommend that the accounting officer should take the following actions to address the material irregularity:

- The accounting officer must within six (6) months from the date of the notification, implement the following recommendations with progress reports after three (3) months:
- Appropriate action should be taken to investigate the non-compliance in order to determine if any official should be held responsible. The investigation should also determine the reasons and circumstances that led to the unutilised licences, for the purpose of addressing control weaknesses
- The financial loss should be quantified
- All persons liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed
- Appropriate action should be taken to ensure that resources of the department are used in effective and efficient manner and as part of this, progress should be monitored against the project implementation plan and corrective actions should be taken where there are delays
- Effective and appropriate disciplinary steps should be initiated, without undue delay, against any official that the investigation found to be responsible, as required by section 38(1)(h) of the PFMA.

Auditor-General

Pretoria

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

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

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 material performance indicators 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 identified 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
Public Finance Management Act 1 of 1999	Section 38(1)(b); 38(1)(c)(I); 38(1)(c)(ii); 38(1)(d); Section 38(1)(h)(iii); 38(1)(j); 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(I); 43(4); Section 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; Regulation 8.2.2; 8.2.3; 9.1.1; 9.1.4; 10.1.1(a); Regulation 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; Regulation 15.10.1.2(c); 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A 6.3(c); Regulation 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 167.6; 16A7.716A8.3; Regulation 16A8.4; 16A9.1(b)(ii); 16A9.1(d); Regulation 16A9.1(e); 16A9.1(f); 16A9.2; Regulation 16A9.2(a)(ii); 17.1.1; 18.2; 19.6.1; Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No.5 of 2020/21	Paragraph 1; 2; 4.8; 4.9, 5.3
National Treasury Instruction No.1 of 2021/22	Paragraph 4.1
National Treasury Instruction No.4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Regulation 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Regulation 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

2. ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENT FOR DEPARTMENT OF EMPLOYMENT AND LABOUR

FOR THE YEAR ENDED
31 MARCH 2024

Date authorised for issue: 30 August 2024

Authorised by: _____

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2. DEPARTMENT OF EMPLOYMENT AND LABOUR (VOTE 31)

2.1 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Appropriation per programme									
	2023/24							2022/23	
	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
Programme:									
1. Administration	1 055 471	-	(10 340)	1 045 131	1 037 053	8 078	99.2%	1 082 903	1 025 499
2. Inspection & Enforcement Services	632 068	-	(24 060)	608 008	600 855	7 153	98.8%	617 287	587 853
3. Public Employment Services	997 826	-	41 815	1 039 641	1 037 011	2 630	99.7%	1 036 481	933 893
4. Labour Policy & Industrial Relations	1 331 349	-	(7 415)	1 323 934	1 321 061	2 873	99.8%	1 371 105	1 349 873
TOTAL	**4 016 714**	**-**	**-**	**4 016 714**	**3 995 980**	**20 734**	**99.5%**	**4 107 776**	**3 897 118**
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD: Departmental receipts				21 708				19 008	
ADD: Aid assistance				59 924				35 081	
Actual amounts per statement of financial performance (total revenue)				**4 098 346**				**4 161 865**	
ADD: Aid assistance					27 200				4 543
Actual amounts per statement of financial performance (total expenditure)					**4 023 180**				**3 901 661**

Appropriation per economic classification									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**2 161 103**	**(10 087)**	**(32 402)**	**2 118 614**	**2 102 068**	**16 546**	**99.2%**	**2 165 576**	**2 076 737**
Compensation of employees	1 427 325	3 721	(22 747)	1 408 299	1 395 350	12 949	99.1%	1 412 566	1 351 555
Salaries and wages	1 196 055	16 798	(18 186)	1 194 667	1 186 093	8 574	99.3%	1 200 510	1 158 590
Social contributions	231 270	(13 077)	(4 561)	213 632	209 257	4 375	98.0%	212 056	192 965
Goods and services	733 778	(13 808)	(9 655)	710 315	706 718	3 597	99.5%	753 010	725 182
Administrative fees	11 411	(3 706)	-	7 705	7 650	55	99.3%	7 619	7 604
Advertising	9 834	(4 186)	(314)	5 334	5 334	-	100.0%	17 407	17 390
Minor assets	9 448	356	(241)	9 563	9 390	173	98.2%	13 437	13 237
Audit costs: External	23 548	(4 318)	(3 477)	15 753	15 753	-	100.0%	17 168	17 168
Bursaries: Employees	3 317	4 633	(3)	7 947	7 938	9	99.9%	5 746	5 746
Catering: Departmental activities	7 560	1 114	(573)	8 101	7 854	247	97.0%	4 818	4 763
Communication	47 405	(9 918)	(345)	37 142	37 076	66	99.8%	31 088	30 905
Computer services	134 946	(36 376)	7 673	106 243	106 243	-	100.0%	96 833	96 723
Consultants: Business and advisory services	17 900	(3 989)	(1 385)	12 526	12 526	-	100.0%	7 762	7 696
Infrastructure and planning services	67	(67)	-	-	-	-	-	-	-
Legal services	4 923	28 476	-	33 399	33 399	-	100.0%	13 403	13 403
Contractors	5 677	(498)	(135)	5 044	4 984	60	98.8%	21 357	21 341
Agency and support / outsourced services	644	(641)	-	3	-	3	-	1	1
Entertainment	252	(53)	(58)	141	137	4	97.2%	108	108
Fleet services	33 466	6 023	359	39 848	39 811	37	99.9%	48 874	48 870

	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	5 055	949	(4)	6 000	5 954	46	99.2%	4 443	4 429
Consumable: Stationery, printing and office supplies	19 810	(4 590)	(294)	14 926	14 586	340	97.7%	14 695	14 611
Operating leases	163 897	(11 835)	(103)	151 959	151 952	7	100.0%	159 095	158 942
Property payments	83 354	9 187	(3 311)	89 230	89 230	-	100.0%	113 053	86 536
Transport provided: Departmental activity	983	(350)	-	633	633	-	100.0%	164	164
Travel and subsistence	91 261	32 633	3 273	127 167	126 954	213	99.8%	125 452	125 127
Training and development	15 360	(8 151)	-	7 209	5 193	2 016	72.0%	5 740	5 737
Operating payments	9 841	(2 952)	(119)	6 770	6 765	5	99.9%	8 616	8 555
Venues and facilities	33 063	(8 653)	(10 574)	13 836	13 520	316	97.7%	35 639	35 634
Rental and hiring	756	3 104	(24)	3 836	3 836	-	100.0%	492	492
Transfers and subsidies	**1 757 365**	**1 255**	**22 402**	**1 781 022**	**1 780 197**	**825**	**100.0%**	**1 804 064**	**1 689 506**
Provinces and municipalities	737	214	3	954	954	-	100.0%	930	930
Municipalities	737	214	3	954	954	-	100.0%	930	930
Municipal bank accounts	737	214	3	954	954	-	100.0%	930	930
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

Buildings and other fixed structures

	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Departmental agencies and accounts	1 491 747	(86 976)	213	1 404 984	1 404 982	2	100.0%	1 552 331	1 451 637
Social security funds	15 587	-	(8 591)	6 996	6 995	1	100.0%	18 515	18 514
Departmental agencies and accounts	1 476 160	(86 976)	8 804	1 397 988	1 397 987	1	100.0%	1 533 816	1 433 123
Foreign governments and international organisations	23 325	-	(805)	22 520	22 520	-	100.0%	29 214	16 604
Public corporations and private enterprises	-	87 000	-	87 000	87 000	-	100.0%	-	-
Public corporations	-	87 000	-	87 000	87 000	-	100.0%	-	-
Other transfers to public corporations	-	87 000	-	87 000	87 000	-	100.0%	-	-
Non-profit institutions	237 170	-	20 755	257 925	257 236	689	99.7%	216 260	215 030
Households	4 386	1 017	2 236	7 639	7 505	134	98.2%	5 329	5 305
Social benefits	4 007	711	2 143	6 861	6 727	134	98.0%	5 173	5 149
Other transfers to households	379	306	93	778	778	-	100.0%	156	156
Payments for capital assets	**98 246**	**8 800**	**10 000**	**117 046**	**113 683**	**3 363**	**97.1%**	**137 583**	**130 322**
Buildings and other fixed structures	58 568	(38 856)	-	19 712	19 712	-	100.0%	44 419	39 721
Buildings	58 568	(38 856)	-	19 712	19 712	-	100.0%	44 419	39 721
Machinery and equipment	39 678	46 871	(1 640)	84 909	81 738	3 171	96.3%	65 380	62 817
Transport equipment	6 810	36 937	-	43 747	43 747	-	100.0%	29 414	29 190
Other machinery and equipment	32 868	9 934	(1 640)	41 162	37 991	3 171	92.3%	35 966	33 627
Software and other intangible assets	-	785	11 640	12 425	12 233	192	98.5%	27 784	27 784
Payments for financial assets	**-**	**32**	**-**	**32**	**32**	**-**	**100.0%**	**553**	**553**
Total	**4 016 714**	**-**	**-**	**4 016 714**	**3 995 980**	**20 734**	**99.5%**	**4 107 776**	**3 897 118**

Programme 1: Administration									
	2023/24							2022/23	
	Adjusted 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
Sub programme									
1. Ministry	37 231	7 377	-	44 608	44 455	153	99.7%	34 715	34 540
2. Management	295 056	49 072	-	344 128	344 128	-	100.0%	342 036	342 036
3. Corporate Services	321 262	(19 946)	480	301 796	297 172	4 624	98.5%	288 783	279 279
4. Office of the Chief Financial Officer	139 407	16 287	(4 081)	151 613	148 312	3 301	97.8%	160 040	143 228
5. Office Accommodation	262 515	(52 790)	(6 739)	202 986	202 986	-	100.0%	257 329	226 416
Total for sub programmes	**1 055 471**	**-**	**(10 340)**	**1 045 131**	**1 037 053**	**8 078**	**99.2%**	**1 082 903**	**1 025 499**

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**967 454**	**(955)**	**(13 696)**	**952 803**	**945 070**	**7 733**	**99.2%**	**972 768**	**922 227**
Compensation of employees	459 985	3 876	(11 730)	452 131	444 398	7 733	98.3%	464 962	440 636
Salaries and wages	389 962	6 021	(11 730)	384 253	376 520	7 733	98.0%	396 342	377 387
Social contributions	70 023	(2 145)	-	67 878	67 878	-	100.0%	68 620	63 249
Goods and services	507 469	(4 831)	(1 966)	500 672	500 672	-	100.0%	507 806	481 591
Administrative fees	3 896	200	-	4 096	4 096	-	100.0%	3 172	3 172
Advertising	6 328	(4 799)	-	1 529	1 529	-	100.0%	8 349	8 349
Minor assets	4 074	1 425	-	5 499	5 499	-	100.0%	7 076	7 076
Audit costs: External	23 548	(4 318)	(3 477)	15 753	15 753	-	100.0%	17 168	17 168
Bursaries: Employees	2 681	4 728	-	7 409	7 409	-	100.0%	5 512	5 512
Catering: Departmental activities	1 782	(520)	-	1 262	1 262	-	100.0%	1 230	1 230
Communication	24 085	(2 318)	-	21 767	21 767	-	100.0%	17 190	17 190
Computer services	121 699	(26 539)	8 250	103 410	103 410	-	100.0%	93 771	93 771
Consultants: Business and advisory services	7 967	(2 910)	-	5 057	5 057	-	100.0%	5 409	5 409
Infrastructure and planning services	67	(67)	-	-	-	-	-	-	-
Legal services	4 142	29 163	-	33 305	33 305	-	100.0%	13 331	13 331
Contractors	2 898	(1 772)	-	1 126	1 126	-	100.0%	1 405	1 405
Agency and support / outsourced services	108	(108)	-	-	-	-	-	-	-
Entertainment	136	(39)	-	97	97	-	100.0%	66	66
Fleet services	21 938	3 534	-	25 472	25 472	-	100.0%	32 539	32 539

	2023/24							2022/23	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	2 212	211	-	2 423	2 423	-	100.0%	2 257	2 257
Consumable: Stationery, printing and office supplies	9 807	(3 639)	-	6 168	6 168	-	100.0%	5 848	5 848
Operating leases	160 043	(10 477)	-	149 566	149 566	-	100.0%	156 249	156 214
Property payments	67 066	(938)	(6 739)	59 389	59 389	-	100.0%	87 019	60 839
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	29 118	19 535	-	48 653	48 653	-	100.0%	39 975	39 975
Training and development	7 377	(4 786)	-	2 591	2 591	-	100.0%	3 310	3 310
Operating payments	3 200	396	-	3 596	3 596	-	100.0%	5 372	5 372
Venues and facilities	2 846	(348)	-	2 498	2 498	-	100.0%	1 491	1 491
Rental and hiring	451	(445)	-	6	6	-	100.0%	67	67
Transfers and subsidies	**2 789**	**923**	**1 126**	**4 838**	**4 838**	**-**	**100.0%**	**3 011**	**3 011**
Provinces and municipalities	737	214	-	951	951	-	100.0%	930	930
Municipalities	737	214	-	951	951	-	100.0%	930	930
Municipal bank accounts	737	214	-	951	951	-	100.0%	930	930
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

	2023/24							2022/23	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Departmental agencies and accounts-	-	20	-	20	20	-	100.0%	12	12
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	20	-	20	20	-	100.0%	12	12
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 052	689	1 126	3 867	3 867	-	100.0%	2 069	2 069
Social benefits	1 821	556	1 126	3 503	3 503	-	100.0%	1 958	1 958
Other transfers to households	231	133	-	364	364	-	100.0%	111	111
Payments for capital assets	**85 228**	**-**	**2 230**	**87 458**	**87 113**	**345**	**99.6%**	**106 571**	**99 708**
Buildings and other fixed structures	58 568	(38 856)	-	19 712	19 712	-	100.0%	44 419	39 721
Buildings	58 568	(38 856)	-	19 712	19 712	-	100.0%	44 419	39 721
Machinery and equipment	26 660	38 856	(1 856)	63 660	63 507	153	99.8%	51 821	49 656
Transport equipment	6 810	34 067	-	40 877	40 877	-	100.0%	29 414	29 190
Other machinery and equipment	19 850	4 789	(1 856)	22 783	22 630	153	99.3%	22 407	20 466
Software and other intangible assets	-	-	4 086	4 086	3 894	192	95.3%	10 331	10 331
Payments for financial assets	**-**	**32**	**-**	**32**	**32**	**-**	**100.0%**	**553**	**553**
Total	**1 055 471**	**-**	**(10 340)**	**1 045 131**	**1 037 053**	**8 078**	**99.2%**	**1 082 903**	**1 025 499**

Programme 2: INSPECTION & ENFORCEMENT SERVICES									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Appropriation	Actual Budget	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
Sub programme									
1. Management & Support Services: Inspection & Enforcement Services	7 120	2 320	5 181	14 621	14 356	265	98.2%	14 508	14 508
2. Occupational Health & Safety	31 633	(17 236)	(10 904)	3 493	-	3 493	-	20 039	-
3. Registration: Inspection & Enforcement Services	88 277	11 482	-	99 759	99 759	-	100.0%	94 391	94 391
4. Compliance, Monitoring & Enforcement	488 532	3 434	(17 997)	473 969	473 454	515	99.9%	472 742	464 139
5. Training of Staff: Inspection & Enforcement Services	6 175	(1 316)	(340)	4 519	2 297	2 222	50.8%	6 151	6 148
6. Statutory & Advocacy Services	10 331	1 316	-	11 647	10 989	658	94.4%	9 456	8 667
Total for sub programmes	**632 068**	**-**	**(24 060)**	**608 008**	**600 855**	**7 153**	**98.8%**	**617 287**	**587 853**

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Budget
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**626 177**	**(322)**	**(40 149)**	**585 706**	**578 790**	**6 916**	**98.8%**	**600 530**	**571 102**
Compensation of employees	529 006	(148)	(36 096)	492 762	488 333	4 429	99.1%	496 868	467 443
Salaries and wages	442 472	(1 826)	(29 615)	411 031	410 782	249	99.9%	413 723	396 823
Social contributions	86 534	1 678	(6 481)	81 731	77 551	4 180	94.9%	83 145	70 620
Goods and services	97 171	(174)	(4 053)	92 944	90 457	2 487	97.3%	103 662	103 659
Administrative fees	1 385	762	-	2 147	2 092	55	97.4%	2 601	2 601
Advertising	1 379	(1 346)	-	33	33	-	100.0%	206	206
Minor assets	1 771	912	-	2 683	2 683	-	100.0%	4 336	4 336
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	636	(275)	(3)	358	349	9	97.5%	186	186
Catering: Departmental activities	3 256	(1 916)	(402)	938	897	41	95.6%	1 385	1 385
Communication	18 315	(9 644)	(239)	8 432	8 432	-	100.0%	7 590	7 590
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	377	(140)	-	237	237	-	100.0%	38	38
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Legal services	781	(687)	-	94	94	-	100.0%	72	72
Contractors	376	143	-	519	459	60	88.4%	656	656
Agency and support / outsourced services	536	(533)	-	3	-	3	-	1	1
Entertainment	22	(11)	-	11	10	1	90.9%	13	13
Fleet services	9 877	1 336	-	11 213	11 207	6	99.9%	12 606	12 606

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	2 583	179	-	2 762	2 724	38	98.6%	1 600	1 600
Consumable: Stationery, printing and office supplies	3 609	(796)	-	2 813	2 800	13	99.5%	3 266	3 266
Operating leases	968	(839)	-	129	127	2	98.4%	5	5
Property payments	7 089	6 976	-	14 065	14 065	-	100.0%	12 060	12 060
Transport provided: Departmental activity	983	(928)	-	55	55	-	100.0%	60	60
Travel and subsistence	30 124	12 403	(2 065)	40 462	40 462	-	100.0%	53 464	53 464
Training and development	4 869	(1 829)	-	3 040	1 084	1 956	35.7%	1 233	1 230
Operating payments	3 603	(2 891)	-	712	707	5	99.3%	1 056	1 056
Venues and facilities	4 603	(1 068)	(1 320)	2 215	1 917	298	86.5%	998	998
Rental and hiring	29	18	(24)	23	23	-	100.0%	230	230
Transfers and subsidies	**1 103**	**322**	**845**	**2 270**	**2 226**	**44**	**98.1%**	**2 045**	**2 039**
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

	2023/24							2022/23	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Departmental agencies and accounts	-	4	-	4	4	-	100.0%	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	4	-	4	4	-	100.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 103	318	845	2 266	2 222	44	98.1%	2 045	2 039
Social benefits	955	148	845	1 948	1 904	44	97.7%	2 020	2 014
Other transfers to households	148	170	-	318	318	-	100.0%	25	25
Payments for capital assets	**4 788**	**-**	**15 244**	**20 032**	**19 839**	**193**	**99.0%**	**14 712**	**14 712**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 788	(202)	9 330	13 916	13 723	193	98.6%	6 988	6 988
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 788	(202)	9 330	13 916	13 723	193	98.6%	6 988	6 988
Software and other intangible assets	-	202	5 914	6 116	6 116	-	100.0%	7 724	7 724
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**632 068**	**-**	**(24 060)**	**608 008**	**600 855**	**7 153**	**98.8%**	**617 287**	**587 853**

Programme 3: Public Employment Services									
	2023/24							2022/23	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management & Support Services: Public Employment Services	353 617	175	13 829	367 621	367 621	-	100.0%	433 632	332 722
2. Employer Services	106 397	23	10 299	116 719	116 296	423	99.6%	116 014	116 014
3. Work Seeker Services	245 534	-	(3 277)	242 257	240 741	1 516	99.4%	213 559	213 113
4. Designated Groups Special Services	25 156	-	-	25 156	24 467	689	97.3%	25 014	23 784
5. Supported Employment Enterprises	187 160	-	20 755	207 915	207 915	-	100.0%	166 486	166 486
6. Productivity South Africa	62 921	-	8 800	71 721	71 720	1	100.0%	61 698	61 698
7. Unemployment Insurance Fund	1	-	-	1	-	1	-	1	-
8. Compensation Fund	15 586	-	(8 591)	6 995	6 995	-	100.0%	18 514	18 514
9. Training Of Staff: Public Employment Services	1 454	(198)	-	1 256	1 256	-	100.0%	1 563	1 562
Total for sub programmes	**997 826**	**-**	**41 815**	**1 039 641**	**1 037 011**	**2 630**	**99.7%**	**1 036 481**	**933 893**

	2023/24							2022/23	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**401 823**	**(8 800)**	**29 693**	**422 716**	**422 716**	**-**	**100.0%**	**393 880**	**393 466**
Compensation of employees	327 177	-	25 079	352 256	352 256	-	100.0%	338 680	338 267
Salaries and wages	267 807	12 587	23 159	303 553	303 553	-	100.0%	293 234	293 234
Social contributions	59 370	(12 587)	1 920	48 703	48 703	-	100.0%	45 446	45 033
Goods and services	74 646	(8 800)	4 614	70 460	70 460	-	100.0%	55 200	55 199
Administrative fees	5 884	(4 964)	-	920	920	-	100.0%	981	981
Advertising	771	821	-	1 592	1 592	-	100.0%	1 261	1 261
Minor assets	2 599	(1 761)	-	838	838	-	100.0%	1 540	1 540
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	180	-	180	180	-	100.0%	48	48
Catering: Departmental activities	1 789	3 114	-	4 903	4 903	-	100.0%	1 917	1 917
Communication	3 831	2 043	-	5 874	5 874	-	100.0%	5 179	5 179
Computer services	12 587	(9 837)	-	2 750	2 750	-	100.0%	2 832	2 832
Consultants: Business and advisory services	2 264	(8)	-	2 256	2 256	-	100.0%	245	245
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	395	1 131	-	1 526	1 526	-	100.0%	772	772
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	17	(3)	-	14	14	-	100.0%	13	13
Fleet services	1 405	1 156	401	2 962	2 962	-	100.0%	3 342	3 342

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	215	556	-	771	771	-	100.0%	432	432
Consumable: Stationery, printing and office supplies	1 986	284	-	2 270	2 270	-	100.0%	1 412	1 412
Operating leases	871	(827)	-	44	44	-	100.0%	11	11
Property payments	7 615	3 098	3 477	14 190	14 190	-	100.0%	12 472	12 472
Transport provided: Departmental activity	-	578	-	578	578	-	100.0%	104	104
Travel and subsistence	9 043	1 952	9 536	20 531	20 531	-	100.0%	20 709	20 708
Training and development	1 454	(522)	-	932	932	-	100.0%	542	542
Operating payments	1 735	(931)	-	804	804	-	100.0%	570	570
Venues and facilities	19 910	(7 923)	(8 800)	3 187	3 187	-	100.0%	623	623
Rental and hiring	275	3 063	-	3 338	3 338	-	100.0%	195	195
Transfers and subsidies	**590 047**	**-**	**21 236**	**611 283**	**610 592**	**691**	**99.9%**	**629 620**	**527 678**
Provinces and municipalities	-	-	3	3	3	-	100.0%	-	-
Municipalities	-	-	3	3	3	-	100.0%	-	-
Municipal bank accounts	-	-	3	3	3	-	100.0%	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

Buildings and other fixed structures

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Departmental agencies and accounts	376 974	(87 000)	213	290 187	290 185	2	100.0%	437 147	336 453
Social security funds	15 587	-	(8 591)	6 996	6 995	1	100.0%	18 515	18 514
Departmental agencies	361 387	(87 000)	8 804	283 191	283 190	1	100.0%	418 632	317 939
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	87 000	-	87 000	87 000	-	100.0%	-	-
Public corporations	-	87 000	-	87 000	87 000	-	100.0%	-	-
Other transfers to public corporations	-	87 000	-	87 000	87 000	-	100.0%	-	-
Non-profit institutions	212 316	-	20 755	233 071	232 382	689	99.7%	191 500	190 270
Households	757	-	265	1 022	1 022	-	100.0%	973	955
Social benefits	757	-	172	929	929	-	100.0%	953	935
Other transfers to public corporations	-	-	93	93	93	-	100.0%	20	20
Payments for capital assets	**5 956**	**8 800**	**(9 114)**	**5 642**	**3 703**	**1 939**	**65.6%**	**12 981**	**12 749**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 956	8 800	(9 114)	5 642	3 703	1 939	65.6%	5 205	4 973
Transport equipment	-	2 870	-	2 870	2 870	-	100.0%	-	-
Other machinery and equipment	5 956	5 930	(9 114)	2 772	833	1 939	30.1%	5 205	4 973
Software and other intangible assets	-	-	-	-	-	-	-	7 776	7 776
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**997 826**	**-**	**41 815**	**1 039 641**	**1 037 011**	**2 630**	**99.7%**	**1 036 481**	**933 893**

Programme 4: Labour Policy & Industrial Relations									
	2023/24							2022/23	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management & Support Services: Labour Policy & Industrial Relations	15 074	(242)	1 640	16 472	16 055	417	97.5%	17 140	15 433
2. Strengthen Civil Society	24 854	-	-	24 854	24 854	-	100.0%	24 760	24 760
3. Collective Bargaining	19 197	-	-	19 197	18 903	294	98.5%	18 821	17 731
4. Employment Equity	13 173	773	-	13 946	13 872	74	99.5%	12 283	11 463
5. Employment Standard	14 152	(531)	(234)	13 387	12 581	806	94.0%	11 901	11 237
6. Commission for Conciliation, Mediation & Arbitration	1 041 163	-	-	1 041 163	1 041 163	-	100.0%	1 046 293	1 046 293
7. Research, Policy & Planning	12 422	-	(2 930)	9 492	8 797	695	92.7%	6 521	5 948
8. Labour Market Information & Statistic	52 602	(719)	(1 524)	50 359	49 799	560	98.9%	50 515	46 756
9. International Labour Matters	65 102	719	(4 367)	61 454	61 427	27	100.0%	113 992	101 373
10. National Economic development & Labour Council	73 610	-	-	73 610	73 610	-	100.0%	68 879	68 879
Total for sub programmes	**1 331 349**	**-**	**(7 415)**	**1 323 934**	**1 321 061**	**2 873**	**99.8%**	**1 371 105**	**1 349 873**

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**165 649**	**(10)**	**(8 250)**	**157 389**	**155 492**	**1 897**	**98.8%**	**198 398**	**189 942**
Compensation of employees	111 157	(7)	-	111 150	110 363	787	99.3%	112 056	105 209
Salaries and wages	95 814	16	-	95 830	95 238	592	99.4%	97 211	91 146
Social contributions	15 343	(23)	-	15 320	15 125	195	98.7%	14 845	14 063
Goods and services	54 492	(3)	(8 250)	46 239	45 129	1 110	97.6%	86 342	84 733
Administrative fees	246	296	-	542	542	-	100.0%	865	850
Advertising	1 356	1 138	(314)	2 180	2 180	-	100.0%	7 591	7 574
Minor assets	1 004	(220)	(241)	543	370	173	68.1%	485	285
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	733	436	(171)	998	792	206	79.4%	286	231
Communication	1 174	1	(106)	1 069	1 003	66	93.8%	1 129	946
Computer services	660	-	(577)	83	83	-	100.0%	230	120
Consultants: Business and advisory services	7 292	(931)	(1 385)	4 976	4 976	-	100.0%	2 070	2 004
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	2 008	-	(135)	1 873	1 873	-	100.0%	18 524	18 508
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	77	-	(58)	19	16	3	84.2%	16	16
Fleet services	246	(3)	(42)	201	170	31	84.6%	387	383

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	45	3	(4)	44	36	8	81.8%	154	140
Consumable: Stationery, printing and office supplies	4 408	(439)	(294)	3 675	3 348	327	91.1%	4 169	4 085
Operating leases	2 015	308	(103)	2 220	2 215	5	99.8%	2 830	2 712
Property payments	1 584	51	(49)	1 586	1 586	-	100.0%	1 502	1 165
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	22 976	(1 257)	(4 198)	17 521	17 308	213	98.8%	11 304	10 980
Training and development	1 660	(1 014)	-	646	586	60	90.7%	655	655
Operating payments	1 303	474	(119)	1 658	1 658	-	100.0%	1 618	1 557
Venues and facilities	5 704	686	(454)	5 936	5 918	18	99.7%	32 527	32 522
Rental and hiring	1	468	-	469	469	-	100.0%	-	-
Transfers and subsidies	**1 163 426**	**10**	**(805)**	**1 162 631**	**1 162 541**	**90**	**100.0%**	**1 169 388**	**1 156 778**
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Departmental agencies and accounts	1 114 773	-	-	1 114 773	1 114 773	-	100.0%	1 115 172	1 115 172
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	1 114 773	-	-	1 114 773	1 114 773	-	100.0%	1 115 172	1 115 172
Foreign governments and international organisations	23 325	-	(805)	22 520	22 520	-	100.0%	29 214	16 604
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Non-profit institutions	24 854	-	-	24 854	24 854	-	100.0%	24 760	24 760
Households	474	10	-	484	394	90	81.4%	242	242
Social benefits	474	7	-	481	391	90	81.3%	242	242
Other transfers to households	-	3	-	3	3	-	100.0%	-	-
Payments for capital assets	**2 274**	**-**	**1 640**	**3 914**	**3 028**	**886**	**77.4%**	**3 319**	**3 153**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 274	(583)	-	1 691	805	886	47.6%	1 366	1 200
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 274	(583)	-	1 691	805	886	47.6%	1 366	1 200
Software and other intangible assets	-	583	1 640	2 223	2 223	-	100.0%	1 953	1 953
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1 331 349**	**-**	**(7 415)**	**1 323 934**	**1 321 061**	**2 873**	**99.8%**	**1 371 105**	**1 349 873**

NOTE TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

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, and Annexure 1A-F of the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement)

Detail of these transactions can be viewed in the 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 Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Administration	**R'000**	**R'000**	**R'000**	**%**
Current payments	952 803	945 070	7 733	0.8%
Transfers and subsidies	4 838	4 838	-	0.0%
Payment for capital assets	87 458	87 113	345	0.4%
Payment for financial assets	32	32	-	0.0%
Total	**1 045 131**	**1 037 053**	**8 078**	**0.8%**

The variances are mainly attributed to:
Explanation of variance: All variances were less than 5 percent.

PROGRAMME 2	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Inspection & Enforcement Services	**R'000**	**R'000**	**R'000**	**%**
Current payments	585 706	578 790	6 916	1.2%
Transfers and subsidies	2 270	2 226	44	1.9%
Payment for capital assets	20 032	19 839	193	1.0%
Total	**608 008**	**600 855**	**7 153**	**1.2%**

The variances are mainly attributed to:
Explanation of variance: All variances were less than 5 percent.

PROGRAMME 3	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Public Employment Services	**R'000**	**R'000**	**R'000**	**%**
Current payments	422 716	422 716	-	0.0%
Transfers and subsidies	611 283	610 592	691	0.1%
Payment for capital assets	5 642	3 703	1 939	34.4%
Total	**1 039 641**	**1 037 011**	**2 630**	**0.3%**

The variances are mainly attributed to:
Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops from suppliers.

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	157 389	155 492	1 897	1.2%
Transfers and subsidies	1 162 631	1 162 541	90	0.0%
Payment for capital assets	3 914	3 028	886	22.6%
Total	**1 323 934**	**1 321 061**	**2 873**	**0.2%**

The variances are mainly attributed to:
Payments for Capital Assets: Underspending is mainly due to the delays in the delivery of laptops and desktops from suppliers.

4.2 PER ECONOMIC CLASSIFICATION

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Current payments				
Compensation of employees	1 408 299	1 395 350	12 949	0.9%
Goods and services	710 315	706 718	3 597	0.5%
Transfers and subsidies				
Provinces and municipalities	954	954	-	0.0%
Departmental agencies and accounts	1 404 984	1 404 982	2	0.0%
Public corporations and private enterprises	87 000	87 000	-	0.0%
Foreign governments and international organisations	22 520	22 520	-	0.0%
Non-profit institutions	257 925	257 236	689	0.3%
Households	7 639	7 505	134	1.8%
Payments for capital assets				
Buildings and other fixed structures	19 712	19 712	-	0.0%
Machinery and equipment	84 909	81 738	3 171	3.7%
Software and other intangible assets	12 425	12 233	192	1.5%
Payments for financial assets	32	32	-	0.0%
Total	**4 016 714**	**3 995 980**	**20 734**	**0.5%**

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	1	**4 016 714**	4 107 776
Departmental revenue	2	**21 708**	19 008
Aid assistance		**59 924**	35 081
TOTAL REVENUE		**4 098 346**	4 161 865
EXPENDITURE			
Current expenditure		**2 110 025**	2 076 737
Compensation of employees	4	**1 395 350**	1 351 555
Goods and services	5	**706 718**	725 182
Aid assistance	3	**7 957**	-
Transfers and subsidies		**1 780 220**	1 689 506
Transfers and subsidies	7	**1 780 197**	1 689 506
Aid assistance	3	**23**	-
Expenditure for capital assets		**132 903**	134 865
Tangible assets	8	**120 670**	107 081
Intangible assets	8	**12 233**	27 784
Payments for financial assets	6	**32**	553
TOTAL EXPENDITURE		**4 023 180**	3 901 661
SURPLUS/(DEFICIT) FOR THE YEAR		**75 166**	260 204
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		**20 734**	210 658
Annual appropriation		**20 734**	210 658
Departmental revenue and NRF receipts	13	**21 708**	19 008
Aid assistance	3	**32 724**	30 538
SURPLUS/(DEFICIT) FOR THE YEAR		**75 166**	260 204

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	2023/24 R'000	2022/23 R'000
ASSETS			
Current assets		**538 628**	479 191
Cash and cash equivalents	9	**191 076**	161 053
Prepayments and advances	10	**7 969**	2 533
Receivables	11	**339 583**	315 605
Non-current assets		**38 658**	49 646
Prepayments and advances	10	**1 887**	2 004
Receivables	11	**36 771**	47 642
TOTAL ASSETS		**577 286**	528 837
LIABILITIES			
Current liabilities		**555 471**	512 320
Voted funds to be surrendered to the Revenue Fund	12	**20 734**	210 658
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	**1 448**	822
Bank overdraft	14	**495 512**	259 091
Payables	15	**5 053**	11 211
Aid assistance unutilised	3	**32 724**	30 538
Non-current liabilities		**610**	-
Payables	16	**610**	-
TOTAL LIABILITIES		**556 081**	512 320
NET ASSETS		**21 205**	16 517
Represented by:			
Recoverable revenue		**21 205**	16 517
TOTAL		**21 205**	16 517

STATEMENT OF CHANGES IN NET ASSETS AS AT 31 MARCH 2024

	Note	2023/24 R'000	2022/23 R'000
Recoverable revenue			
Opening balance		**16 517**	13 865
Transfers:		**4 688**	2 652
Debts revised		**(1 006)**	(810)
Debts recovered (included in departmental revenue)		**(4 229)**	(2 951)
Debts raised		**9 923**	6 413
TOTAL		**21 205**	16 517

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**4 096 563**	4 161 266
Annual appropriation funds received	1.1	**4 016 714**	4 107 776
Departmental revenue received	2	**17 163**	16 907
Interest received	2.3	**2 762**	1 502
Aid assistance received	3	**59 924**	35 081
Net (increase)/decrease in net working capital		**(35 455)**	4 533
Surrendered to Revenue Fund		**(231 740)**	(603 014)
Surrendered to RDP Fund/Donor		**(30 538)**	-
Current payments		**(2 110 025)**	(2 076 737)
Payments for financial assets		**(32)**	(553)
Transfers and subsidies paid		**(1 780 220)**	(1 689 506)
Net cash flow available from operating activities	17	**(91 447)**	(204 011)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	**(132 903)**	(134 865)
Proceeds from sale of capital assets	2.4	**1 783**	599
(Increase)/decrease in non-current receivables	11	**10 871**	(4 054)
Net cash flow available from investing activities		**(120 249)**	(138 320)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		**4 688**	2 652
Increase/(decrease) in non-current payables		**610**	(292)
Net cash flows from financing activities		**5 298**	2 360
Net increase/(decrease) in cash and cash equivalents		**(206 398)**	(339 971)
Cash and cash equivalents at beginning of period		**(98 038)**	241 933
Cash and cash equivalents at end of period	18	**(304 436)**	(98 038)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 all 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 all 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.

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 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 all 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 policies are applied in accordance with MCS requirements. 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 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
31	**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.
32	**Mergers** Mergers are accounted for by the combined Department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining Departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

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):

	2023/24			2022/23	
	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	**1 055 471**	**1 055 471**	**-**	1 101 159	1 101 159
Inspection & Enforcement Services	**632 068**	**632 068**	-	614 869	614 869
Public Employment Services	**997 826**	**997 826**	-	1 014 726	1 014 726
Labour Policy & Industrial Relations	**1 331 349**	**1 331 349**	-	1 377 022	1 377 022
Total	**4 016 714**	**4 016 714**	**-**	4 107 776	4 107 776

2. DEPARTMENTAL REVENUE

	Note	2023/24 R'000	2022/23 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	**11 145**	8 417
Fines, penalties and forfeits	2.2	**820**	1 853
Interest, dividends and rent on land	2.3	**2 762**	1 502
Sales of capital assets	2.4	**1 783**	599
Transactions in financial assets and liabilities	2.5	**5 198**	6 637
Total		**21 708**	19 008

2.1. SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services produced by the department		**11 089**	8 340
Sales by market establishment		**127**	126
Administrative fees		**8 034**	5 398
Other sales		**2 928**	2 816
Sales of scrap, waste and other used current goods		**56**	77
Total	2	**11 145**	8 417

2.2. FINES, PENALTIES AND FORFEITS

	Note	2023/24 R'000	2022/23 R'000
Fines		**573**	1 853
Forfeits		**247**	-
Total	2	**820**	1 853

2.3. INTEREST, DIVIDENDS AND RENT ON LAND

	Note	2023/24 R'000	2022/23 R'000
Interest		**2 762**	1 502
Total	2	**2 762**	1 502

2.4 .SALE OF CAPITAL ASSETS

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets			
Machinery and equipment		**1 783**	599
Total	2	**1 783**	599

2.5. TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

	Note	2023/24 R'000	2022/23 R'000
Receivables		**3 358**	2 477
Other receipts including Recoverable Revenue		**1 840**	4 160
Total	2	**5 198**	6 637

2.6. TRANSFERS RECEIVED

	Note	2023/24 R'000	2022/23 R'000
Departmental agency		**-**	4 669
Total	2	**-**	4 669

2.6.1. DONATIONS RECEIVED IN-KIND (NOT INCLUDED IN THE MAIN NOTE OR SUB NOTE)

	Note	2023/24 R'000	2022/23 R'000
Donations	Ann 1G	**-**	4 669
Total		**-**	4 669

2.6.1.1. PRIOR PERIOD ERROR

Nature of prior period error	2022/23 R'000
Relating to 2022/23	
Asset donations received in kind	4 669
Total prior period errors	4 669

Prior year error that affected opening balance included above.

3. AID ASSISTANCE

	Note	2023/24 R'000	2022/23 R'000
Opening balance		**30 538**	**-**
Transferred from statement of financial performance		**32 724**	30 538
Paid during the year		**(30 538)**	-
Closing balance	Ann 1H	**32 724**	30 538

3.1. ANALYSIS OF BALANCE BY SOURCE

	Note	2023/24 R'000	2022/23 R'000
Aid assistance from other sources		**32 724**	30 538
Closing balance	3	**32 724**	30 538

3.2. ANALYSIS OF BALANCe

	Note	2023/24 R'000	2022/23 R'000
Aid assistance unutilised		**32 724**	30 538
Closing balance	3	**32 724**	30 538

3.3. AID ASSISTANCE EXPENDITURE PER ECONOMIC CLASSIFICATION

	Note	2023/24 R'000	2022/23 R'000
Current		**7 957**	**-**
Capital	7	**19 220**	4 543
Transfers and subsidies		**23**	-
Total aid assistance expenditure		**27 200**	4 543

4. COMPENSATION OF EMPLOYEES

4.1. SALARIES AND WAGES

	Note	2023/24 R'000	2022/23 R'000
Basic salary		**992 580**	917 040
Performance award		**918**	1 117
Service based		**1 008**	1 984
Compensative/circumstantial		**17 019**	30 449
Other non-pensionable allowances		**174 568**	207 999
Total		**1 186 093**	1 158 589

4.2. SOCIAL CONTRIBUTIONS

Employer contributions	Note	2023/24 R'000	2022/23 R'000
Pension		**123 653**	113 618
Medical		**84 993**	78 732
Bargaining council		**342**	337
Insurance		**269**	279
Total		**209 257**	192 966
Total compensation of employees		**1 395 350**	1 351 555
Average number of employees		**2 959**	3 001

5. GOODS AND SERVICES

	Note	2023/24 R'000	2022/23 R'000
Administrative fees		**7 649**	7 604
Advertising		**5 334**	17 390
Minor assets	5.1	**9 390**	13 237
Bursaries (employees)		**7 938**	5 746
Catering		**7 854**	4 763
Communication		**37 076**	30 905
Computer services	5.2	**106 243**	96 723
Consultants: Business and advisory services	5.8	**12 526**	7 696
Legal services		**33 399**	13 403
Contractors		**4 984**	21 341
Agency and support / outsourced services		**-**	1
Entertainment		**137**	108
Audit cost - external	5.3	**15 753**	17 168
Fleet services		**39 811**	48 870
Consumables	5.4	**20 541**	19 040
Operating leases		**151 952**	158 942
Property payments	5.5	**89 230**	86 536
Rental and hiring		**3 836**	492
Transport provided as part of the departmental activities		**633**	164
Travel and subsistence	5.6	**126 954**	125 127
Venues and facilities		**13 520**	35 634
Training and development		**5 193**	5 737
Other operating expenditure	5.7	**6 765**	8 555
Total		**706 718**	725 182

5.1. MINOR ASSETS

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets			
Machinery and equipment		**9 390**	13 237
Total	5	**9 390**	13 237

5.2. COMPUTER SERVICES

	Note	2023/24 R'000	2022/23 R'000
SITA computer services		**20 911**	22 378
External computer service providers		**85 332**	74 345
Total	5	**106 243**	96 723

5.3. AUDIT COST - EXTERNAL

	Note	2023/24 R'000	2022/23 R'000
Regularity audits		**14 288**	16 783
Computer audits		**1 465**	385
Total	5	**15 753**	17 168

5.4. CONSUMABLES

	Note	2023/24 R'000	2022/23 R'000
Consumable supplies		**5 954**	4 429
Uniform and clothing		**3 428**	1 673
Household supplies		**1 341**	1 404
Building material and supplies		**402**	586
IT consumables		**128**	321
Other consumables		**655**	445
Stationery, printing and office supplies		**14 587**	14 611
Total	5	**20 541**	19 040

5.5. PROPERTY PAYMENTS

	Note	2023/24 R'000	2022/23 R'000
Municipal services		**36 201**	35 212
Property management fees		**1 834**	2 333
Property maintenance and repairs		**5 651**	10 422
Other		**45 544**	38 569
Total	5	**89 230**	86 536

5.6. TRAVEL AND SUBSISTENCE

	Note	2023/24 R'000	2022/23 R'000
Local		**111 089**	119 265
Foreign		**15 865**	5 862
Total	5	**126 954**	125 127

5.7. OTHER OPERATING EXPENDITURE

	Note	2023/24 R'000	2022/23 R'000
Professional bodies, membership and subscription fees		**175**	167
Resettlement costs		**1 561**	2 377
Other		**5 029**	6 011
Total	5	**6 765**	8 555

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

Name of Commission / Committee of Inquiry	Note	2023/24 R'000	2022/23 R'000
Audit Committee		**802**	641
National Risk Management Committee		**334**	446
Provincial Risk Management Committee		**6**	24
ICT Advisory Committee (DEL)		**1 456**	1 399
Employment Services Board		**154**	175
Employment Equity Committee		**186**	356
National Minimum Wages		**159**	181
Total		**3 097**	3 222

In compliance with Treasury Regulations 20.2.4, remuneration of all members of a commission or committee for R 3 097 103.53 is detailed above and is included in the total amount of R 12 525 805.45 for Consultants: Business and Advisory Services in Note 5 above.

6. PAYMENTS FOR FINANCIAL ASSETS

	Note	2023/24 R'000	2022/23 R'000
Other material losses written off	6.1	**32**	553
Total		**32**	553

6.1. OTHER MATERIAL LOSSES WRITTEN OFF

Nature of losses	Note	2023/24 R'000	2022/23 R'000
Receivables relating to:			
Damaged vehicles		**32**	333
Bad debts		**-**	207
Salary claim		**-**	13
Total	6	**32**	553

7. TRANSFERS AND SUBSIDIES

	Note	2023/24 R'000	2022/23 R'000
Provinces and municipalities	*Annex 1A*	**954**	930
Departmental agencies and accounts	*Annex 1B*	**1 404 982**	1 451 637
Public corporations and private enterprises	*Annex 1C*	**87 000**	-
Foreign governments and international organisations	*Annex 1D*	**22 520**	16 604
Non-profit institutions	*Annex 1E*	**257 236**	215 030
Households	*Annex 1F*	**7 505**	5 305
Total		**1 780 197**	1 689 506

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

	Note	2023/24 R'000	2022/23 R'000
Office furniture and equipment	*Annex 1I*	**1 047**	1 235
Total		**1 047**	1 235

8. EXPENDITURE FOR CAPITAL ASSETS

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets		**120 670**	107 081
Buildings and other fixed structures		**19 712**	39 721
Machinery and equipment		**100 958**	67 360
Intangible capital assets		**12 233**	27 784
Software		**12 233**	27 784
Total		**132 903**	134 865

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

Name of entity	Voted funds R'000	Aid assistance R'000	2023/24 Total R'000
Tangible capital assets	**101 450**	**19 220**	**120 670**
Buildings and other fixed structures	19 712	-	**19 712**
Machinery and equipment	81 738	19 220	**100 958**
Intangible capital assets	**12 233**	-	**12 233**
Software	12 233	-	**12 233**
Total	**113 683**	**19 220**	**132 903**

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

Name of entity	Voted funds R'000	Aid assistance R'000	2022/23 Total 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**

8.3. FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS

	2023/24 R'000	2022/23 R'000
Tangible capital assets	-	795
Machinery and equipment	-	795
Total	-	795

9. CASH AND CASH EQUIVALENTS

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General Account		**190 603**	160 500
Cash receipts		-	1
Disbursements		-	3
Cash on hand		**473**	549
Total		**191 076**	161 053

10. PREPAYMENTS AND ADVANCES

	Note	2023/24 R'000	2022/23 R'000
Travel and subsistence		**209**	161
Advances paid (Not expensed)	10.1	**7 981**	4 376
Prepayments (Not expensed)	10.2	**1 666**	-
Total		**9 856**	4 537

Analysis of Total Prepayments and advances	Note	2023/24 R'000	2022/23 R'000
Current Prepayments and advances		**7 969**	2 533
Non-current Prepayments and advances		**1 887**	2 004
Total		**9 856**	4 537

10.1. ADVANCES PAID (NOT EXPENSED)

						2023/24
	Note	Balance as at 1 April 2023 R'000	Less: Amounts expensed in current year R'000	Add / Less: Other R'000	Add Current year advances R'000	Balance as at 31 March 2024 R'000
National departments		2 612	(10 605)	(2 192)	16 501	**6 316**
Public entities		1 764	(104)	-	5	**1 665**
Total	10	**4 376**	**(10 709)**	**(2 192)**	**16 506**	**7 981**

						2022/23
		Balance as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Balance as at 31 March 2023
	Note	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	10	**9 108**	**(18 027)**	**(566)**	**13 861**	**4 376**

10.2. PREPAYMENTS (NOT EXPENSED)

						2023/24
		Balance as at 1 April 2023	Less: Amount expensed in the current year	Add / Less: Other	Add Current year prepayments	Balance as at 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000
Goods and services		-	(24 924)	-	26 590	**1 666**
Total	10	**-**	**(24 924)**	**-**	**26 590**	**1 666**

10.3. PREPAYMENTS (EXPENSED)

						2023/24
		Balance as at 1 April 2023	Less: Received in the current year	Add / Less: Other	Add Current year prepayments	Balance as at 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000
Goods and services		4 062	(4 061)	-	-	**1**
Total	10	**4 062**	**(4 061)**	**-**	**-**	**1**

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

						2022/23
		Balance as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year prepayments	Balance as at 31 March 2023
	Note	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**

10.4. ADVANCES PAID (EXPENSED)

						2023/24
		Balance as at 1 April 2023	Less: Received in the current year	Add / Less: Other	Add Current year advances	Balance as at 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000
Public entities		5 299	(230)	-	-	**5 069**
Total	10	**5 299**	**(230)**	**-**	**-**	**5 069**

						2022/23
		Balance as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year advances	Balance as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
Public entities		4 466	(2 122)	-	2 955	**5 299**
Total	10	**4 466**	**(2 122)**	**-**	**2 955**	**5 299**

11. RECEIVABLES

				2023/24			2022/23
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	320 742	3 242	**323 984**	280 289	21 648	301 937
Recoverable expenditure	11.2	4 168	933	**5 101**	1 141	3 269	4 410
Staff debt	11.3	903	25 802	**26 705**	621	20 856	21 477
Other receivables	11.4	13 770	6 794	**20 564**	33 554	1 869	35 423
Total		**339 583**	**36 771**	**376 354**	315 605	47 642	363 247

11.1. CLAIMS RECOVERABLE

	Note	2023/24 R'000	2022/23 R'000
National departments		**49**	179
Provincial departments		**352**	150
Public entities		**323 583**	301 608
Total	11	**323 984**	301 937

11.2. RECOVERABLE EXPENDITURE

	Note	2023/24 R'000	2022/23 R'000
Damaged vehicles		**3 526**	2 864
Disallowance account		**40**	-
Salary clearing accounts		**366**	414
Damage & losses		**1 106**	1 094
Private telephone account		**63**	38
Total	11	**5 101**	4 410

11.3. STAFF DEBT

	Note	2023/24 R'000	2022/23 R'000
Losses & damages		**1 556**	1 733
Travel & subsistence		**94**	35
Bursaries		**8 329**	5 664
Salary overpayment (in-service)		**5 437**	4 617
Salary overpayment (out of service)		**1 695**	1 774
Leave without pay		**9 202**	7 372
Other		**392**	282
Total	11	**26 705**	21 477

11.4. OTHER RECEIVABLES

	Note	2023/24 R'000	2022/23 R'000
Irregular expenditure		**336**	356
Fruitless and wasteful expenditure		**23**	39
Transport payment suspense account		**19 508**	34 508
Supplier debt		**504**	520
Salary clearing accounts		**193**	-
Total	11	**20 564**	35 423

11.5. IMPAIRMENT OF RECEIVABLES

	Note	2023/24 R'000	2022/23 R'000
Estimate of impairment of receivables		**15 309**	32 846
Total		**15 309**	32 846

12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2023/24 R'000	2022/23 R'000
Opening balance		**210 658**	584 327
Transferred from statement of financial performance (as restated)		**20 734**	210 658
Paid during the year		**(210 658)**	(584 327)
Closing balance		**20 734**	210 658

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

	Note	2023/24 R'000	2022/23 R'000
Opening balance		**822**	501
Transferred from statement of financial performance (as restated)		**21 708**	19 008
Paid during the year		**(21 082)**	(18 687)
Closing balance		**1 448**	822

14. BANK OVERDRAFT

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General account		**495 512**	259 091
Total		**495 512**	259 091

15. PAYABLES - CURRENT

	Note	2023/24 R'000	2022/23 R'000
Amounts owing to other entities		**792**	5 274
Clearing accounts	15.1	**3 630**	5 273
Other payables	15.2	**631**	664
Total		**5 053**	11 211

15.1. CLEARING ACCOUNTS

Description	Note	2023/24 R'000	2022/23 R'000
Salary clearing accounts		**3 630**	5 273
Total	15	**3 630**	5 273

15.2. OTHER PAYABLES

Description	Note	2023/24 R'000	2022/23 R'000
Arrear wages		**508**	403
Salary recalls		**121**	-
Damages & losses		**-**	39
Disallowance account		**-**	222
Deductions disallowed		**2**	-
Total	15	**631**	664

16. PAYABLES - NON-CURRENT

					2023/24	2022/23
		One to two years	Two to three years	Older than three years	Total	Total
	Note	R'000	R'000	R'000	R'000	R'000
Other payables	16.1	544	-	66	**610**	-
Total		**544**	**-**	**66**	**610**	-

16.1. OTHER PAYABLES

Description	Note	2023/24 R'000	2022/23 R'000
Pension funds		**70**	-
Clearing accounts		**540**	-
Total	16	**610**	-

17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2023/24 R'000	2022/23 R'000
Net surplus/(deficit) as per Statement of Financial Performance		**75 166**	260 204
Add back non-cash/cash movements not deemed operating activities		**(166 613)**	(464 215)
(Increase)/decrease in receivables		**(23 978)**	74 296
(Increase)/decrease in prepayments and advances		**(5 319)**	4 579
Increase/(decrease) in payables - current		**(6 158)**	(74 342)
Proceeds from sale of capital assets		**(1 783)**	(599)
Expenditure on capital assets		**132 903**	134 865
Surrenders to Revenue Fund		**(231 740)**	(603 014)
Surrenders to RDP Fund/Donors		**(30 538)**	-
Net cash flow generating		**(91 447)**	(204 011)

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

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General account		**(304 909)**	(98 591)
Cash receipts		**-**	1
Disbursement		**-**	3
Cash on hand		**473**	549
Total		**(304 436)**	(98 038)

19. CONTINGENT LIABILITIES AND CONTINGENT ASSETSS

19.1. CONTINGENT LIABILITIES

Liable to	Nature	Note	2023/24 R'000	2022/23 R'000
Housing loan guarantees	Employees	Annex 2A	**-**	28
Claims against the department		Annex 2B	**28 038**	17 873
Intergovernmental payables		Annex 4	**163**	61
Total			**28 201**	17 962

19.1.1. PRIOR PERIOD ERROR

Nature of prior period error	2022/23 R'000
Relating to 2022/23	
Removal of prior year claims against the department, incorrectly classified	(28)
Adjustment to prior year claim against the department	(46)
Total prior period errors	(74)

Prior year error that affected opening balance included above.

19.2. CONTINGENT ASSETS

Nature of contingent asset	Note	2023/24 R'000	2022/23 R'000
Third party litigations – motor vehicle accidents		**571**	571
Total		**571**	571

19.2.1. PRIOR PERIOD ERROR

Nature of prior period error	2022/23 R'000
Relating to 2022/23	
Removal of prior year third party claims, incorrectly classified	(1 124)
Adjustment to prior year third party claim	(9)
Removal of prior year bursary, incorrectly classified	(25)
Total prior period errors	(1 158)

Prior year error that affected opening balance included above.

20. CAPITAL COMMITMENTS

	Note	2023/24 R'000	2022/23 R'000
Intangible assets*		**130 301**	157 561
Total		**130 301**	157 561

**Capital commitments: Total includes Unemployment Insurance Fund for R 86 197 578.22, Compensation Fund for R 6 451 442.38 and Supported Employment Enterprises for R 5 163 685.33.*

***Capital commitments (2022/23): 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.*

20.1. PRIOR PERIOD ERROR

Nature of prior period error	2022/23 R'000
Relating to 2022/23	
Removal of prior year claims, incorrectly classified as contingent asset	(1 380)
Total prior period errors	(1 380)

Prior year error that affected opening balance included above.

21. ACCRUALS AND PAYABLES NOT RECOGNISED

21.1. ACCRUALS

Listed by economic classification	30 Days R'000	30+ Days R'000	2023/24 Total R'000	2022/23 Total R'000
Goods and services	92 480	23 784	**116 264**	60 208
Capital assets	2 885	-	**2 885**	8
Total	**95 365**	**23 784**	**119 149**	60 216

Listed by programme level	2023/24 R'000	2022/23 R'000
Programme 1 – Administration	**33 552**	27 480
Programme 2 – Inspection & Enforcement Services	**4 019**	1 824
Programme 3 – Public Employment Services*	**78 342**	29 999
Programme 4 – Labour Policy & Industrial Relations	**3 236**	913
Total	**119 149**	60 216

**Accruals: Total includes Unemployment Insurance Fund for R 34 449 500.14 & Compensation Fund for R 38 908 506.83,.*

***Accruals (2022/23): Total includes Unemployment Insurance Fund for R 13 563 924.31 & Compensation Fund for R 14 227 211.21,*

Reasons for material accruals: Accruals for Cleaning, Security & Other (R 10.9 mil), Computer Services (R 21.2 mil), Travel & Accommodation (R 26.1 mil), Cell phone Services (R 4.6 mil), Fleet Services (R 5.1 mil) and Operating Leases (R 6.3 mil).

21.2. PAYABLES NOT RECOGNISED

Listed by economic classification	30 Days R'000	30+ Days R'000	2023/24 Total R'000	2022/23 Total R'000
Goods and services	22 955	69	**23 024**	56 676
Capital assets	1 856	-	**1 856**	-
Total	**24 811**	**69**	**24 880**	56 676

Listed by programme level	2023/24 R'000	2022/23 R'000
Programme 1 – Administration	**12 713**	11 716
Programme 2 – Inspection & Enforcement Services	**91**	51
Programme 3 – Public Employment Services*	**12 052**	44 847
Programme 4 – Labour Policy & Industrial Relations	**24**	62
Total	**24 880**	56 676

**Payables: Total includes Unemployment Insurance Fund for R 6 144 833.18 and Compensation Fund for R 5 053 134.65.*
***Payables (2022/23): Total includes Unemployment Insurance Fund for R 22 395 024.17 and Compensation Fund for R 22 395 024.17.*

Reasons for material payables: Payables for Inter-Departmental Claims (R 3.3 mil), Operating Leases (R16 mil) and Computer Services (R 3.5 mil)

Included in the above totals are the following:	Note	2023/24 R'000	2022/23 R'000
Confirmed balances with other departments	Annex 4	**5 488**	-
Confirmed balances with other government entities	Annex 4	**-**	1 362
Total*		**5 488**	1 362

**Confirmed balances balances disclosed in Annexture 4 to the AFS*

22. EMPLOYEE BENEFITS

	2023/24 R'000	2022/23 R'000
Leave entitlement	**65 412**	91 596
Service bonus	**42 013**	37 594
Performance awards	**1 131**	8 606
Capped leave	**17 141**	19 396
Long service awards	**176**	308
Total	**125 873**	157 500

23. LEASE COMMITMENTS

23.1. OPERATING LEASES

	Buildings and other fixed structures	Machinery and equipment	2023/24 Total
	R'000	R'000	R'000
Not later than 1 year	155 660	2 396	**158 056**
Later than 1 year and not later than 5 years	131 387	803	**132 190**
Later than 5 years	5 008	-	**5 008**
Total lease commitments	**292 055**	**3 199**	**295 254**

**Buildings & other fixed structures: Total includes Unemployment Insurance Fund for R 87 616 535.98 and Compensation Fund for R 46 728 819.19.*

**Machinery & equipment: Total includes Unemployment Insurance Fund for R 842 461.25.*

	Buildings and other fixed structures	Machinery and equipment	2022/23 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 5 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.*

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

There are no assets that are being sub-leased.

24. ACCRUED DEPARTMENTAL REVENUE

	2023/24 R'000	2022/23 R'000
Tax revenue		
Sales of goods and services other than capital assets	**66**	63
Fines, penalties and forfeits	**-**	20
Interest, dividends and rent on land	**427**	52
Sale of capital assets	**92**	-
Total	**585**	135

24.1. ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

	2023/24 R'000	2022/23 R'000
Opening balance	**135**	56
Less: amounts received	**(135)**	(56)
Add: amounts recognised	**585**	135
Closing balance	**585**	135

25. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2023/24 R'000	2022/23 R'000
Irregular expenditure - current year	**62 787**	107 847
Fruitless and wasteful expenditure - current year	**981**	17 499
Total	**63 768**	125 346

26. RELATED PARTY TRANSACTIONS

Payments made		2023/24 R'000	2022/23 R'000
Item classification	**Nature of payment**		
Compensation of employees	Internal audit costs	**333**	124
Compensation of employees	Risk management costs	**16**	-
Goods and services	Municipal costs	**-**	216
Goods and services	Rental	**24 984**	25 750
Total		**25 333**	26 090

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)

26.1. PRIOR PERIOD ERROR

Nature of prior period error	2022/23 R'000
Relating to 2022/23	
14% was incorrectly used as escalation of cost 2021/22 to 2022/23 and this was corrected to 6% for calculation of monthly rentals in 2022/23	(2 056)
Total prior period errors	(2 056)

Prior year error that affected opening balance included above.

27. KEY MANAGEMENT PERSONNEL

	2023/24 R'000	2022/23 R'000
Political office bearers	**4 778**	4 639
Officials:		
DG to DDGs (Level 15 to 16)	**16 036**	12 768
Chief Directors (Level 14)	**21 833**	24 424
Directors (Level 13)	**2 045**	1 950
Acting positions	**47**	286
Total	**44 739**	44 067

28. PROVISIONS

	2023/24 R'000	2022/23 R'000
Accidents & damages	**1 023**	623
Supplier-related	**11 638**	-
Total*	**12 661**	623

**Provision relates to claims in respect of vehicle accidents and damages as well as R11 638 000.00 for disputed invoices owed to SAP South Africa for services rendered. 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

	Accidents & damages	Supplier-related	2023/24 Total provisions
	R'000	R'000	R'000
Opening balance	**623**	**-**	**623**
Increase in provision	765	11 638	**12 403**
Settlement of provision	(365)	-	**(365)**
Closing balance	**1 023**	**11 638**	**12 661**

RECONCILIATION OF MOVEMENT IN PROVISIONS - PRIOR YEAR

	Litigations	2022/23 Total provisions
	R'000	R'000
Opening balance	**623**	**623**
Closing balance	**623**	**623**

28.1.1. PRIOR PERIOD ERROR

Nature of prior period error	2022/23 R'000
Relating to 2022/23	
Removal of prior year vehicle claims, incorrectly classified	(53)
Added vehicle claims in prior year	76
Adjustment to prior year vehicle claim	34
Total prior period errors	57

Prior year error that affected opening balance included above.

29. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

					2023/24
	Opening balance	Value adjustments	Additions*	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**629 955**	-	**101 049**	**(15 853)**	**715 151**
Transport assets	255 041	-	62 884	(8 196)	**309 729**
Computer equipment	263 106	-	26 495	(5 628)	**283 973**
Furniture and office equipment	77 003	-	4 743	(614)	**81 132**
Other machinery and equipment	34 805	-	6 927	(1 415)	**40 317**
TOTAL CAPITAL ASSETS	**629 955**	-	**101 049**	**(15 853)**	**715 151**

**The total additions for R 101 048 194.38 includes Cash and Non-Cash transactions.*
The total expenditure for R 100 957 673.74 as reported in Note 8.1 as recognised expenditure and non-cash: includes assets received but not yet paid (accruals) for R 90 520.64.

Movable Tangible Capital Assets under investigation	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:		
Machinery and equipment*	261	6 811
Total	**261**	**6 811**

**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 2023

					2022/23
	Opening balance	Prior period error	Additions*	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**578 461**	**(433)**	**71 254**	**(19 327)**	**629 955**
Transport assets	231 098	(1 008)	29 190	(4 239)	**255 041**
Computer equipment	241 491	(385)	33 336	(11 336)	**263 106**
Furniture and office equipment	70 680	537	6 666	(880)	**77 003**
Other machinery and equipment	35 192	423	2 062	(2 872)	**34 805**
TOTAL CAPITAL ASSETS	**578 461**	**(433)**	**71 254**	**(19 327)**	**629 955**

**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.

29.1.1. PRIOR PERIOD ERROR

Nature of prior period error	2022/23 R'000
Relating to 2022/23	
Reclassification of assets category and price corrections	(378)
Increase/Decrease of prior year assets (incomplete asset transfer transactions)	43
Adjustment to prior period additions (reconciliation of assets received/paid)	(98)
Total prior period errors	(433)

Prior year error that affected opening balance included above.

29.2. MINOR ASSETS

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Intangible assets	Machinery and equipment	2023/24 Total
	R'000	R'000	R'000
Opening balance	**15**	**151 808**	**151 823**
Value adjustments	-	-	**-**
Additions*	-	9 459	**9 459**
Disposals	-	(3 609)	**(3 609)**
Total Minor assets	**15**	**157 658**	**157 673**

**The total additions for R 9 459 040.29 includes Cash and Non-Cash transactions.*
Cash: Actual payments for R 9 390 050.12 as reported in Note 5.1 as recognised expenditure and non-cash: includes assets received but not yet paid (accruals) for R 68 990.17.

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	-	8 844	**8 844**
Number of minor assets at cost	4	109 781	**109 785**
Total number of minor assets	**4**	**118 625**	**118 629**

Minor capital assets under investigation	Number	Value R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:		
Machinery and equipment*	268	725
Total	**268**	**725**

**IT Equipment stolen/ lost, under investigation.*
**Asset stolen/ lost, under investigation.*

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Intangible assets	Machinery and equipment	2022/23 Total
	R'000	R'000	R'000
Opening balance	**15**	**142 734**	**142 749**
Prior period error	-	1 743	**1 743**
Additions*	-	13 237	**13 237**
Disposals -	-	(5 906)	**(5 906)**
Total Minor assets	15	**151 808**	**151 823**

**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**

29.2.1. PRIOR PERIOD ERROR

	2022/23 R'000
Relating to 2022/23	
Reclassification of assets category and price corrections	369
Increase/Decrease of prior year assets (incomplete asset transfer transactions)	(355)
Adjustment to prior period additions (reconciliation of assets received/paid)	1 729
Total prior period errors	1 743

Prior year error that affected opening balance included above.

29.3. MOVABLE TANGIBLE CAPITAL ASSETS WRITTEN OFF

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

			2023/24
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	2 006	**2 006**
Total movable assets written off	**-**	**2 006**	**2 006**

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

			2022/23
	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**

30. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

				2023/24
	Opening balance	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Software	163 818	-	-	**163 818**
TOTAL INTANGIBLE ASSETS	**163 818**	**-**	**-**	**163 818**

**The total expenditure for R 12 232 901.34 as reported in Note 8.1 and this includes payments to Tech Mahindra & Alteram Schedules for work in progress amounting to R 12 232 901.34.*

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

					2022/23
	Opening balance	Prior period error	Additions*	Disposals	Closing balance
	R'000	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 addition is the Cash: Actual payment for R 8 589 232.17 in respect of SAP licence which is included in the intangible capital expenditure of R 27 783 872.12 in Note 8.1.*

30.2. INTANGIBLE CAPITAL ASSETS: CAPITAL WORK-IN-PROGRESS

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

					2023/24
		Opening balance 1 April 2023	Current Year WIP*	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
	Note	R'000	R'000	R'000	R'000
Intangible assets	Annex 6	77 473	12 233	-	**89 706**
Total		**77 473**	**12 233**	**-**	**89 706**

**This current year WIP for R 12 232 901.34 includes payments made to Tech Mahindra & Alteram Solutions for work-in-progress. This amount is included in the total intangible capital expenditure of R 12 232 901.34 in Note 8.1.*

Payables not recognised relating to Capital WIP	2023/24 R'000	2022/23 R'000
Services rendered not yet paid	-	-
Total	**-**	**-**

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

						2022/23
		Opening balance 1 April 2022	Prior period error	Current Year WIP*	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
Intangible assets	Annex 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.*

31. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

				2023/24
	Opening balance	Additions	Disposal	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**263**	**99**	**-**	**362**
Non-residential buildings	263	99	-	**362**
TOTAL TANGIBLE CAPITAL ASSETS	**263**	**99**	**-**	**362**

*The total expenditure for R 19 771 986.19 as reported in Note 8.1 and this includes Department's assets (portable buildings) for R 98 900.00 and payments to DPW for capital project amounting to R 19 613 086.19

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 2023

					2022/23
	Opening balance	Prior period error	Additions*	Disposals	Closing balance
	R'000	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.

32. PRIOR PERIOD ERRORS

32.1. CORRECTION OF PRIOR PERIOD ERRORS

				2022/23
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Revenue:				
Transfers received: Donations	2.6.1.1	-	4 669	4 669
Net effect		-	4 669	4 669

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

				2022/23
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Assets:				
Movable tangible capital assets	29.1.1	630 388	(433)	629 955
Minor assets	29.2.1	150 080	1 743	151 823
Net effect		780 468	1 310	781 778

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

				2022/23
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Other:				
Capital commitments	20.1	158 941	(1 380)	157 561
Related party transactions	26.1	28 146	(2 056)	26 090
Provisions	28.1.1	566	57	623
Net effect		187 653	(3 379)	184 274

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

33. NATURAL DISASTER OR RELIEF EXPENDITURE

	Note	2023/24 R'000	2022/23 R'000
Goods and services		-	63
Total	Annex 8	-	63

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	DORA and other transfers	Actual transfers
	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*	737	-	217	954	954	-	-	-	-	-	-	930	930
TOTAL	**737**	**-**	**217**	**954**	**954**	**-**	**-**	**-**	**-**	**-**		930	930

**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		2022/23	
Departmental Agency or Account	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Licences (Radio & TV)	-	-	28	28	28	100.0%	12	12
Compensation Fund (CF)	15 586	-	(8 591)	6 995	6 995	100.0%	18 514	18 514
Unemployment Insurance Fund (UIF)	1	-	-	1	-	-	1	-
Commission for Conciliation, Mediation & Arbitration (CCMA)	1 041 163	-	-	1 041 163	1 041 163	100.0%	1 046 293	1 046 293
Productivity SA	62 921	-	8 800	71 721	71 720	100.0%	61 698	61 698
National Economic Development & Labour Council (NEDLAC)	73 610	-	-	73 610	73 610	100.0%	68 879	68 879
Government Technical Advisory Centre	298 466	-	(87 000)	211 466	211 466	100.0%	356 934	256 241
TOTAL	**1 491 747**	**-**	**(86 763)**	**1 404 984**	**1 404 982**		1 552 331	1 451 637

ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	GRANT ALLOCATION				EXPENDITURE				2022/23	
Name of public corporation / private enterprise	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of Available funds transferred	Capital	Current	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations										
Transfers										
Industrial Development Corporation	-	-	87 000	87 000	87 000	100.0%	-	-	-	-
TOTAL	**-**	**-**	**87 000**	**87 000**	**87 000**		-	-	-	-

ANNEXURE 1D
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
NON-PROFIT INSTITUTIONS	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
International Labour Organisation (ILO)	21 890	-	(929)	20 961	20 961	100.0%	27 784	15 179
African Regional Labour Administration Centre (ARLAC)	1 435	-	124	1 559	1 559	100.0%	1 430	1 425
TOTAL	**23 325**	**-**	**(805)**	**22 520**	**22 520**		29 214	16 604

ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
Non-profit institutions	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Designated Groups Special Services	25 156	-	-	25 156	24 467	97.3%	25 014	23 784
Various Civil & Labour Organisation	24 854	-	-	24 854	24 854	100.0%	24 760	24 760
TOTAL	**50 010**	**-**	**-**	**50 010**	**49 321**		49 774	48 544

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

ANNEXURE 1E (1)
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
Non-profit institutions	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Workcentres for the Disabled	187 160	-	20 755	207 915	207 915	100.0%	166 486	166 486
TOTAL	**187 160**	**-**	**20 755**	**207 915**	**207 915**		166 486	166 486

ANNEXURE 1F
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
Household	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Leave gratuity	4 007	-	2 854	6 861	6 727	98.0%	5 173	5 149
Exgratia payments	379	-	399	778	778	100.0%	156	156
TOTAL	**4 386**	**-**	**3 253**	**7 639**	**7 505**		5 329	5 305

ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2023/24	2022/23
		R'000	R'000
Received in kind			
Donations			
Unemployment Insurance Fund (UIF)	Computer Equipment	-	2 208
Unemployment Insurance Fund (UIF)	Furniture & Office Equipment	-	1 395
Unemployment Insurance Fund (UIF)	Other Machinery & Equipment	-	1 066
TOTAL		-	4 669

ANNEXURE 1H
STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on / by 31 March 2024	Closing balance
		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	59 924	-	27 200	-	**32 724**
TOTAL		**59 924**	**-**	**27 200**	**-**	**32 724**

ANNEXURE 1I
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2023/24 R'000	2022/23 R'000
Made in kind		
Donations		
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	**77**	40
Yedvwa Primary School	-	25
Department of Education	**43**	-
Department of Education: Emjindini Circuit Office	**24**	-
Freedom for all Nations Outreach	**23**	-
Nkanyiso Youth Development Centre	**205**	-
Reformed Apostles Church in Christ	**86**	-
Thand'uxolo Special School	**364**	-
Adamslof Residents Initiatives	**16**	-
Imphilo-Life Community Centre	**24**	-
Ithemba Community Organization	**25**	-
Kathorus Parliament	**15**	-
Kitso Lesedi Youth Development	**16**	-
Lethabo La Bana Day Care	**13**	-
Mphoreng Lekias Mashilane Foundation	**16**	-
Nala Rising Lions Foundation	**29**	-
Thang Xaba Foundation	**36**	-
Vosloorus Annual Carnival and Community Events	**35**	-
TOTAL	**1 047**	1 235

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2024 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2023	Guarantees drawdowns during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2024	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2024
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Old Mutual Finance Limited	Housing Loan Guarantee	17	17	-	(17)	-	-	-	-
Nedbank LTD Incorporation (Former FBC Peoples Bank NBS)	Housing Loan Guarantee	11	11	-	(11)	-	-	-	-
	TOTAL	**28**	**28**	**-**	**(28)**	**-**	**-**	**-**	**-**

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

Nature of liability	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claims: Supplier-related	421	-	-	-	421
Claims: Employee-related	3 196	-	-	-	3 196
Civil Claims	14 256	10 481	-	(316)	24 421
TOTAL	**17 873**	**10 481**	**-**	**(316)**	**28 038**

ANNEXURE 3
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt 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
Department								
Department: Correctional Services	**8**	-	**-**	-	**8**	-		-
National Department of Government Printing Works	**1**	-	**-**	-	**1**	-		-
National Department of Forestry, Fisheries & Environment	**38**	-	**-**	-	**38**	-		-
National Department of Water & Sanitation	**-**	2	**-**	-	**-**	2		-
National Department of Justice & Constitutional Development	**2**	-	**-**	-	**2**	-		-
National Department: Higher Education & Training	**-**	42	**-**	-	**-**	42		-
Department: Public Service Administration	**-**	135	**-**	-	**-**	135		-
Department Provincial Sport, Arts & Culture: Eastern Cape	**-**	28	**-**	-	**-**	28		-
Department of Transport: Eastern Cape	**29**	23	**-**	-	**29**	23		-
Infrastructure Development: Gauteng	**-**	6	**-**	-	**-**	6		-
Department Health: Kwazulu-Natal	**196**	37	**-**	-	**196**	37		-
Agriculture, Land Reform & Rural Development: Western Cape	**-**	3	**-**	-	**-**	3		-
Transport: KZN Province	**39**	-	**-**	-	**39**	-		-
Public Works & Infrastructure: Eastern Cape	**43**	-	**-**	-	**43**	-		-
Department of Health & Wellness: Western Cape	**3**	-	**-**	-	**3**	-		-
Public Works, Roads & Transport: Mpumalanga	**42**	-	**-**	-	**42**	-		-
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)	**171 010**	238 748	**-**	1 218	**171 010**	239 966		-
Unemployment Insurance Funds (UIF)	**123 310**	17 900	**2 889**	20 429	**126 199**	38 329		-
Supported Employment Enterprises (SEE)	**26 374**	23 313	**-**	-	**26 374**	23 313		-
TOTAL	**321 095**	280 290	**2 889**	21 647	**323 984**	301 937		-

ANNEXURE 4
INTERGOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt 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								
Department of Public Service and Administration	**496**	**-**	**-**	**-**	**496**	**-**		**-**
South African Police Service	**61**	**-**	**60**	**-**	**121**	**-**		**-**
Department of Justice and Constitutional Development	**4 931**	**-**	**103**	**-**	**5 034**	**-**		**-**
Other Government Entity								
Current								
Government Printing Works	-	1 362	-	61	-	1 423		-
TOTAL INTERGOVERNMENT PAYABLES	**5 488**	1 362	**163**	61	**5 651**	1 423		**-**

ANNEXURE 5
INVENTORIES

Inventories for the year ended 31 March 2024	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	19	16	1	675	19	**730**
Add: Additions - Non-cash	-	-	-	-	-	**-**
(Less): Disposals	-	-	-	-	-	**-**
(Less): Issues	(19)	(16)	(1)	(675)	(19)	**(730)**
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	-	**-**
Add/(Less): Adjustments	-	-	-	-	-	**-**
Closing balance	-	-	-	-	-	**-**

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	-	-	-	-	-	**-**

ANNEXURE 6
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	**77 473**	**12 233**	-	**89 706**
Software	77 473	12 233	-	**89 706**
TOTAL	**77 473**	**12 233**	**-**	**89 706**

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

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	**58 278**	**-**	**19 195**	**-**	**77 473**
Software	58 278	-	19 195	**-**	**77 473**
TOTAL	**58 278**	**-**	**19 195**	**-**	**77 473**

ANNEXURE 7
INTERENTITY ADVANCES PAID (NOTE 10)

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
ENTITY	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Government Communication & Information Systems (GCIS)	**6 013**	1 547	-	-	**6 013**	1 547
International Relations & Co-operation (DIRCO)	**303**	1 065	-	-	**303**	1 065
PUBLIC ENTITIES						
SA Post Office (Permit Mail)	**1 665**	1 764	-	-	**1 665**	1 764
Supported Employment Enterprises (SEE)	**77**	77	-	-	**77**	77
National School of Government	**4 902**	4 902	-	-	**4 902**	4 902
SABC	**-**	8	-	-	**-**	8
SAPO (rental)	**-**	15	-	-	**-**	15
SANRAL	**90**	90	-	-	**90**	90
Municipal Licences	**-**	208	-	-	**-**	208
TOTAL	**13 050**	9 676	-	-	**13 050**	9 676

ANNEXURE 8
NATURAL DISASTER OR RELIEF EXPENDITURE PER QUARTER AND IN TOTAL

					2023/24	2022/23
	Q1	Q2	Q3	Q4	Total	Total
Expenditure per economic classification	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services						
Cons Supplies	-	-	-	-	-	62
Property Payments	-	-	-	-	-	1
TOTAL COVID 19 RESPONSE EXPENDITURE	-	-	-	-	-	63

ANNEXURE 9
ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 10)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Contract reference number	Total Contract Value R'000	Contract commencement date	Contract end date	Balance outstanding as at 31 March 2023 R'000	Total amount prepaid /advanced in the current year R'000	Less: goods, services or capital assets received in the current year R'000	Add/Less: Other R'000	Balance outstanding as at 31 March 2024 R'000	Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary)
Prepayments													
The Ethics Institute	Business Process Services (BPS)	Subscription Fee	Goods and services	DL-029496	2	2024/04/01	2025/03/31	-	2	(1)	-	**1**	Prepayment period expires after year-end
The Institute of Risk Management SA	Business Process Services (BPS)	Subscription Fee	Goods and services	DL-029510	87	2024/04/01	2025/03/31	-	87	(40)	-	**47**	Prepayment period expires after year-end
Wolters Kluwer Tax & Accounting	Business Process Services (BPS)	Software Licence	Goods and services	DL-029197	76	2023/04/30	2024/04/29	-	76	(69)	-	**7**	Prepayment period expires after year-end
Boxfusion	Electrotechnical	Software Licence	Goods and services	DL-029230	2 454	2023/06/01	2025/05/31	-	2 454	(1 022)	-	**1 432**	Prepayment period expires after year-end
Neo Technologies	Electrotechnical	Software Licence	Goods and services	DL-029105	263	2023/06/01	2025/05/31	-	263	(110)	-	**153**	Prepayment period expires after year-end
The Institute of Internal Auditors	Business Process Services (BPS)	Subscription Fee	Goods and services	DL-029310	49	2023/06/01	2025/05/31	-	49	(41)	-	**8**	Prepayment period expires after year-end
The Institute of Directors	Business Process Services (BPS)	Subscription Fee	Goods and services	DL-029533	8	2024/01/01	2024/12/31	-	8	-	-	**8**	Prepayment period expires after year-end
SA Board for People Practices	Business Process Services (BPS)	Subscription Fee	Goods and services	DL-029510	10	2024/04/01	2025/03/31	-	10	-	-	**10**	Prepayment period expires after year-end
Total prepayments								**-**	**2 949**	**(1 283)**	**-**	**1 666**	

ANNEXURE 9
ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 10) (CONTINUED)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Contract reference number	Total Contract Value	Contract commencement date	Contract end date	Balance outstanding as at 31 March 2023	Total amount prepaid /advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2024	Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary)
					R'000			R'000	R'000	R'000	R'000	R'000	
Advances													
SA Post Office	Business Process Services (BPS)	Rental Renewal	Goods and services	X 499-0001-2023	5	2024/01/01	2024/12/31	-	5	(1)	-	**4**	Prepayment period expires after year-end
Government Communication & Information Services (GCIS)	Business Process Services (BPS)	Departmental Campaign Marketing	Goods and services		-			1 547	8 857	(2 307)	(2 084)	**6 013**	Ongoing campaigns
Department of International Relations & Cooperation (DIRCO)	Business Process Services (BPS)	Foreign Travel and Accommodation	Goods and services		-			1 065	7 645	(8 299)	(107)	**304**	Outstanding invoices
SA Post Office	Business Process Services (BPS)	Postal Services	Goods and services		-			1 764	5	(104)	-	**1 665**	Services not yet rendered
Total advances								**4 376**	**16 512**	**(10 711)**	**(2 191)**	**7 986**	
TOTAL								**4 376**	**19 461**	**(11 994)**	**(2 191)**	**9 652**	

PART G

SUPPORTED EMPLOYMENT ENTERPRISES

DEPARTMENT OF EMPLOYMENT AND LABOUR

PART G: SUPPORTED EMPLOYMENT ENTERPRISES

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 driven by customer acquisition and retention to push for much needed sales revenue paid off as SEE achieved 13% increase in sales revenue relative to the previous financial year. The entity's resilience despite challenging market conditions, tight regulatory constraints and underfunded mandate demonstrate that with necessary support and space for agility or speed of decision-making process, SEE can be counted with entities that can substantially contribute to the country's developmental agenda.

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 R36 Million, The Northern Cape Provincial Department of Education ordered approximately R15 Million worth of school furniture from SEE. In these current changing market dynamics, SEE has adopted a strategy to expand its product portfolio to avoid current products from the risk of being obsolete. SEE has also embarked upon customer acquisition efforts to the private sector, as its client base is predominantly in 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 160 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. It is much more efficient to create employment opportunities as it drives capacity utilization and economic activity as opposed to simply paying grants without generating economic activity.

The pre-determined target on new agreements was also achieved, which means that SEE achieved 100% of all its APP targets for 2023/24 financial year. Such phenomenal achievement and resilience around consistent and sustainable growth depict that SEE is essentially a vehicle for sustainable creation of employment opportunities. It is also well documented that most jobs for most of South Africans seeking employment especially persons with disabilities, that such jobs will be created in the manufacturing sector where SEE operates.

The entity's biggest challenge is the underfunded mandate where almost 90% of the treasury grant 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 still under refurbishment. The 24 administrative vacancies are affected by the DPSA moratorium and they are impacting on service delivery as these are critical posts in Operations, Business development and Finance. The Admin staff members are part of the Department of Employment and Labour and have been accounted for under the Department, Branch Public Employment Services. The second category of staff consisted of 1 047 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 01/04/2023	ADDITIONAL EMPLOYMENT AS AT 31/03/2024	TERMINA-TIONS AS AT 31/03/2024	TOTAL AS AT 31/03/2024
All factories	948	163	64	1047

SEE EE PROFILE

Province	Factory	RACE				GENDER		Total
		AFRICAN	COLOURED	INDIAN	WHITE	FEMALE	MALE	
Free State	Bloemfontein	33	0	0	24	25	32	57
KZN	Durban	37	4	6	28	21	56	0
	Pietermaritzburg	54	2	4	20	46	34	80
Eastern Cape	East London	62	8	1	17	33	55	88
	Port Elizabeth	42	16	1	19	41	37	78
Northern Cape	Kimberley	31	33	1	7	27	45	72
Western Cape	Ndabeni	60	56	0	46	59	103	162
	Epping	60	53	1	5	45	74	119
North West	Potchefstroom	38	8	0	4	24	26	50
Limpopo	Seshego	49	0	0	0	24	25	49
Gauteng	Pretoria	71	2	0	31	40	64	104
	Rand	64	13	0	33	66	44	110
	Springfield	52	13	0	13	26	52	78
TOTAL		**536**	**184**	**8**	**215**	**402**	**541**	**1047**

SEE POST LEVEL STRUCTURE-

POST LEVEL	2018/2019 WAGES	INCREASE 5.3%	2019/2020 WAGES	INCREASE 1.5%	2021/2022 WAGES	INCREASE 6.5%	2023/2024
6	R6 410.79	R339.77	R6 750.56	R101.26	R6851.82	R445.37	R7,297.19
5	R5 882.24	R311.76	R6 194.00	R92.91	R6286.91	R408.65	R6,695.56
5	R5 763.81	R305.48	R6 069.29	R91.04	R6160.33	R400.42	R6,560.75
4	R5 645.38	R299.20	R5 944.58	R89.17	R6033.75	R392.19	R6,425.94
4	R5 526.95	R292.93	R5 819.88	R87.30	R5907.18	R383.97	R6,291.15
3	R5 408.52	R286.65	R5 695.17	R85.43	R5780.60	R375.74	R6,156.34
2	R5 290.08	R280.37	R5 570.45	R83.56	R5654.01	R367.51	R6,021.52
1	R5 171.66	R274.10	R5 445.76	R81.69	R5527.45	R359.28	R5,886.73
1	R5 053.27	R267.82	R5 321.09	R79.82	R5400.91	R351.06	R5,751.97
1	R4 934.77	R261.54	R5 196.31	R77.95	R5274.26	R342.83	R5,617.09

The salaries of factory employees were increased by 6.5% in 2023/2024. This was after the no increase in 2020/2021, 1.5% in 2021/2022 and no increase in 2022/2023. The provident fund employer contribution was increased by 1%, to make it 10 %, while the employee contribution was also increased by 1% to bring it to 8%. SEE Youth employment is 49% (516 of 1047)

OVERVIEW OF THE FINANCIAL RESULTS OF THE SEE

The SEE budget comprises of a transfer from the National Treasury through the Branch Public Employment Services as well as additional income generated from sale of goods that are manufactured across all factories.

The grant allocation for 2023/2024 amounted to R207 915 000 which amounts to 68% of SEE revenue. Remaining 32% was generated through other income and conversion of the current MOUs for sale of goods.

The entity is still pursuing other government spectrums for 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.

SUPPORTED EMPLOYMENT ENTERPRISES REVENUE

Departmental Receipts	2022/2023			2023/2024		
	Estimate	Actual Amount Collected	(over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
Sale of goods and services other than capital assets	R59 679 999	R53 807 703	R5 872 296	R61 000 000	R60 915 442	R84 558
Transfer Grant	R166 486 000	R166 486 000	R0	R187 160 000	207 915 000	R20 755 000
Interest, dividends and rent on land	R1 190 000	R2 602 882	-R1 412 882	R2 509 743	R7 701 601	-R5 191 858
Services in Kind	R0	R28 766 052	-R28 766 052	R27 806 186	R27 098 142	R708 044
Other Income	R247 354	R263 785	16 431	R264 946	R228 976	R35 970
Sale of capital assets	R0	R96 314	-R96 314	R0	R92 548	-R92 548
TOTAL	**R227 355 999**	**R251 758 951**	**-R24 402 952**	**R278 740 875**	**R303 951 709**	**-R25 210 834**

*Other income comprises of commission and discount received from 3rd party related payments

REASONS FOR OVER/UNDER COLLECTION OF REVENUE

Total Revenue Received	2022/2023	2023/2024	Variance	Variance %	Reasons for Variances
Sale of goods and services other than capital assets	R53 807 703	R60 915 442	R7 107 739	13%	More sales orders received for 2023/2024.
Transfer Grant	R166 486 000	R207 915 000	R41 429 000	25%	Difference is due to increase on the grant allocation of R20m per attached ENE, approval on the virement of R20,7m for bail out toward payment of admin claims from DEL and incremental on base allocation.
Interest, dividends and rent on land	R2 602 882	R7 701 601	R5 098 719	196%	Increase due to higher interest earn on cash excess as well as interest charged on trade debtors
Services in Kind	R28 766 052	R27 098 142	-R1 667 910	-6%	Service in kind was budgeted based on the prior year incorrect actual amount correction of which was effected in the current year.
Other Income	R263 785	R228 976	R34 809	-13	
Sale of capital assets	R96 314	R92 548	-R3 766	-4%	

INFORMATION ON IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure		
Description	2023/2024	2022/2023
	R	R
Opening balance	16 033 186,00	14 026 553,00
Prior Period Errors		1 777 679,00
As Restated	16 033 186,00	15 804 232,00
Add: Irregular expenditure confirmed	3 615 646,00	228 954,00
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	**19 648 832,00**	**16 033 186,00**

**Prior year error relates to irregular expenditure incurred in 2022/2023 and was under assessment/determination and process was concluded in 2023/2024 financial year.*

a) Reconciling notes to the annual financial statement disclosure		
Description	2023/2024	2022/2023
	R	R
Irregular expenditure that was under assessment in 2022/2023		-
Irregular expenditure that relates to 2022/2023 and identified in 2023/24**		1 777 679,00
Irregular expenditure for the current year	3 615 646,00	228 954,00
Total	3 615 646,00	2 006 633,00

***During the year ended March 2024, an amount of R1 777 696 was identified as irregular expenditure incurred in 2022/2023 subsequent to finalisation of determination/assessment processes in the 2022/23 financial year.*

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)		
Description	**2023/2024**	**2022/2023**
	R	**R**
Irregular expenditure under assessment	-	-
Irregular expenditure under determination*	-	-
Irregular expenditure under investigation**	-	-
Total	-	-

****The irregular expenditure reported under determination in the 2022/2023 amounting to R6 420 000,00 relates to a contract that is still active. The actual expenditure incurred on the contract value has since been disclosed accordingly in a) above.*

***In prior year, an amount of R5 646,00 was erroneously included as irregular expenditure under investigation for 2022/2023 financial year.*

c) Details of current and previous year irregular expenditure condoned		
Description	**2023/24**	**2022/23**
	R	**R**
Irregular expenditure condoned	-	-
Total	-	-
d) Details of current and previous year irregular expenditure removed - (not condoned)		
Description	**2023/24**	**2022/23**
	R	**R**
Irregular expenditure NOT condoned and removed	-	-
Total	-	-
e) Details of current and previous year irregular expenditure recoverable		
Description	**2023/24**	**2022/23**
	R	**R**
Irregular expenditure recovered	-	-
Total	-	-
f) Details of current and previous year irregular expenditure not recoverable and written off (irrecoverable)		
Description	**2023/24**	**2022/23**
	R	**R**
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 such institution is not responsible for the non-compliance)		
Description		
None		
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	2023/24	2022/23
	R	R
None	-	-
TOTAL	-	-
i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure		
Disciplinary steps taken	**2023/24**	**2022/23**
	R'000	**R'000**
None		
TOTAL		

INFORMATION ON FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure		
Description	**2023/2024**	**2022/2023**
	R	**R**
Opening balance	2 953 021,00	1 756 198,00
Prior Period Errors	-	-
As Restated	2 953 021,00	1 756 198,00
Add: Fruitless and wasteful expenditure confirmed	1 609 193,00	1 196 823,00
Less: Fruitless and wasteful expenditure Written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	4 562 214,00	2 953 021,00

a) Reconciling notes to the annual financial statement disclosure		
Description	**2023/2024**	**2022/2023**
	R	**R**
Fruitless and wasteful expenditure that was under assessment in 2022/2023	-	-
Fruitless and wasteful expenditure that relates to 2022/2023 and identified in 2023/24	-	-
Fruitless and wasteful expenditure for the current year	1 609 193,00	1 196 823,00
TOTAL	1 609 193,00	1 196 823,00

b) Details of current and previous year Fruitless and wasteful expenditure (under assessment, determination, and investigation)		
Description	**2023/2024**	**2022/2023**
	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

Reconciliation of fruitless and wasteful expenditure		
Description	2023/2024	2022/2023
	R	R

c) Details of current and previous year Fruitless and wasteful expenditure Written off		
	2023/24	2022/23
	R	R
Fruitless and wasteful expenditure written off	-	-
TOTAL	-	-

d) Details of current and previous year Fruitless and wasteful expenditure recoverable		
Description	2023/2024	2022/2023
	R	R
Fruitless and wasteful expenditure recoverable	-	-
TOTAL	-	-

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure.		
Disciplinary steps taken	2023/2024	2022/2023
	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
Blanket wool type 13	Ahlesa Blankets PTY LTD	Limited bidding	I05120	R4 760 000,00
Fabric Cotton P48	Da Gama Textiles	Limited bidding	M07364	R453 060,00
Cotton Sheeting P48	Da Gama Textiles	Limited bidding	N03558	R201 005,00
Cotton Sheeting P48	Da Gama Textiles	Limited bidding	B10378	R287 150,00
Cotton Sheeting P48	Da Gama Textiles	Limited bidding	K02254	R861 450,00
P48 & ST9 fabrics	Da Gama Textiles	Limited bidding	E01218	R2 154 570,00
Fabric	Da Gama Textiles	Limited bidding	O00083	R1 308 840,00
Fabric Sheeting	Da Gama Textiles	Limited bidding	F03168	R1 160 179,80
Fabric J54 screen curtains	Da Gama Textiles	Limited bidding	N03575	R325 080,00
Fabric	Da Gama Textiles	Limited bidding	F03178	R350 250,00
Fabric	Da Gama Textiles	Limited bidding	I05162	R7 585 200,00
Fabric	Da Gama Textiles	Limited bidding	M07427	R10 293 787,50
Cellular Blanket Fabric	Hextex Industries (pty) Ltd	Limited bidding	I05121	R4 003 993,00
Toweling type 43	Colibri Toweling WC (pty)Ltd	Limited bidding	J01870	R1 520 000,00
Towels	Colibri Toweling WC (pty)Ltd	Limited bidding	J01889	R570 285,00
Bath towel	Colibri Toweling WC (pty)Ltd	Limited bidding	J01894	R760 000,00
Blanket wool	Aranda Textile Mills	Limited bidding	I05132	R478 820,00
Wool Type 13	Aranda Textile Mills	Limited bidding	I05167	R2 426 250,00
TOTAL				R39 499 920,30

Events after reporting date

SEE has operations in various factories across the country in eight provinces that manufacture wood, linen and steel products for purpose of trading at an arm's length and currently operating 12 factories. In 2021/2022 financial year Durban Factory was discontinued and handed over to Department of Public Works and Infrastructure (DPWI) for revamp subsequent to factory being destroyed by natural disaster in 2017.

As at the reporting date, the factory revamp project made significant progress and DPWI envisaged to hand back the factory to SEE in 2024/2025 financial year. It is therefore assessed that the conditions to hand back Durban Factory to SEE existed as at reporting date to indicate significant operations re-establishment.

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 2024.

APPROVAL AND SIGN OFF

The Accounting Officer hereby approves the Annual Financial statements for the 2023/2024 financial year.

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ACTING DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR

Date: 30 August 2024

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

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	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 2023/24 Over – achieved 163 additional persons with disabilities employed in the SEE factories by the end of March 2024	N/A New MOU's signed that would need more capacity in factories to manufacture and deliver as per clients' time lines	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)	To increase revenue to 40% by 2025	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 2023/24 Over- achieved 13.93% annual increase of sales revenue from goods and services by the end of March 2024	Better, than expected sales revenue achieved due to contracts from NC DoE and NWDE for school furniture. Secured contracts with DPWI and completion of prior year sales with North West Education and Northern Cape Education.	SEE
				Increase SEE's market share	2021/22 Achieved 6 customer agreements entered into by the end of March 2022 2022/23 Not achieved 4 customer agreements entered into by the end of March 2023 2023/24 Over-achieved 12 customer agreements entered into by the end of March 2024	Delayed submission of required documents from prospective clients as well as the lengthy internal legal vetting process. Targeted TVET Colleges and private companies for CMT sales contracts.	SEE

PERFORMANCE INDICATORS

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Annual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Number of additional persons with disabilities employed in the SEE factories by the end of March	Employment Services Act and recruitment and selection strategy for PWDs implemented	Number of additional persons with disabilities employed in the SEE factories by the end of March	Achieved 26 additional persons with disabilities employed in the SEE factories by the end of March 2022	50 additional persons with disabilities employed in the SEE factories by the end of March 2023	150 additional persons with disabilities employed in the SEE factories by the end of March 2024	163 additional persons with disabilities employed in the SEE factories by the end of March 2024	13 overachievement	New MOU's signed that would need more capacity in factories to manufacture and deliver as per clients' time lines
Increase sales revenue	Financial viability increased and sustained	% annual increase of sales revenue from goods and services by the end of March	Not achieved -33% decline in sales	10% annual increase of sales revenue from goods and services by the end of March 2023	10% annual increase of sales revenue from goods and services by the end of March 2024	13.93% annual increase of sales revenue from goods and services by the end of March 2024	3.93% overachievement	Secured contracts with DPWI and completion of prior year sales with North West Education and Northern Cape Education.
Increase SEE's market share	SEE's market share increased and sustained	Number of customer agreements entered into annually	Achieved 6 customer agreements entered into by the end of March 2022	7 customer agreements entered into by the end of March 2023	10 customer agreements entered into by the end of March 2024	12 customer agreements entered into by the end of March 2024	2 overachievement	Targeted TVET Colleges and private companies for CMT sales contracts.

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 225 to 268, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and 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 2024 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

3. I was unable to obtain sufficient appropriate audit evidence that inventories were properly accounted for, as there were differences between the amount of inventories per the financial statements and the underlying records. I could not confirm the amount for inventories by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the inventory balance stated at R56 913 964 in note 6 to the financial statements.

4. In addition, I was unable to obtain sufficient appropriate audit evidence that inventories for the prior year had been properly accounted for, as the entity did not maintain complete and accurate records for production times and the standard rates used in the valuation of inventories were not substantiated by supporting audit evidence. Furthermore, included in the corresponding figure are restatements made to rectify prior year misstatements, but the restatement was not substantiated by supporting audit evidence. I could not confirm inventories by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of the inventory balance stated at R70 936 724 in note 6 to the financial statements.

Cost of sales and operating expenses

5. Cost of sales and operating expenses were not accounted for in accordance with GRAP 12, Inventories and GRAP 1 Presentation of financial statements respectively, as the entity incorrectly calculated the rate used in the calculation of cost of sales and operating expenses. I was unable to determine the full extent of the misstatement for the following items included in cost of sales and operating expenses as it was impractical to do so:

   - Fixed manufacturing overheads stated at R3 771 531 in note 14 to the financial statements.
   - Variable manufacturing overheads stated at R2 228 942 in note 14 to the financial statements.
   - Direct labour stated at R6 195 312 in note 14 to the financial statements.
   - Under or over recovery fixed overheads stated at R33 039 005 in operating expenses in the financial statements.
   - Abnormal labour idle time stated at R88 201 856 in operating expenses in the financial statements.
   - Under/over recovery variable overheads stated at R17 622 646 in operating expenses on the financial statements.

Additionally, there was an impact on the surplus and deficit for the current period and accumulated surplus.

6. In addition, I was unable to obtain sufficient appropriate audit evidence that cost of sales and operating expenses for the previous year had been properly accounted for, as the entity did not maintain complete and accurate records for production times and the standard rates used in the valuation of inventories could not be substantiated by supporting audit evidence. Furthermore, included in the corresponding figure are restatements made to rectify prior year misstatements, but the restatement was not substantiated by supporting audit evidence. I could not confirm cost of sales and operating expenses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the corresponding figure for the following:

   - Direct material stated at R38 405 268 in note 14 to the financial statements.
   - Direct labour stated at R7 386 920 in note 14 to the financial statements.
   - Variable manufacturing overheads stated at R8 890 227 in note 14 to the financial statements.
   - Fixed manufacturing overheads stated at R1 814 438 in note 14 to the financial statements.
   - Under or over recovery fixed overheads stated at R32 499 972 in operating expenses in the financial statements.
   - Abnormal labour idle time stated at R86 748 462 in operating expenses in the financial statements.

- Under/over recovery variable overheads stated at R2 205 365 in operating expenses on the financial statements.

Receivables from exchange transactions

7. Trade debtors were not correctly accounted for in accordance with GRAP 104 Financial instrument as the entity did not adequately reconcile the individual receivables balances, resulting in misstatement of debtors' balances. I was unable to determine the full extent of the misstatements to trade debtors stated at R3 647 829 (2023: R8 151 414) in note 7 to the financial statements as it was impracticable to do so.

Payables from exchange transactions

8. I was unable to obtain sufficient appropriate audit evidence that payments received in advance were properly accounted for, as the entity could not provide evidence to support the amount for payments received in advance. I could not confirm the amount for payments received in advance by alternative means. Consequently, I was unable to determine whether any adjustments relating to payments received in advance stated at R6 433 984 in note 5 to the financial statements were necessary.

Cash flow statement

9. Net cash flows from operating activities were not correctly prepared and disclosed as required Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flow from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impractical to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated at R9 641 019 in the financial statements were necessary.

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.

Responsibilities of the accounting officer for the financial statements

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

14. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 223, forms part of our auditor's report.

Report on the annual performance report

17. 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 the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

18. I selected the following material performance indicator related to economic transformation and job creation programme presented in the annual performance report for the year ended 31 March 2024. I selected an indicator that measures the trading entity's performance on its primary mandated functions and that is of significant national, community or public interest.

- Number of additional persons with disabilities employed in the SEE factories by end of 31 March 2024.

19. I evaluated the reported performance information for the selected material performance indicators 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.

20. 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 to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those 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 and is comparable and understandable.
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over-achievement of targets.
21. I performed the procedures to report material findings only, and not to express an assurance opinion or conclusion.
22. I did not identify any material findings on the reported performance information for the selected indicator economic transformation and job creation.

Report on compliance with legislation

23. 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.
24. 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.
25. 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.
26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual report

36. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA.
37. Material misstatements of non-current assets, current assets, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving an adverse opinion.

Revenue management

37. 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

38. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 609 193, as disclosed in note 33 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 theft of assets.

Assets management

39. Preventative mechanisms were not in place to eliminate theft of assets, as required by treasury regulation 10.1.1(a).
40. Processes and procedures were not in place at the trading entity for the economical use of the institution's assets, as required by treasury regulation 10.1.2.

Consequence management

41. 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.

42. 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

43. 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 material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

44. 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.

45. 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 material indicators in the scoped-in priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

46. 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 corrected this will not be necessary.

Internal control deficiencies

47. 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.

48. 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.

49. Actions planned to address the prior year issues identified on the inventories, cost of sales, receivables and payables were not implemented timeously, which resulted in qualification areas for the prior year not being adequately addressed. Some of these issues were also communicated during the interim phase of the current year's audit.

50. Significant control deficiencies were noted in relation to monthly controls over financial reporting, which resulted in material misstatements in the financial statements.

51. The entity did not implement proper record keeping ensuring that complete, relevant and accurate information was accessible and available in a timely manner to support financial and performance reporting. This resulted in unnecessary delays in completing the audit.

52. The entity did not ensure that the financial statements and annual performance report were adequately reviewed and supported by complete and accurate supporting documents, resulting in material misstatements being identified during the audit. In addition, preventative controls were not implemented to ensure reliable financial reporting as well as compliance with applicable laws and regulations.

53. Management did not implement adequate controls relating to daily and monthly processing and reconciliation of transactions. The controls that management put in place to ensure regular, accurate and complete financial reports did not always prevent and/or detect material misstatements in the financial statements and annual performance report.

54. Management did not adequately review and monitor compliance with applicable laws and regulations, which resulted in non-compliance with legislation being identified during the audit.

55. The accounting officer did not ensure that consequence management is implemented on those who failed to implement the designated internal controls of the entity.

AUDITOR GENERAL

Pretoria

19 August 2024

AUDITOR-GENERAL
SOUTH AFRICA

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

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 material performance indicators 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 identified 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
Public Finance Management Act 1 of 1999	Section 38(1)(b); 38(1)(c)(I); 38(1)(c)(ii); 38(1)(d); Section 38(1)(h)(iii); 38(1)(j); 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(I); 43(4); Section 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; Regulation 8.2.2; 8.2.3; 9.1.1; 9.1.4; 10.1.1(a); Regulation 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; Regulation 15.10.1.2(c); 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A 6.3(c); Regulation 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 167.6; 16A7.716A8.3; Regulation 16A8.4; 16A9.1(b)(ii); 16A9.1(d); Regulation 16A9.1(e); 16A9.1(f); 16A9.2; Regulation 16A9.2(a)(ii); 17.1.1; 18.2; 19.6.1; Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No.5 of 2020/21	Paragraph 1; 2; 4.8; 4.9, 5.3
National Treasury Instruction No.1 of 2021/22	Paragraph 4.1
National Treasury Instruction No.4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Regulation 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Regulation 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

SUPPORTED EMPLOYMENT ENTERPRISE

Annual Financial Statements

for the year ended 31 March 2024

GENERAL INFORMATION

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

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

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Abbreviations used:

NRV	Net Realisable Value
PFMA	Public Finance Management Act 1 of 1999
GRAP	Generally Recognised Accounting Practice
VAT	Value Added Tax
DEL	Department of Employment and Labour
MOU	Memorandum of Understanding

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 member 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 2025 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 entity 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 page 229 to 268, which have been prepared on the going concern basis, were approved by the accounting officer on 31 March 2024 and were signed on its behalf by

Ms O Mjo

Acting Accounting Officer

Statement of Financial Position as at 31 March 2024			
Figures in Rand	**Note(s)**	**2024**	**2023 Restated***
Assets			
Current Assets			
Inventories	6	56 913 964	70 936 724
Operating lease asset	4	15 240	-
Receivables from exchange transactions	7	4 309 247	8 635 218
Receivables from non-exchange transactions	8	21 328 624	-
VAT receivable	9	2 914 213	2 148 311
Cash and cash equivalents	10	29 122 382	23 077 625
		114 603 670	**104 797 878**
Non-Current Assets			
Property, plant and equipment	2	87 322 179	88 722 935
Total Assets		**201 925 849**	**193 520 813**
Liabilities			
Current Liabilities			
Finance lease obligation	11	294 752	269 362
Operating lease liability	4	-	92 544
Payables from exchange transactions	5	39 596 362	36 766 746
		39 891 114	**37 128 652**
Non-Current Liabilities			
Finance lease obligation	11	106 971	401 723
Provisions	12	11 774 905	11 005 483
		11 881 876	**11 407 206**
Total Liabilities		**51 772 990**	**48 535 858**
Net Assets		**150 152 859**	**144 984 955**
Accumulated surplus		150 152 861	144 984 955
Total Net Assets		**150 152 861**	**144 984 955**

Statement of Financial Performance Figures in Rand	Note(s)	2024	2023 Restated*
Revenue	13	**295 858 234**	**248 699 656**
Cost of sales	14	**(52 025 239)**	**(56 269 141)**
Gross surplus		**243 832 995**	**192 430 515**
Other income	13		
Commissions received		48 141	49 345
Discount received		180 835	214 440
Interest received	16	7 701 601	2 602 882
		7 930 577	**2 866 667**
Expenses (Refer to page 6)		**(245 441 647)**	**(206 617 926)**
Operating surplus (deficit)	23	**6 321 925**	**(11 320 744)**
Finance costs	19	(1 154 013)	(1 167 048)
Surplus (deficit) for the year		**5 167 912**	**(12 487 792)**

Figures in Rand	Note(s)	2024	2023 Restated*
Operating expenses			
Advertising		(514 069)	(251 616)
Auditors remuneration	20	(2 435 434)	(2 541 840)
Debt Impairment		(13 234 613)	(1 392 518)
Bank charges		(199 092)	(237 461)
Cleaning		(2 149 295)	(267 579)
Losses - Theft & Losses		(52 029)	(1 088 718)
Consulting and professional fees		(836 372)	(1 929 492)
Consumables		(41 669)	(13 714)
Delivery expenses		(4 560 470)	(5 377 897)
Depreciation, amortisation and impairments		(1 573 274)	(280 324)
Employee costs		(64 668 783)	(59 056 438)
Refreshments		(24 550)	(563 681)
Abnormal labour idle time		(88 201 856)	(86 748 462)
Under/Over recovery variable overheads		(17 622 646)	(2 205 365)
Canteen expenses		(628 777)	(176 819)
Occupational health and safety expense		(194 932)	(42 539)
Loss on lease termination		-	(3 461)
Service in-kind expenditure		(2 040 336)	(959 865)
Under or over recovery fixed overheards		(33 039 005)	(32 499 972)
IT expenses		(3 019 948)	(1 674 199)
Insurance		(337 402)	-
Lease rentals on operating lease		(124 836)	(114 942)
Loss on disposal of assets		(92 548)	(1 698 642)
Motor vehicle expenses		(56 599)	(11 604)
Loss on de-recognition of assets		(1 554 216)	-
Printing and stationery		(43 009)	(134 276)
Repairs and maintenance		(616 438)	(382 130)
Software expenses		(702 072)	(227 064)
Staff welfare		(630 457)	(298 889)
Subscriptions		(38 453)	-
Telephone and fax		(1 851 889)	(1 910 539)
Training		(298 269)	(286 211)
Travel - local		(2 442 431)	(2 743 787)
Water and electricity		(1 615 878)	(1 497 882)
		(245 441 647)	**(206 617 926)**

Statement of Changes in Net Assets		
Figures in Rand	**Accumulated surplus / deficit**	**Total net assets**
Opening balance as previously reported	168 759 767	168 759 767
Adjustments Prior year adjustments 29	(11 287 020)	(11 287 020)
Balance at 01 April 2022 as restated*	**157 472 747**	**157 472 747**
Changes in net assets Surplus for the year	(12 487 792)	(12 487 792)
Total changes	(12 487 792)	(12 487 792)
Opening balance as previously reported	152 240 628	152 240 628
Adjustments Prior year adjustments 29	(7 255 679)	(7 255 679)
Restated* Balance at 01 April 2023 as restated*	**144 984 949**	**144 984 949**
Changes in net assets Surplus for the year	5 167 912	5 167 912
Total changes	5 167 912	5 167 912
Balance at 31 March 2024	**150 152 861**	**150 152 861**
Note(s)		

Cash Flow Statement			
Figures in Rand	**Note(s)**	**2024**	**2023 Restated***
Cash flows from operating activities			
Receipts			
Sale of goods and services		55 396 657	56 284 267
Grants		187 160 000	166 486 000
Interest income		7 701 601	2 602 882
Other cash item		48 141	654 042
		250 306 399	226 027 191
Payments			
Employee costs		(158 578 105)	(157 813 191)
Suppliers		(81 728 443)	(64 123 864)
Finance costs		(1 104 248)	(1 120 955)
Other payments		745 416	(23 258)
		(240 665 380)	(223 081 268)
Net cash flows from operating activities	**22**	**9 641 019**	**2 945 923**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(4 657 627)	(2 193 705)
Proceeds from sale of property, plant and equipment	2	1 380 492	313 739
Net cash flows from investing activities		**(3 277 135)**	**(1 879 966)**

Cash Flow Statement			
Figures in Rand	**Note(s)**	**2024**	**2023 Restated***
Cash flows from financing activities			
Finance lease payments		(319 127)	401 004
Net increase/(decrease) in cash and cash equivalents		**6 044 757**	**1 466 961**
Cash and cash equivalents at the beginning of the year		23 077 625	21 610 664
Cash and cash equivalents at the end of the year	**10**	**29 122 382**	**23 077 625**

The accounting policies on pages 236 to 251 and the notes on pages 252 to 264 form an integral part of the annual financial statements.

Supported Employment Enterprises
Annual Financial Statements for the year ended 31 March 2024
Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
Figures in Rand	**Approved budget**	**Adjustments Final Budget Actual amounts**	**Final Budget**	**Actual amounts**	**Difference between final budget and actual**	**Reference (Refer to next page for comments)**
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions **Sale of goods**	61 000 000	(5)	**60 999 995**	60 919 038	**(80 957)**	
Commissions received	44 028	-	**44 028**	48 141	**4 113**	
Discount received	220 919	(1)	**220 918**	180 835	**(40 083)**	
Interest received - investment	2 509 743	-	**2 509 743**	7 701 601	**5 191 858**	
Total revenue from exchange transactions	**63 774 690**	**(6)**	**63 774 684**	**68 849 615**	**5 074 931**	
Revenue from non-exchange transactions Transfer revenue	187 160 000	-	**187 160 000**	207 915 000	**20 755 000**	
Services in kind	27 806 187	(1)	**27 806 186**	27 024 196	**(781 990)**	
Total revenue from non-exchange transactions	**214 966 187**	**(1)**	**214 966 186**	**234 939 196**	**19 973 010**	
Total revenue	**278 740 877**	**(7)**	**278 740 870**	**303 788 811**	**25 047 941**	
Expenditure Employee cost	(202 191 131)	5	**(202 191 126)**	(159 065 951)	**43 125 175**	
Depreciation and amortisation	(8 216 065)	37	**(8 216 028)**	(4 585 343)	**3 630 685**	
Finance costs	(446)	-	**(446)**	(1 154 013)	**(1 153 567)**	
Lease rentals on operating lease	(10 000)	-	**(10 000)**	(124 836)	**(114 836)**	
Debt Impairment	-	-	**-**	(13 234 613)	**(13 234 613)**	
Losses - Theft & Losses	-	-	**-**	(52 029)	**(52 029)**	
Sale of goods/Inventory	(49 435 635)	-	**(49 435 635)**	(52 025 239)	**(2 589 604)**	
General Expenses	(81 377 095)	-	**(81 377 095)**	(68 286 327)	**13 090 768**	
Total expenditure	**(341 230 372)**	**42**	**(341 230 330)**	(298 528 351)	**42 701 979**	
Operating surplus	**(62 489 495)**	**35**	**(62 489 460)**	5 260 460	**67 749 920**	
Loss on disposal of assets and liabilities	-	-	**-**	(92 548)	**(92 548)**	
Surplus before taxation	**(62 489 495)**	**35**	**(62 489 460)**	**5 167 912**	**67 657 372**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(62 489 495)**	**35**	**(62 489 460)**	**5 167 912**	**67 657 372**	

Material differences between budget and actual amounts Sale of goods Sales
The decrease occurred due to halting deliveries on major projects such as Northwest Education while reconciling prepayments received with deliveries made to date. This measure was taken to prevent over deliveries on the contract

Commissions received
The increase stemmed from a greater number of third-party agencies that employees joined, leading SEE to make deductions on behalf of these third parties in exchange for commissions.

Discount received
The slight decrease was due to some invoices not being paid on time, which prevented taking advantage of available discounts.

Interest received
Interest increased due to a favourable bank balance and outstanding debtors' balance, resulting in accumulated interest charges due to late payments

Services in kind
Service in kind was budgeted based on the prior year incorrect actual amount correction of which was effected in the current year.

Employee cost
The difference arose from vacancies that were budgeted for but remained unfilled. Specifically, the factory workers' target appointments were made toward the year-end, whereas the budget assumed appointments would occur on a quarterly basis.

Finance cost
Less finance cost was budgeted due to the anticipation of settling all invoices on time. However, the difference arose from interest and penalties incurred on late payments of invoices, particularly from SARS statements. Additionally, there was an increase in finance costs due to interest on the discounting of long service awards, which was not accounted for in the budget.

Lease rentals on operating lease
The operating leases were under budgeted because the new G-fleet contract, which became effective in the current financial year, was inadvertently omitted from the budget.

Sale of goods/Inventory (Cost of sales)
The increase occurred because more products were sold in the current year, which were manufactured in the prior year at a higher standard rate

Debt Impairment
The rise is attributed to debt impairment allowance, which was not accounted for in the budget.

Depreciation and amortisation
The significant variance arises from integrating factory depreciation and amortization into production as fixed overheads. This variance represents the difference between the absorbed costs and the actual depreciation written off, which are expensed as period costs. This process can lead to over or under-recovery scenarios.

General expenses
The substantial variance occurs because factory expenses are integrated into production as overheads. This variance reflects the contrast between the absorbed costs and the actual amount paid, which are written off as period costs, potentially resulting in over or under-recovery situations.

Loss on disposal of assets and liabilities
The rise is attributed to loss on disposal of asset, which was not accounted for in the budget.

1 SIGNIFICANT ACCOUNTING POLICES

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

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) 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.

These accounting policies are consistent with the previous period.

1.2 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. Refer to note 31

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:
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. Impairments are calculated based on repayment expectations and discounted present value. Receivables are categorised by risk, with individual assessments for impairments and required approval for write-offs.
On receivables an impairment loss is recognised in surplus and deficit when there is objective evidance that it is impaired. The impairement is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Allowance for slow moving, damaged and obsolete inventory
An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

1.3 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing of non-financial assets
The recoverable amounts of 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 of 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

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.
The cost of an item of property, plant and equipment is recognised as an asset when:

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

Property, plant and equipment is initially measured at cost. 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). If the acquired item's fair value was not determinable, it's 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.

1.4 Property, plant and equipment (continued)

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 is carried at cost less accumulated depreciation and any impairment losses.

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

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

Item	Depreciation method	Average useful life
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 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 Standards of GRAP on Accounting policies changes in estimates and errors.

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 2).

1.5 Intangible assets

An asset is identifiable if it either:

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

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

1.5 Intangible assets (continued)

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

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided on straight-line basis over the expected useful lives of the intangible assets.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets to their residual values. The amortisation charge for each period is recognised in surplus or deficit

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	2 - 3 years

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds if any and the carrying amount of the asset.

Compensation from third parties for an intangible assets that was impaired lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.6 Financial instruments

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

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

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

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

Classification

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

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

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements where it is the issuer of the loan; or
- non-exchange revenue in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers) where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

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

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

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

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

Gains and losses
A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.
For financial assets and financial liabilities measured at amortised cost or cost a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

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

1.6 Financial instruments (continued) De-recognition

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

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:

- derecognises the asset; and
- recognises separately any rights and obligations created or retained in the transfer.

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

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

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

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

Presentation

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

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

1.7 Leases

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

1.7 Leases (continued) Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

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

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

Operating leases - lessee

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

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

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.

1.9 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.

1.10 Impairment of cash-generating assets

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

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

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

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

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Designation

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

1.10 Impairment of cash-generating assets (continued)

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. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.
After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.
A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.
In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

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

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

1.11 Impairment of non-cash-generating assets

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

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

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. 12 Employee benefits

Identification

Employee benefits

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

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

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits

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

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

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

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

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 Employee benefits (continued)

Short-term employee benefits

Recognition and measurement

1.13 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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

as an interest expense.

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

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

A constructive obligation to restructure arises only when an entity:

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

1.14 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 26 - Commitment

1.14 Commitments (continued)

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.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.
An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.
When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.
Revenue from exchange transactions (continued)

1.15 Revenue from exchange transactions (continued)

Interest

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

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

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

1.16 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 .

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 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.

1.19 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 29 prior year reclassified and/or adjusted figures.Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.20 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 33 - Fruitless and wasteful expenditure

1.21 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 33 - Irregular expenditure

1.22 Budget information

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.
The approved budget covers the fiscal period from 2023/04/01 to 2024/03/31.

1.23 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.
Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

1.23 Related parties (continued)

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 ventures).

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

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.
Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.
Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

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

Where the entity is exempt from the disclosures in accordance with the above, 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.

1.24 Events after reporting date

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

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

The entity 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.

1.25 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.

1.26 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.

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.

Notes to the Annual Financial Statements

Figures in Rand						
2. Property, plant and equipment						
	2024			**2023**		
	Cost / Valuation	**Accumulate depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Buildings	2 273 867	(272 989)	2 000 878	2 273 867	(227 511)	2 046 356
Plant and machinery	57 589 383	(15 174 273)	42 415 110	57 114 888	(13 555 017)	43 559 871
Furniture and fixtures	4 926 302	(2 306 689)	2 619 613	4 991 933	(2 064 125)	2 927 808
Motor vehicles	10 384 485	(4 302 976)	6 081 509	10 384 485	(3 368 373)	7 016 112
Office equipment	1 898 345	(794 897)	1 103 448	1 920 319	(719 929)	1 200 390
IT equipment	6 072 038	(2 197 542)	3 874 496	4 386 468	(1 648 312)	2 738 156
Appliances	3 148 202	(820 957)	2 327 245	2 704 498	(648 671)	2 055 827
Work-in-progress assets	26 552 827	-	26 552 827	26 552 827	-	26 552 827
Other leased Assets	835 604	(488 551)	347 053	835 604	(210 016)	625 588
TOTAL	**113 681 053**	**(26 358 874)**	**87 322 179**	**111 164 889**	**(22 441 954)**	**88 722 935**

Property, plant and equipment					
Reconciliation of property, plant and equipment - 2024	**Opening balance**	**Additions through transfer of functions / mergers**	**Disposals Impairment**	**Depreciation & Impairment**	**Total**
Buildings	2 046 356	-	-	(45 478)	2 000 878
Plant and machinery	43 559 871	1 807 523	(927 379)	(2 024 905)	42 415 110
Furniture and fixtures	2 927 808	119 271	(131 094)	(296 372)	2 619 613
Motor vehicles	7 016 112	-	-	(934 603)	6 081 509
Office equipment	1 200 390	6 968	(25 600)	(78 310)	1 103 448
IT equipment	2 738 156	2 172 248	(296 517)	(739 391)	3 874 496
Appliances	2 055 827	551 617	(92 450)	(187 749)	2 327 245
Work-in-progress assets	26 552 827	-	-	-	26 552 827
Other leased Assets	625 588	-	-	(278 535)	347 053
	88 722 935	**4 657 627**	**(1 473 040)**	**(4 585 343)**	**87 322 179**

2. Property, plant and equipment Reconciliation of property, plant and equipment - 2023							
Reconciliation of property, plant and equipment - 2023	Opening balance	Additions MOVEMENTS	Disposals	TRANSFERS	OTHER CHANGES	Depreciation	Total
Buildings	2 091 834	-	-	-	-	(45 478)	2 046 356
Plant and machinery	46 662 984	27 591	(1 412 710)	9 519	-	(1 727 513)	43 559 871
Furniture and fixtures	3 174 676	95 004	(190 738)	-	-	(151 134)	2 927 808
Motor vehicles	7 950 713	-	-	-	-	(934 601)	7 016 112
Office equipment	1 273 822	31 989	(26 902)	-	-	(78 519)	1 200 390
IT equipment	2 737 293	658 333	(342 553)	-	-	(314 917)	2 738 156
Appliances	1 724 289	423 610	(39 478)	-	-	(52 594)	2 055 827
Work-in-progress assets	26 562 346	-	-	(9 519)	-	-	26 552 827
Other leased Assets	68 388	957 178	-	-	(149 048)	(250 930)	625 588
	92 246 345	**2 193 705**	**(2 012 381)**	**-**	**(149 048)**	**(3 555 686)**	**88 722 935**

Figures in Rand	2024	2023
Pledged as security		
No items of property plant and equipment were pledged as security		
Repairs and maintenance expenditure		
Plant and machinery	4 368 542	1 309 712
Other property, plant and equipment	200 431	81 792
	4 568 973	**1 391 504**
Assets subject to finance lease (Net carrying amount)		
Leased assets - Office equipment	347 053	625 588

Pledged as security		
2. Property, plant and equipment (continued)		
Reconciliation of Work-in-Progress 2024		
	Included within Other PPE	**Total**
Opening balance	26 552 827	26 552 827
Reconciliation of Work-in-Progress 2023		
	Included within Other PPE	**Total**
Opening balance	26 562 346	26 562 346
Transfers	(9 519)	(9 519)
	26 552 827	**26 552 827**

Included in the work in progress are machines that have not yet been installed, connected, or commissioned due to an ongoing dispute with the supplier regarding the scope of work.

3. Intangible assets						
	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
	48 719	(48 719)	-	48 719	(48 719)	-

4. Operating lease asset (liability	2024	2023
Current assets Current liabilities	15 240 -	- 92 544
	15 240	92 544

5. Payables from exchange transactions	2024	2023
Trade payables	376 578	930 226
Payments received in advanced	6 433 984	810 729
Stabilisation fund	106 541	106 541
Medical Account	204 845	204 845
Accrued leave pay	4 665 400	5 249 375
Accruals	1 434 966	6 152 344
DOL Claims	26 374 048	23 312 686
	39 596 362	**36 766 746**

Medical Account

Prior to entity contracting with Makoti Medical Aid, some factory workers were making individual medical cost contibutions on a montly 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.

Stabilation 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.

DEL claims

DEL claims 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 R26 374 048 represent the amount claimed by the Department of Employment and Labour and not yet paid by the Supported Employment Enterprise.

6. Inventories	2024	2023
Raw materials, components	47 869 979	55 120 264
Work in progress	4 295 013	7 254 144
Finished goods	9 444 883	13 258 227
	61 609 875	75 632 635
Inventories (write-downs)	(4 695 911)	(4 695 911)
	56 913 964	**70 936 724**

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 R9 444 883 (2023:R13 258 227) for finished goods is goods dispatched not yet invoiced amounting to R2 707 577 (2023:R5 280 573.31). The inventory balance for finished goods before including goods dispatched not yet invoices is R6 737 306 (2023:R7 977 653)

7. Receivables from exchange transactions	2024	2023
Trade debtors	3 647 829	8 151 414
Employee costs in advance	1 415	6 511
Prepayments (if immaterial)	656 729	474 019
Housing Debtors	3 274	3 274
	4 309 247	8 635 218
Fair value of trade and other receivables		
Trade and other receivables	32 965 919	24 257 627

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2024, R 3 625 094 (2023: R 8 151 415) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:	2024	2023
0 - 30 Days	1 996 372	7 903 581
31 - 60 Days	1 213 837	83 273
61 - 90 Days	414 885	164 561
	3 625 094	**8 151 415**

Trade and other receivables impaired

	2024	2023
As of 31 March 2024, trade and other receivables of R 29 340 825,07 (2023: R 16 106 212) were impaired and provided for.		
The amount of the provision was R 13 234 613 as of 31 March 2024 (2023: R 1 392 417).		
The ageing of these receivables is as follows:		
0 - 30 Days	15 986	147 032
31 - 60 Days	1 016	1 540
61 - 90 Days	84 848	37 282
91 - 120 Days	2 523 839	409 217
Greater than 120 Days	26 715 136	15 511 141
	29 340 825	**16 106 212**

Figures in Rand	2024	2023
8. Receivables from non-exchange transactions		
Other receivables from non-exchange	1 665 624	1 092 000
Transfer Receivables	20 755 000	-
Impairment	(1 092 000)	(1 092 000)
	21 328 624	**-**

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

Fair value of receivables from non-exchange transactions		
Other receivables from non-exchange transactions	22 420 624	1 092 000

Receivables from non-exchange transactions impaired

As of 31 March 2024, other receivables from non-exchange transactions of R 1 092 000 (2023: R 1 092 000) were impaired and provided for.

The amount of the provision was R 1 092 000 as of 31 March 2024 (2023: R 1 092 000).

Over 6 months	1 092 000	1 092 000	1 092 000	1 092 000

9. VAT receivable	2024	2023
VAT	2 914 213	2 148 311

Cash and cash equivalents consist of:	2024	2023
10. Cash and cash equivalents		
Cash on hand	46 576	53 064
Bank balances	28 414 130	22 968 723
Short-term deposits	661 676	55 838
	29 122 382	**23 077 625**

There is no cash and cash equivalents that is held as security for liabilities

Figures in Rand	2024	2023
11. Finance lease obligation		
Minimum lease payments due		
- within one year	319 058	319 058
- in second to fifth year inclusive	109 043	428 101
	428 101	747 159
less: future finance charges	(26 378)	(76 075)
Present value of minimum lease payments	**401 723**	**671 084**
Present value of minimum lease payments due		
- within one year	294 751	269 362
- in second to fifth year inclusive	106 970	401 722
	401 721	**671 084**
Non-current liabilities	106 971	401 723
Current liabilities	294 752	269 362
	401 723	**671 085**

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% (2023: 9%).

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.

12. Provisions						2024	2023
Reconciliation of provisions - 2024							
	Opening Balance	**Additions**	**Utilised during the year**	**Reversed during the year**	**Interest on provision**	**Reduction due to re-measurement or settlement without cost to entity**	**Total**
Provision for long service award	11 005 483	1 233 551	(1 292 892)	(437 694)	990 493	275 964	11 774 905
Reconciliation of provisions - 2023							
	Opening Balance	**Additions**	**Reversed during the year**	**Utilised during the year**	**Interest on provision**	**Reduction due to re-measurement or settlement without cost to entity**	**Total**
Provision for long service award	14 469 304	425 214	(234 732)	(1 067 697)	1 012 852	(3 599 458)	11 005 483

12. PROVISIONS (CONTINUED) PROVISION FOR LONG SERVICE AWARD

The Long service award provision represents management's best estimate of the entity's liability over a Long term period

Persal Employees

In terms of Department Pubic Service and Administration a long service recognition has been determined and a directive is made by the Minister for Public Service and Administration in terms of the provisions of section 3(5)a and 5(6)(b) of the Public Service Act 1994; as amended. The recognition of the long service is as follows:

- For a period of twenty (20) years a cash amount equivalent to service is R10 899.
- For a period of Thirty (30) years a cash amount equivalent to service is R21 797.
- For a period of Forty (40)years a cash amount equivalent to service is R 29 064

Factory Employees

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

13. Revenue	2024	2023
Sale of goods	60 919 038	53 439 460
Rendering of services	-	8 144
Commissions received	48 141	49 345
Discount received	180 835	214 440
Interest received - investment	7 701 601	2 602 882
Transfer (Department of Employment and Labour)	207 915 000	166 486 000
Service in kind - Revenue	27 024 196	28 766 052
	303 788 811	**251 566 323**
The amount included in revenue arising from exchanges of goods or services are as follows:		
Sale of goods	60 919 038	53 439 460
Rendering of services	-	8 144
Commissions received	48 141	49 345
Discount received	180 835	214 440
Interest received - investment	7 701 601	2 602 882
	68 849 615	**56 314 271**

Figures in Rand	2024	2023
The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue Transfer (Department of Employment and Labour)	207 915 000	166 486 000
Service in kind - Revenue	27 024 196	28 766 052
	234 939 196	**195 252 052**
Revenue and other income as presented on the face of the statement of financial performance:		
Revenue (Primary) Sale of goods	60 896 582	53 439 460
Sale of goods - Canteen	22 456	-
Transfer (Department of Employment and Labour)	207 915 000	166 486 000
Service in kind - Revenue	27 024 196	28 766 052
Rendering of services	-	8 144
	295 858 234	**248 699 656**
Other income Commissions received	48 141	49 345
Discount received	180 835	214 440
Interest received - Bank Investment	4 930 962	1 545 032
Interest charged on trade and other receivables	2 770 639	1 057 850
	7 930 577	**2 866 667**

14. Cost of sales	2024	2023
Sale of goods		
Opening Inventory	7 977 654	7 749 943
Direct Material	38 722 575	38 405 268
Direct Labour	6 195 312	7 386 920
Variable Manufacturing Overheads	2 228 942	8 890 227
Fixed Manufacturing Overheads	3 771 531	1 814 438
Inventory Adjustment	(468 478)	-
Closing Inventory	(6 402 297)	(7 977 654)
	52 025 239	**56 269 142**

15. Lease rentals on operating lease	2024	2023
Premises		
Contractual amounts	124 836	114 942

16. Investment revenue	2024	2023
Interest received Bank - Investment	4 930 962	1 545 032
Interest charged on trade and other receivables	2 770 639	1 057 850
	7 701 601	**2 602 882**

Figures in Rand	2024	2023
17. Employee related costs		
Basic	157 994 130	157 813 191
Long-service awards	1 071 821	(3 408 976)
	159 065 951	**154 404 215**

Remuneration of key management personnel
*For remuneration of key management personnel refer to related parties note No. 28

18. Depreciation and amortisation	2024	2023
Property, plant and equipment	4 585 343	3 555 686

19. Finance costs	2024	2023
Finance leases	49 765	46 093
Capitalised	990 493	1 012 851
Other interest paid	113 755	108 104
	1 154 013	**1 167 048**

20. Auditors' remuneration	2024	2023
Fees	2 435 434	2 541 840

21. Debt impairment	2024	2023
Debt impairment	13 234 613	1 392 518

22. Cash generated from operations	2024	2023
Surplus (deficit)	5 167 912	(12 487 792)
Adjustments for: Depreciation and amortisation	4 585 343	3 555 686
Gain on sale of assets and liabilities	92 548	1 698 642
Finance costs - Finance leases	49 765	46 093
Debt impairment	13 234 613	1 392 518
Movements in operating lease assets and accruals	(107 784)	92 544
Movements in provisions	769 422	(3 463 821)
Other non-cash items	(8)	(40 525)
Changes in working capital: Inventories	14 022 760	(2 948 567)
Receivables from exchange transactions	4 325 971	(4 893 599)
Consumer debtors	(13 234 613)	(1 392 518)
Other receivables from non-exchange transactions	(21 328 624)	-
Payables from exchange transactions	2 829 616	23 643 536
VAT	(765 902)	(2 256 274)
Figures in Rand	**2024**	**2023**
	9 641 019	**2 945 923**

Operating deficit for the year is stated after accounting for the following:		

Operating lease charges Premises • Contractual amounts	124 836	114 942
Loss on sale of property, plant and equipment	(92 548)	(1 698 642)
Depreciation on property, plant and equipment	4 585 343	3 555 686
Employee costs	159 065 951	154 404 215

24. Service in-kind	2024	2023
The nature and type of major classes of services in-kind received, are as follows		
Services in-kind that are significant to the entities operations and/or service delivery objectives		
Internal Audit - Department of Employment and Labour	348 490	124 217
Municipal payment - Department of Employment and Labour	-	835 647
Expenditure for free use of property	24 983 860	25 750 308
Administrative Salaries - Department of Employment and Labour	1 691 845	-
	27 024 195	**26 710 172**

25. Financial instruments disclosure	2024	2023
Categories of financial instruments		
2024		
Financial assets		
	At amortised cost	Total
At amortised cost		32 905 437
Trade and other receivables from exchange transactions	21 328 624	21 328 624
Other receivables from non-exchange transactions	29 122 382	29 122 382
	83 356 443	**83 356 443**

Financial liabilities	2024	2023
	At amortised cost	Total
Trade and other payables from exchange transactions	26 750 626	26 750 626
	401 723	401 723
	27 152 349	27 152 349

2023	At amortised cost	Total
Financial assets	24 257 627	24 257 627
	23 077 625	23 077 625
	1 092 000	1 092 000
	48 427 252	**48 427 252**

Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	24 242 912	**24 242 912**
Finance lease obligation	671 085	**671 085**
	24 913 997	**24 913 997**

26. Commitments	2024	2023
Authorised operational expenditure **Already contracted for but not provided for**		
• Total operational commitments	31 050 652	128 956 297
Total commitments		
Total commitments Authorised operational expenditure	31 050 652	128 956 297
Operating leases - as lessee (expense)		
Minimum lease payments due - within one year	107 745	640 370
- in second to fifth year inclusive	-	107 745
	107 745	748 115

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 that commenced on 1 April 2019.

27 Contingencies

Supplier invoices on hold

The Entity has put on hold the payment of invoices for the supplier amounting to R107 039.26 (2023:R1 287 470) due to insufficient evidence that need to be obtained from the supplier to corroborate the amount owed by the entity.

28. Related parties	2024	2023
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		
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties Commission for Conciliation, Mediation and Arbitration	39 381	36 474
Compensation Fund	124 589	318 423
Unemployed Insurance Fund	47 640	-
Department of Emplyment and Labour	1 287 890	663 165
Amount included in receivable(Payable) from non exchange regarding related parties Department of Employment and Labour - Transfer receivable	20 755 000	-
Provision for doubtful debts related to outstanding balances with related parties Commission for Conciliation, Mediation and Arbitration	39 381	35 747
Compensation Fund	124 589	318 423
Department of Emplyment and Labour	685 593	702 315

28. Related parties	2024	2023
Related party transactions		
Sales to related parties (Including finace charges) Commission for Conciliation, Mediation and Arbitration	2 906	6 062
Department of Employment and Labour	1 421 907	1 495 041
Services in-kind (From/to) related parties* Department of Employment and Labour	27 098 142	28 766 052
Transfers received from related parties Department of Employment and Labour	207 915 000	166 486 000

*The balance and transactions for services in kind involve the free use of property, internal audit services, and administrative personnel services provided at no cost.

All related parties transactions are at arm's length except stated otherwise

Key management information

Remuneration of management

Management class: Executive management

Name	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Mr V Pillay - Director: ICT	371 021	-	-	371 021
Mr S Phakathi - Chief Executive Officer	952 681	80 008	368 750	1 401 439
Ms M Sebaka - Chief Financial Officer	806 911	-	303 424	1 110 335
Ms G Manamela - Director: Operations	774 133	62 523	417 599	1 254 255
Ms KW Tselane - Director: Human Resource Management	777 856	65 333	477 636	1 320 825
Mr DH Matsepe - Acting Drector: Business Development	596 115	49 452	407 459	1 053 026
	4 278 717	**257 316**	**1 974 868**	**6 510 901**

2023				
Name	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Mr S Phakathi - Chief Executive Officer	915 636	76 303	362 709	1 354 648
Ms M Sebaka - Chief Financial Officer	773 768	64 481	299 816	1 138 065
Ms G Manamela - Director: Operations	714 496	59 541	440 787	1 214 824
Ms KW Tselane - Director: Human Resource Management	747 139	62 262	466 547	1 275 948
Mr. DH Matsepe - Acting Director : Business development	548 320	46 761	425 705	1 020 786
Mr V Pillay - Director: ICT	811 641	-	401 375	1 213 016
	4 511 000	**309 348**	**2 396 939**	**7 217 287**

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:

Provision for long service award

In 2023, the Long Services Award was erroneously classified as a contingent liability, but this has been corrected in the current year to ensure accurate comparison with the prior year's figures. This adjustment led to an increase in the provision for the long service award by R11,005,483. Additionally, employee cost expenses decreased by R3,441,672 finance costs increased by R1,012,851, and abnormal labour idle time decreased by R1,035,000.

Property, Plant and Equipment

Machines that had not yet been installed were mistakenly categorized as property, plant, and equipment. This error has been corrected in the current year by reclassifying them to work in progress. Consequently, the cost of property, plant, and equipment decreased by R405,300, while work in progress **increased by the same amount.**

Machines that had already been installed were mistakenly categorized as work in progress instead of being recognized as property, plant, and equipment. This error has been rectified in the current year by reclassifying them to property, plant, and equipment. As a result, the cost of property, plant, and equipment increased by R2,488,235.67, while work in progress decreased by the same amount.

Previously written-off installation costs have been rectified by capitalizing them to the cost of machinery. Consequently, the cost of property, plant, and equipment increased by R419,826. Additionally, work in progress increased by R529,200, and accumulated depreciation increased by R292,091

In 2023, assets were mistakenly written off as disposal. This mistake has been addressed in the current year by restating the cost of property, plant, and equipment along with accumulated depreciation. Consequently, the cost of property, plant, and equipment increased by R543,301, accumulated depreciation increased by R277,768 and Loss on disposal of Assets decreased by R265,533.

In 2023, after reconstructing the fixed assets register, discrepancies were found between the Fixed Asset Register and General Ledger due to a lack of integration between the Assets module and the General Ledger. These discrepancies have been resolved in the current year by reconciling the fixed asset register and the General Ledger. As a result, the cost of Property, Plant, and Equipment increased by [insert amount], accumulated depreciation increased by R5,924,372.33, and depreciation rose by R 2,121,586.35.

Payable from exchange transactions

In 2023, Maintenance costs were inadvertently excluded, but this has been corrected in the current year to ensure accurate comparison with the prior year's figures. Consequently, payable from exchange transactions increased by R723,155, and over/under recovery of variable overheads increased by R720,575.

Inventory

In 2023, the run times used in valuing finished goods were not substantiated by the relevant up-to-date study report. This has been rectified in the current year by updating the study report. Consequently, the finished goods balance decreased by R581,781.75.

Revenue

in 2023, Proceed received on disposal of Assets was incorrectly classified as Revenue from sales of goods. This has been rectified in the current year by reclassifying the procees on disposal to Loss on disposal account. As a results Revenue from sales of goods decreased by R96 314 and Loss on disposal increased by the same amount.

Cost of sales

In 2023, delivery costs were erroneously categorized as part of the cost of sales. However, this has been rectified in the current year by reclassifying the delivery costs to general expenses. As a result, the cost of sales decreased by R5,377,897, while delivery expenses increased by the same amount.

In 2023, the run times used in valuing finished goods were not substantiated by the relevant up-to-date study report. This has been rectified in the current year by updating the study report. Consequently, the cost of sales decreased by R9 506 411.

Depreciation & amortisation

In 2023, depreciation on leased assets was inaccurately computed. However, this has been rectified in the current year, resulting in depreciation increasing by R26,675, with accumulated depreciation also increasing by the same amount.

Accumulated fund

As a result of the above adjustment to the individual line items in 2023 financial year the opening accumulated fund was restated by R7,255,679 to R144,984,949

Statement of financial position 2023	Note	As previously reported	Correction of error	Restated
Property,Plant and Equipment		84 005 783	4 717 151	88 722 934
Inventory		71 183 496	(246 772)	70 936 724
Provision for log service award		-	(11 005 483)	(11 005 483)
VAT Receivable		2 145 731	2 580	2 148 311
Payable from exchange Transaction		(36 043 591)	(723 155)	(36 766 746)
Accumulated funds		(152 240 628)	7 255 679	(144 984 949)
		(30 949 209)	**-**	**(30 949 209)**

Statement of financial performance	Note	As previously reported	Correction of error	Restated
Employee cost		62 498 111	(3 441 672)	59 056 439
Abnormal labour idle time		87 783 462	(1 035 000)	86 748 462
Cost of sales		71 153 451	(14 884 309)	56 269 142
Finance cost: Provision for long service award		-	1 012 851	1 012 851
Over/under recovery Variable overheads		(7 848 759)	10 054 124	2 205 365
Depreciation & amortisation		259 202	21 122	280 324
Delivery cost		-	5 377 897	5 377 897
Over/under recovery fixed overheads		33 368 244	(868 272)	32 499 972
Loss on Disposal of Assets		2 060 489	(361 846)	1 698 643
Sales of goods		(53 535 774)	96 314	(53 439 460)
Surplus for the year		**195 738 426**	**(4 028 791)**	**191 709 635**

30. RISK MANAGEMENT

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The entity's finance department monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis and annually by external auditors. The entity does not enter into or trade financial instruments for speculative purposes.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Sufficient cash is maintained to manage the entity's liquidity risk. Limitations are imposed by Treasury Regulations 32 to the PFMA 1999 (Act 1 of 1999) on borrowings which limits the committed lines of credit available to the entity.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	319 058	109 043	109 043	-
Payables from exchange transactions	39 596 362	-	-	-

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:

Financial instrument	2024	2023
Cash and cash equivalent	29 122 382	23 077 635
Receivables from exchange transactions	32 905 437	24 257 626
Receivables from non-exchange transactions	21 328 624	1 092 000

Trade receivables that have been impaired and provided amounting to R29 340 825 as 31 March 2024 (2023: R16 106 211) have been disclosed. This exposes the entity to the credit risk with regards to the recoverability of these debts.

The ageing for the impairment amount is disclosed under note 7(Receivables from exchange transactions)

Market 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 2024 is 10.25% (2023: 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.

31. GOING CONCERN LEGISLATIVE MANDATE

The Supported Employment Enterprise (SEE) is a Government Component under the Department of Employment and Labour (DEL) established in terms of Employment Services Act (ESA) to promote work and employment opportunities for persons with disabilities and is managed in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

Financial relationship

SEE is trading as Service Products and is required to prepare its Annual Financial Statements in accordance with GRAP as per Accounting Standard Board (ASB) mandated in accordance with PFMA of 1999 (as amended by Act 29 of 1999). SEE is financed from:

a. money appropriated by Parliament for this purpose;

b. income earned from services rendered by it;

c. grants or donations made to it; and

d. money received from any other source.

SEE has operations in various factories across provinces that manufacture wood, linen and steel products for purpose of trading at an arm's length. The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Going concern assessment

- 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. Following factors 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 over 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 75% of the entity *revenue and 25% 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.

Entity had sales revenue of 14% from prior year sales. Current year National Treasury allocation amounted to R187 160 000(12% increase from prior year) and the total revenue amounted to R248 056 580. Although there has been fiscal budget cuts across the government sector, the entity is still expected to receive National Treasury grant allocation in 2024/2025 of R184 684 000 and will continue pursuing potential sales and secure MOUs with both National and Provincial Departments 2025, to further increase current budget sales revenue.

Although the entity is impacted by the current financial inclines, the company is still able to continue with operations and productions to meet the targeted delivery and timelines schedules. The organisation is further participating in the European Union donor initiative of employability for education (E4E) project through the Department of Employment and Labour under Programme 3: Public Employment Services to improve the opportunities of employment for persons with disabilities into open labour market. This initiative will assist the entity in achieving its mandate of providing additional work opportunities for persons with disabilities. Therefore, as a result of above developments, the entity continued to operate and is anticipated to continue operations for the next 12 months.

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.

32. EVENTS AFTER THE REPORTING DATE

Legislative mandate

The Supported Employment Enterprise (SEE) is a Government Component under the Department of Employment and Labour (DEL) established in terms of Employment Services Act (ESA) to promote work and employment opportunities for persons with disabilities and is managed in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

SEE is trading as Service Products and is required to prepare its Annual Financial Statements in accordance with GRAP as per Accounting Standard Board (ASB) mandated in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

Subsequent events assessment

SEE has operations in various factories across the country in eight provinces that manufacture wood, linen and steel products for purpose of trading at an arm's length and currently operating 12 factories.

In 2021/2022 financial year Durban Factory was discontinued and handed over to Department of Public Works and Infrastructure (DPWI) for revamp subsequent to factory being destroyed by natural disaster in 2017.

As at the reporting date, the factory revamp project made significant progress and DPWI envisaged to hand back the factory to SEE in 2024/2025 financial year. It is therefore assessed that the conditions to hand back Durban Factory to SEE existed as at reporting date to indicate significant operations re-establishment.

CONCLUSION

Based on the assessment above, the indication to re-establish operations in Durban Factory are considered significant for disclosure purpose although as non-adjusting events.

33. Irregular, fruitless and wasteful expenditure	2024	2023
Irregular expenditure	3 615 646	2 006 633
Fruitless and wasteful expenditure	1 609 193	1 196 823
Closing balance	5 224 839	3 203 456

Opening balance of irregular expenditure include an amount R1,777,679 related to IT services identified and confirmed in the current year but relate to prior year.

There is no Fruitless and wasteful expenditure condoned both in prior year and current year		
Amount of material losses through criminal conduct		
Inventory Theft and Losses	52 029	1 088 719
Disciplinary steps taken/criminal proceedings		
There were no disciplinary steps taken/criminal proceedings during the current financial year.		

Notes

employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA