



**NATIONAL ECONOMIC DEVELOPMENT
AND LABOUR COUNCIL**



**ANNUAL
REPORT
2021/22**



National Economic Development and Labour Council

Annual Report
2021/2022 Financial Year

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PART A

General

Information





GENERAL INFORMATION

REGISTERED NAME:

National Economic Development and Labour Council (Nedlac)

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EXTERNAL AUDITORS:

Auditor General of South Africa (AGSA)

BANKER:

Standard Bank

LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
Busa	Business Unity South Africa
CAB	Companies Amendment Bill
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSRR	Comprehensive Social Security and Retirement Reforms
DSBD	Department of Small Business Development
DWCP	Decent Work Country Programme
EPWP	Expanded Public Works Programme
ERRP	Economic Recovery and Reconstruction Programme
ERLT	Economic Recovery Leadership Team
Exco	Executive Committee
ILO	International Labour Organisation
LRA	Labour Relations Act
Manco	Management Committee
NACS	National Anti-Corruption Strategy
Nedlac	National Economic Development and Labour Council
NRRTT	Nedlac Rapid Response Task Team
NSSF	National Social Security Fund
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act, Act 1 of 1999
SBI	Small Business Institute
SCM	Supply Chain Management
SMME	Small, Medium and Micro Enterprise
Ters	Temporary Employer/Employee Relief Scheme
TR	Treasury Regulations
UIF	Unemployment Insurance Fund



FOREWORD BY THE MINISTER OF EMPLOYMENT AND LABOUR

MR. THEMBELANI WALTERMADE NXESI

The world faces serious challenges on all fronts. The World Economic Forum states that the Covid-19 pandemic triggered the largest global economic crisis in more than a century. In 2020, economic activity contracted in 90% of countries, the world economy shrank by about 3%, and global poverty increased. South Africa was not immune to these problems, which were further amplified by our own economic and social challenges. This crisis precipitated several difficult years for the country with record high unemployment, the Covid-19 pandemic ravaging our society and numerous business closures.

With all eyes on the economic and unemployment crisis, the institution worked under difficult conditions. Amid these challenges, Nedlac remained resilient, steering the country towards a more inclusive outcome. At the heart of social dialogue was the response to the Covid-19 pandemic and the imperative of economic recovery for fighting unemployment, poverty and inequality.

The proud achievements of this institution included its urgent response to the July 2021 public violence that broke out in Gauteng and KwaZulu-Natal. Nedlac produced a comprehensive package of measures and interventions to ameliorate the impact of the violence. It also played a pivotal role in managing the pandemic, including in respect of vaccinations, opening up the economy, management of Covid-19 in the workplace and the provision of financial relief for workers and the unemployed.

While there were significant engagements and achievements on several legislative and policy proposals, the most important achievement under the guidance of Nedlac was an agreement by social partners on the Economic Reconstruction and Recovery Plan (ERRP) for the South African economy, aimed at stimulating equitable and inclusive growth. The thrust of this document is to build a sustainable, resilient and inclusive economy.

One cannot speak about these achievements without thanking the Nedlac Executive Director and its secretariat, and the social partners who have dealt with difficult issues in the spirit of give and take and believing that the whole is greater than the sum of its parts.

It is our commitment as Government to continue to support and work with Nedlac and its social partners going forward.



MESSAGE FROM THE OVERALL CONVENOR:

BUSINESS

KAIZER MOYANE

The 2021/2022 financial year was unremarkable in many respects for the Nedlac social partners. The year came and went amidst the Covid-19 pandemic, with much of the policy and regulatory response to the crisis already in place and required only maintenance or tweaking to remain relevant. Social partners then turned their attention fully to rebuilding the economy and the country, especially after the riots and destruction in KwaZulu-Natal and Gauteng during July of last year, which added more strain to an economy already struggling from other external pressures, including the Covid-19 pandemic. Although of no comfort, few are surprised that our unemployment rate reached record highs at 35.3% in the fourth quarter of 2021 (with the expanded definition of unemployment sitting at 46.2%). Along with other contributing factors, such as emigration and muted economic growth, the high rate of unemployment translates into a shrinking tax base for the country, which also places a huge strain on the government's ability to provide basic services.

The year under review also saw the release of the Zondo Commission Report, after months of receiving evidence and a budget of approximately R1 billion, which was shared in parts for our ease of consumption. Although most of the conclusions and recommendations made by the Commission are matters for other forums and structures, the inescapable truth for all of us is the severe impact on our economy of the unprecedented scale of corruption wrought by the state capture phenomenon. In this regard, I am pleased to note that the social partners, via the Anti-Corruption Work Group, have worked on relevant recommendations of the Commission as part of implementing the National Anti-Corruption Strategy.

Faced with the enormous task of rebuilding the economy, Nedlac once again brought together its social partners to tackle the challenge. While each constituency contributed to the process, Business submitted comprehensive plans for consideration by government and other social partners. To date, the country's ERRP remains a work-in-progress. One hopes that the challenges faced by the country will not lead to paralysis but will ignite urgency for all to act and implement the plans we already have.

The work of repositioning and building a fit-for-purpose Nedlac also continued, with the Governance Task Team undertaking a review of Nedlac's founding documents. The outcome of this process, we believe, will not only lead to a more representative Nedlac but also a more efficient and responsive organisation at the centre of social dialogue in South Africa for the foreseeable future. In keeping with this vision, Nedlac has implemented a new organisational structure which will see the secretariat play an active role in delivery of the organisation's strategy and constituencies' expectations.

The year was not without its challenges. We were saddened to learn of the loss of two colleagues from the secretariat during and immediately after the end of the financial year. Our thoughts are with their loved ones. Capacity constraints among Nedlac staff appear to have also contributed to Nedlac not achieving some of its goals for the year. However, we note the remedial plans to be undertaken and trust that the organisation will improve. That said, we also note with appreciation that Nedlac undertook a lot of critical and urgent work beyond what was planned. Perhaps Nedlac needs to explore ways and means to assess more comprehensively the full extent of the work done and value delivered in any financial year.

On the policy and legislative front, the organisation and its chambers considered several important items for our labour market, including the critical skills list for South Africa; violence and harassment at work; comprehensive social security and retirement reforms; and labour law reforms. The organisation also engaged on various proposals to improve the performance of our economy, including on energy; transport; small business; tourism and hospitality. Although the social partners have collaborated well and reached meaningful agreements on many areas, some of these discussions remain ongoing. There are important areas where social partners will need to continue to work together in the interest of the broader society, such as the National Health Initiative. This is a huge undertaking involving enormous amounts of money on so critical an issue as the health of our nation. Failure would be calamitous, hence the importance of working together to ensure success.

The progress made, recorded and otherwise, is testimony to the commitment of all social partners for Nedlac and the country to succeed. It's only by looking back that one truly appreciates the amount of work achieved. In this regard, I wish to express my enduring gratitude to members of the social partners who selflessly give of their time and talents to work in task teams, chambers, committees and other structures of Nedlac. My thanks also go to the secretariat, whose commitment is demonstrated throughout the programme of the organisation, including in the prudent stewardship of financial resources. Where goals were unrealised, I am certain that it was not for lack of trying and that we will see an improvement in the next financial year.





MESSAGE FROM THE OVERALL CONVENOR:

COMMUNITY

THULANI TSHEFUTA

The 2021/22 reporting year saw the strategic repositioning of Nedlac to be responsive to emerging issues of national importance. This happened against the backdrop and the context of poor socio-economic indicators that were further exacerbated by the prevalence of Covid-19, the July 2021 riots in KZN and Gauteng, floods and disasters in KZN and the Eastern Cape. The conflict between Russia and Ukraine is devastating, with effects that find expression in escalating prices of fuel and food supplied by the two countries.

Amidst the volatility, uncertainty, complexity and ambiguity of the environment we operate within, Nedlac managed to swiftly adapt its operations and see increased performance against its strategic and annual performance plans. Over this reporting period, the following notable issues have served in the agenda of Nedlac, amongst others:

- National response to Covid-19 through the Rapid Response Task Team
- The development and implementation of the ERRP and its work-streams
- Skills Strategy to support implementation of the ERRP
- Re-tabling of the National Health Insurance Bill
- Conclusion of engagements on the Critical Skills List

- Comprehensive Social Security and Retirement Reforms
- Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace
- Dialogue Session on Government Budget Planning
- EPWP study tours to Provinces

The Covid-19 National Rapid Response Task Team of Nedlac combined the efforts of social partners in developing a collective country response to Covid-19 towards saving the lives and the livelihoods of the people. The Community Constituency is pleased that, in addition to economic measures, its proposals on humanitarian and social relief measures found traction amongst other social partners as part of the response package, such as the provision of food, water, and the Social Relief of Distress (SRoD) grant. Lessons from the implementation of the health response measures and the SRoD grant can be scaled up to National Health Insurance (NHI) and the Universal Basic Income Grant (UBIG), respectively.

The Governance Task Team is making steady progress in repositioning a Nedlac that is fit-for-purpose. In this regard, the process must move swiftly towards the actual amendment of the Nedlac founding documents guided by the principles of inclusivity and equal representation in all structures of Nedlac. The organisation must do everything possible to build the capacity of the social partners and the Secretariat to drive social compacting through social dialogue.

Over the year, the Community Constituency continued to position itself differently by expanding the base of civil society sectors that participate in its work. It has also moved to consolidate its constituency base by hosting a Policy School with national civil society organisations as a strategic planning platform. We further hosted workshops with a broad base of organisations, in all nine provinces to report back on our work at Nedlac and consult on a new mandate of new issues for the year ahead.

The Community Constituency continues to position itself as part of the solution in addressing the national development agenda. In this light, we hosted our own implementation workshop where we planned the execution of our commitments on the ERRP and the Eskom Compact.

In line with the Social Compact announced in the 2022 State of the Nation Address, we believe that growth, job creation, and social relief should be the key tenants of this compact. Calls for increased social relief as mitigation for South Africa's glaring poverty and inequality, should not in any way be understood to be the replacement for growth and job creation. The key tenants of any new emerging social compact must be intentional in helping

us to address the fault lines of unemployment, poverty, and inequality. All work done at Nedlac has to culminate into making sure that people's lives change for the better.

Moving forward, our efforts must appreciate and unleash the potential of young people by leveraging their energies and resourcefulness through maximum youth employment measures.

Persons with Disability continue to be relegated to a case of welfare through exclusion from meaningful economic participation. The existing interventions must be implemented in direct partnership with the disability movement.

The pandemic of gender-based violence exacerbates the socio-economic circumstances of women. We must empower women for the full implementation of the National Strategic Plan on GBV.

The civic movement must be supported to mobilise communities as active agents of rallying the one-plan interventions of the District Development Model.

If properly supported and deployed, cooperatives and the informal economy can promote self-initiative towards economic participation, generating employment and income, community inclined financial systems and sustaining livelihoods leading to the creation of new and alternative jobs.

We wish to thank the Executive Director and the entire Secretariat of Nedlac for their continued support over this period.





MESSAGE FROM THE OVERALL CONVENOR:

GOVERNMENT

THEMBINKOSI MKALIPI

The year 2021/22 called upon Nedlac to navigate tumultuous times. The institution faced the July 2021 unrests in Gauteng and KwaZulu-Natal, business closures, load-shedding, and a persistent pandemic, among other challenges. Sadly, South Africa experienced its highest unemployment rate on record, increasing from 34.9% of the labour force in Q3 2021 to 35.3% in the final quarter of the year.

Credit is given to Nedlac and its ability to stir the reconstruction of our society towards hope for the future. The institution is able to hold social partners with their diverse interests together and produce a solution tailored for the economy and labour market. Indeed, Nedlac remains an indispensable institution for South African society as a mecca of social dialogue.

Despite raging global winds as a result of the pandemic and the associated economic damage, as well as rapidly rising fuel and food prices which hit vulnerable populations hardest, in 2021/22, Nedlac social partners embarked on a series of engagements, which culminated in the following:

- A comprehensive package of measures to respond to the July 2021 unrests in KwaZulu-Natal and Gauteng, which included securing essential supplies and infrastructure as well as relief and support to rebuild (food parcels, extension of the Covid-19 social relief of distress grant, support for businesses not properly insured, and unemployment insurance support for workers not able to work).
- The vaccination roll-out, including mobilisation especially in the workplace, changes to the OHS

direction in respect of vaccines, communication and behavioural change, and the UIF Covid-19 Temporary Employer/Employee Relief Scheme (TERS).

- On steps towards the economic recovery, a joint workshop with the Department of Small Business Development (DSBD) and Small Business Institute (SBI) on strengthening the SMME eco-system took place, addressing localisation for SMMEs and payment of suppliers within 30 days.
- On public transport and freight, social partners dealt with developments at the Transnet National Ports Authority (NPA), and port congestion.
- Concerning energy, the policy and legislative programmes of the Department of Mineral Resources and Energy were given attention.
- The Reconstruction and Recovery Plan, under the guidance of Nedlac, was established and is intended to lead to economic recovery, thus fighting unemployment, poverty and inequality.

To ensure that Nedlac remains relevant to its call and mandate as predicated in its founding documents, a study on the Nedlac Fit for Purpose was conducted. This calls for the institution to embark on the redrafting of the Nedlac Founding Documents which should enable the institution to be more efficient and effective.

While Nedlac can be proud of its achievements, which are clearly stated in its annual report amidst the bruising year, there are many challenges ahead. Amongst other things, Nedlac will be called upon to ensure speedy implementation of the reconstruction and recovery plan and to ensure social compact around the security of energy supply, including on interventions.

I do not doubt that with so much experience, and the maturity of and commitment of social partners on social dialogue, Nedlac will execute effectively on its mandate. The government wants to express its gratitude to the Nedlac Executive Director and the secretariat for their continued guidance, despite the immense pressure on them.

As government, we shall continue to support social dialogue and the institutions that enable it. To all Government colleagues who esteem Nedlac and continue to contribute to a strong social dialogue, thank you.



MESSAGE FROM THE OVERALL CONVENOR:

LABOUR

BHEKI NTSHALINTSHALI

As representatives of labour, we ended the 2021/22 financial year with mixed feelings. On the negative side, South Africa's expanded unemployment rate reached an unacceptable high of 46.2% or 14 million people. Youth unemployment is a staggering 75%. Levels of poverty and inequality are rising. Crime levels and in particular gender-based violence are worsening.

This picture must ring alarm bells. Youth unemployment, poverty and inequality are a ticking time bomb. If ignored they will be a source of unrest and instability. Yet our people and the country seem to accept this as normal and as something we must live with. It is a sad reflection on the state of our country.

The brighter side is that we managed as a country to reduce the infection rate of Covid-19, while government working with the private sector and organised labour made vaccines available, distributed PPE at workplaces, provided relief for vulnerable communities, and distributed over R64 billion from the Unemployment Insurance Fund Covid-19 TERS for workers with little or no income.

At the same time, we should acknowledge that our vaccination rate is too low. We need to ramp up our efforts to persuade people that vaccines are our most effective weapon in saving lives and livelihoods. This includes a call to all who have vaccinated to go and receive their booster shots to maintain their immunity levels.

Our economy has begun to re-emerge as restrictions are lifted. The remaining restrictions that impact the economy should also be lifted to allow sectors such as sports, events and entertainment to recover. At the same time, we must maintain critical health measures such as the wearing of masks, screening and sanitising, as these measures help keep the pandemic under control and do not interfere with the economy. Some serious interventions and resource mobilisation are required to help still battered and fragile sectors and businesses rebuild.

The impact of Covid-19, the July 2021 unrest and the recent floods in KwaZulu-Natal will take time to be addressed. The income and livelihoods lost may never be recovered. Many workers lost their jobs, property and homes and, most tragically, loved ones.

For Nedlac, the experience dealing with challenges brought new a new style of work, coordination and cooperation among stakeholders. The success in addressing the pandemic, particularly the Disaster Management Directions, relief grants, vaccines, and health and safety regulations attracted both praise and criticism. In some instances, Nedlac became a victim of its success. This is part of providing leadership.

Some people believe Nedlac can and must do more, going beyond what the Nedlac Act provides for. Others accuse it of being an exclusive club. Some of these comments need discussion. We must also recognise, however, that Nedlac has a rich history, which informed why it was established, how its composition was determined and why its mandate is limited to policy and legislation consultation.

Allow me to return to the positive impact of Nedlac. In assessing the challenges facing the country, Nedlac diagnosed these problems correctly. It identified areas requiring immediate attention, all of which are spelt out clearly in the ERRP which was drafted at Nedlac. While this Plan is not a silver bullet, if implemented fully and with the required pace, it can produce magnificent results and make a difference in the critical social-economic challenges facing our country and workers.

Social partners and society must hold government accountable for the implementation of the ERRP, which is the only plan we have, which must be fully implemented. Critical commitments of the ERRP that Organised Labour believes must be prioritised and implemented without any delay includes the security of energy supply. There is no economy that can execute the recovery we require without reliable and affordable electricity. Government must fix Eskom. To attract investment let's assure potential investors that we can supply them with reliable electricity. It can and must be done.

The second area of priority in the EERP is rail, both freight and passenger. Again, no economy can recover and grow if it cannot move goods from the production lines to markets and harbours, on time and safely. The same applies for the transportation of workers to the workplace safely, affordably and on time. A well-functioning Metro Rail will boost both productivity and income.

The matter of fighting corruption, both as a deterrent and as an indication to investors, will send a strong message. It is also achievable.

The Nedlac annual performance is commendable. Organised Labour appreciates the work of management and staff. It does not go unnoticed. New methods and the shift to working from home may have not produced all the expected results, but there are clear indicators that Nedlac is managing it well. The reduced turnaround time in dealing with matters in the different chambers is also encouraging. There is understanding that working together, seeking a common product, and embracing the concept of social dialogue, even when our positions differ, makes the work easier.

However, we must also recognise that the increasing workload at Nedlac demands that constituents release more people to attend to the programme of the organisation. This demands more resources, particularly coordination among the sectors within a constituency in formulating positions and providing feedback, which Nedlac must pay attention to.

We must express our discomfort about some of the strange behaviour from certain government departments that necessitated a request of intervention by the Deputy President and the Minister for Employment and Labour. There should be no such issues if we respect Nedlac. Our plea to all, including social partners, is to focus on what Nedlac was established to do and not be tempted to do otherwise.

We also take this opportunity to pay tribute to those staff members who have departed, their contribution is acknowledged and appreciated, may their souls rest in eternal peace. Let us honour their memories by continuing their important contributions.

I thank you.





EXECUTIVE DIRECTOR'S OVERVIEW

LISA SEFTEL

The defining feature of the 2021/22 financial year was the implementation of Nedlac's revised strategic plan and theory of change. This involved introducing many new ways of working for both the Nedlac management and social partners which were set out in the Annual Performance Plan and involved:

- Identifying three discrete key areas of work of Nedlac, namely – hosting social dialogues, considering policies and bills and reaching agreements on key socio-economic issues;
- Introducing key performance indicators which measured the effectiveness of the administration including in arranging training, addressing IT and facilities complaints and improving turnaround times for supply chain; and
- Significantly changing the extent to which funding for constituency capacity building can be used and increasing the available budget.

Nine social dialogues were held, including a government budget planning dialogue where social partners had an opportunity to engage with policy and legislative matters in a more informative and less pressurised way. We continued to pioneer an approach to monitoring and implementation of key aspects of the Economic Recovery and Reconstruction Programme (ERRP). Four workstreams were set up focusing on energy, localisation, SMMEs, and freight and public transport. While significant information exchange took place, the monitoring of commitments and implementation of joint action was less successful.

In terms of policy and legislation, eight items were considered and Nedlac Reports concluded. The Nedlac social partners are looking forward to seeing the implementation of the relevant policies and the progression of draft legislation in Parliament.

With Covid-19 and associated restrictions continuing to dominate during most of 2021/22, including a very damaging third wave in July 2021, Nedlac co-ordinated the responses of the social partners to the lockdown measures, vaccination roll out, workplace management of Covid-19 and the provision of relief. Nedlac also brought the social partners together to respond to the July 2021 unrest in KwaZulu-Natal and Gauteng.

In August 2021, a new organisational structure was introduced including the restructuring of the Programmes Department into two units, one focusing on economics and the second on labour and development. A new department, Corporate Services was introduced and a head was appointed in February 2022. A revised remuneration structure was also implemented.

The implementation of a changed approach to capacity building of both Nedlac staff and social partners has been slow. Social partners, while welcoming the new approach, have not been able to spend their budgets. This approach needs to continue to be pursued in the forthcoming financial year.

There have been teething problems with the measurement of administrative indicators, which has meant that our performance - measured in terms of the achievement of Key Performance Indicators - is not that high. However, a stakeholder satisfaction survey, also conducted for the first time this year, shows that 78.4% of Nedlac social partners or stakeholders were satisfied with Nedlac's performance.

Financially, Nedlac received an unqualified audit opinion for the fourth consecutive year. A portion of the surplus from the 2020/21 financial year was utilised in signing an innovative agreement with the CCMA to implement a project which would support the aims and objectives of both Nedlac and the CCMA. In line with the shift to online work, spending has shifted significantly to salaries and capacity building and significantly less was spent on meetings, travel and accommodation.

There have been no significant challenges with respect to supply chain and audit matters.

Going forward, Nedlac is looking towards bringing the Presidential Climate Commission into its fold as a project up until such time as the Climate Change Bill is passed by Parliament and promulgated.

On behalf of the Nedlac management, I would like to extend my thanks to the Minister of Employment and Labour, the Overall Convenors and social partners representatives, and the Nedlac staff who have contributed to the institutions success in the 2021/22 financial year.



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 in the annual report is consistent with the annual financial statements audited by the AGSA.

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

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

The Accounting Authority is responsible for establishing and implementing a system of internal control and 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 our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2022.

Yours faithfully

Lisa Seftel
Executive Director

25 July 2022

6. STRATEGIC OVERVIEW

Nedlac is one of South Africa's first post-apartheid institutions. As recorded in the Founding Declaration, it is "the vehicle by which government, labour, business and community organisations will seek to cooperate, through problem-solving and negotiation, on economic, labour and development issues and related challenges facing the country".



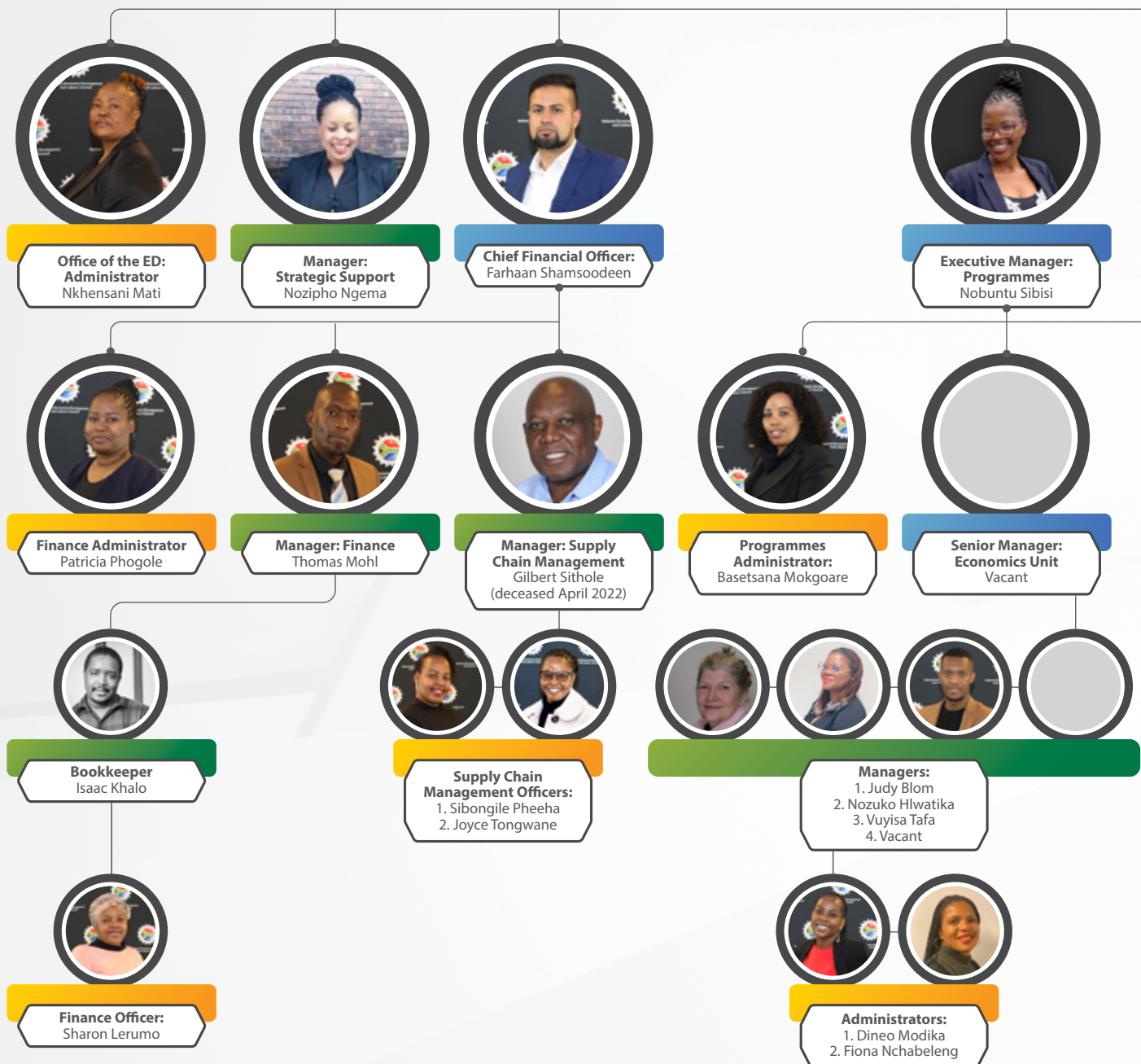
7. LEGISLATIVE MANDATE

Nedlac's legislative mandate is derived from the following:

- **Nedlac Act, No. 35 of 1994:** Nedlac is a statutory body established through the Nedlac Act No. 35 of 1994. The Nedlac Act sets out the objectives, powers and functions of Nedlac.
- **Nedlac Constitution:** The Nedlac Constitution sets out the composition of Nedlac which shall include an executive council, four chambers, a management committee and a secretariat. It further details the composition and powers of these structures as well as admission criteria for members.
- **Labour Relations Act, No. 66 of 1995 (as amended):** Section 77 of the LRA sets out a role for Nedlac to give disputing parties, who seek to protest to promote or defend socio-economic interests of workers, an opportunity to find resolution.
- **Public Finance Management Act, No. 1 of 1999:** Nedlac is a Schedule 3(a) public entity and is required to follow the prescripts of the Public Finance Management Act.

8. ORGANISATIONAL STRUCTURE

The Nedlac organisational structure is designed to support execution of the strategic plan towards the achievement of institutional goals. The structure, roles and appointed parties are illustrated below:



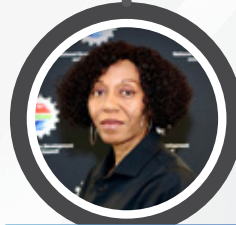


Executive Director:
Lisa Seftel

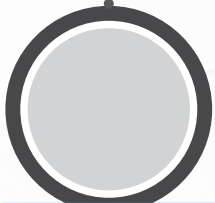
TOP/SENIOR MANAGEMENT

MANAGEMENT

ADMINISTRATION



Senior Manager:
Corporate Services
Moipone Molete



**Senior Manager: Labour
& Development**
Vacant



**Corporate Services
Administrator:**
Cindy Zulu



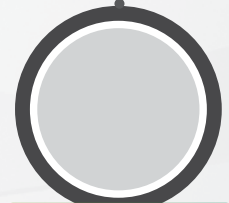
**Manager: Human
Resources**
Nthabiseng Koopedi



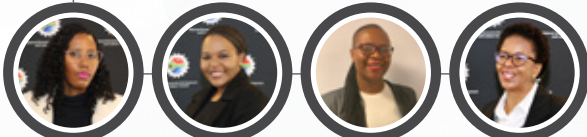
**Manager: Information
Technology**
Benedict Mokgothu



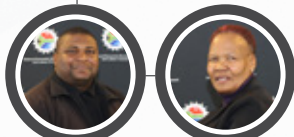
Manager: Facilities
Charlotte Kopano Van
Rooyen



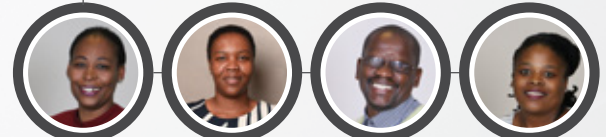
Manager:
Communications
Vacant



Managers:
1. Busisiwe Milisi
2. Nolwazi Mthembu
3. Priscilla Mashabane
4. Tsholo Lelaka



Administrators:
1. Bongani Mahlalela
2. Ruth Mofokeng

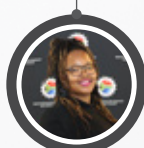


Office Support:
1. Baby Skhosana
2. Prudence Zwane
3. Samuel Mulwela
4. Thuli Radebe

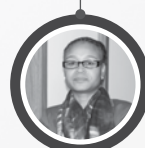
CONSTITUENCY OFFICERS



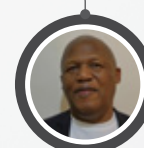
**Community
Constituency Officer:**
Rejoyce Mudzanani



**Labour Constituency
Officer:**
Nonhlanhla Ngubane



**Business
Constituency Officer:**
Lisa Peega



**Government
Constituency:**
Stephen Rathai

PART B

Performance Information





1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSSA has performed the necessary audit procedures on the performance information and concluded that there are no material findings in respect of Performance Information.

Refer to page 72 of the Auditors Report, published as Part E: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

The 2021/22 financial year was severely impacted by the COVID-19 pandemic and poor economic performance, which sustained high levels of unemployment, poverty and inequality. The following figures from the World Bank's South Africa review (2022) illustrate this difficult service delivery environment:

- South Africa's GDP grew by 4.9% in 2021 after contracting 6.4% in 2020 as a result of the Covid-19 pandemic and associated lockdowns. Economic growth was supported by an increase in global demand as well as a rebound in domestic economic activities. However, growth continues to be restrained by energy instability, regular electricity outages and the inefficient movement of freight to and at ports.
- Unemployment has increased significantly over the past two years. At the end of 2021, 1.9 million less people were employed then compared to the first quarter of 2020, prior to the pandemic's economic effects. The unemployment rate reached its highest level ever at 35.3% in the fourth quarter of 2021 and is highest among youths aged 15 and 24, at around 66.5%.
- Poverty rates, once on a downward trajectory, are now on the rise. According to the World Bank, the percentage of the population below the upper-middle-income-country poverty line fell from 68% to 56% between 2005 and 2010 but has since trended upwards to 57% in 2015 and is projected to have reached 60% in 2020.
- Unemployment and poverty contribute to South Africa's persistently high inequality. In 2018, South Africa had a consumption expenditure Gini coefficient of 0.67, the highest in the world. Wealth inequality is even higher and intergenerational mobility is low meaning inequalities are passed down from generation to generation with little change over time.

In addition, during the year under review, South Africa experienced two waves of the Covid-19 pandemic. The Delta wave occurred between May and August, resulting in significant illness and death, followed by the less severe but more transmissible Omicron wave during the summer of 2021/22. Both waves led to restrictions on economic activity and contributed to slowing the economic recovery.

A further significant and tragic feature of 2020/21 was the July unrest in KwaZulu-Natal and Gauteng which led to the deaths of approximately 354 people and the destruction of shopping malls, warehouses and factories.

In this context, the social partners at Nedlac were seized with delivering rapid responses to the pandemic and the July unrest as well as contributing to economic recovery and engaging on policies and legislation tabled by government at Nedlac.

The following are highlights in this regard:

- Ongoing and intensive engagements to respond to the pandemic through the work of the Nedlac Covid-19 Rapid Response Task Team (RRTT) led to social partners being part of the mobilisation to secure and ensure vaccinations, open up the economy, manage Covid-19 in the workplace and provide relief for workers and the unemployed;
- Responding urgently to the public violence in Gauteng and KwaZulu-Natal in July 2021, social partners agreed on a comprehensive package of measures and interventions to ameliorate the impact; and
- Concluding Nedlac Reports on 11 matters pertaining to policy and legislation and holding nine dialogue sessions.

2.2. Organisational Environment

As Nedlac and its social partners responded to external challenges, the Nedlac secretariat underwent a restructuring, introducing measures to improve its effectiveness and efficiency. Despite or possibly because of the shift to remote working, more could be done with less resources.

Key improvements in the organisational environment included:

- Successfully restructuring the organisation, including the introduction of a new organogram (refer to page 22 to 23), salaries adjusted to a common benchmark and new posts implemented. By the end of the financial year the new post of Senior Manager responsible for Corporate Services was filled by Moipone Molete.

- Long outstanding issues in respect of pensions and remuneration restructuring were resolved. Both staff and the employer now contribute to the pension fund.
- The Executive Committee approved revised policies relating to Information Technology, risk and fraud management and prevention. New policies were introduced in respect of cell phones and data. An Ethics Code was developed, approved and integrated into the terms of reference of the Human Resources and Remuneration Committee, which subsequently became the Human Resources and Ethics Committee.
- The Annual Summit held on 7 December 2021 provided social partners and stakeholders feedback as well as an opportunity to inform Nedlac's efforts to respond to the Covid-19 pandemic, economic recovery and climate change.
- A Communications Strategy was developed to improve engagement with stakeholders, the media and the public and a communications service provider was appointed whose role includes media monitoring, media liaison and the production of a monthly newsletter.
- In respect of designated groups, Nedlac employs a majority of women, while issues facing women, youth and people with disabilities are mainstreamed and considered in all Nedlac work.

2.3. Key Policy Developments and Legislative Changes

There were no key policy development or legislative changes that directly impact Nedlac during the year under review.

2.4. Progress Towards Achievement of Institutional Impacts and Outcomes

The next section sets out in detail progress towards the achievement of institutional impacts and outcomes. There were no amendments to the organisation's Strategic Plan in this reporting period.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Nedlac is reporting on fifteen targets in alignment with the Annual Performance Plan (APP) for 2021/22 financial year. A total of ten targets were achieved, representing 66% overall performance for this period. A summary is displayed in the table below:

Programme	Annual Planned Indicators	Planned Targets Achieved in 2021/22	Not Achieved	Overall Achievement (%)
Administration	8	5	3	60%
Core Operations	4	3	1	75%
Constituency Capacity Building Funds	3	2	1	60%
Summary	15	10	5	66%

3.1. Programme 1: Administration

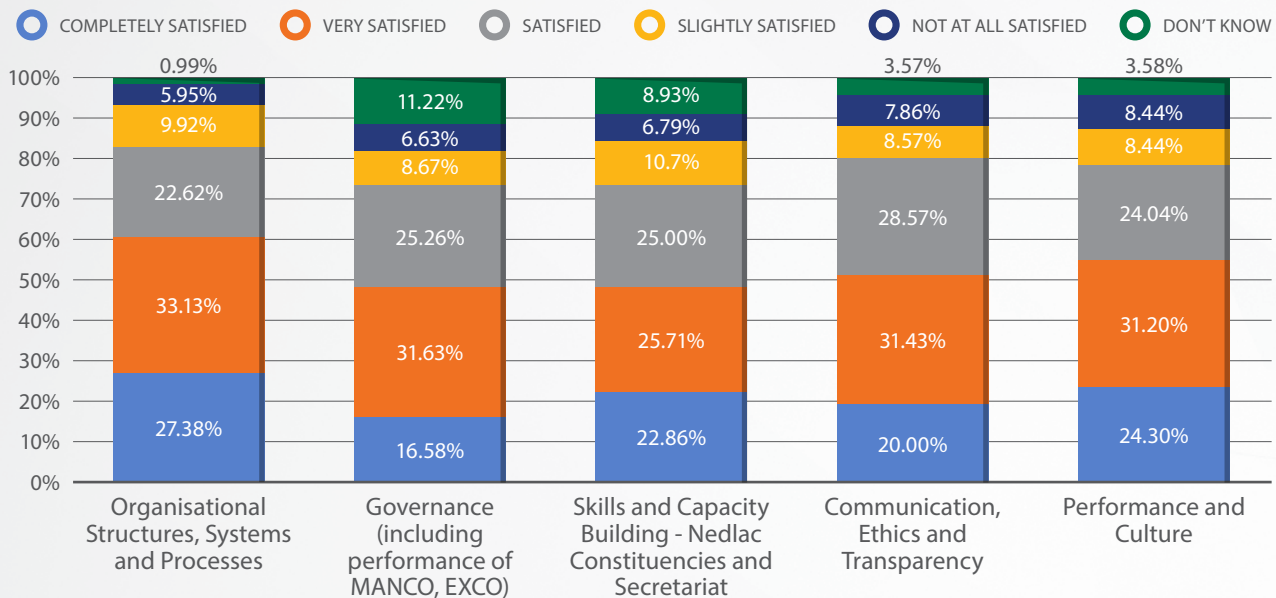
The purpose of the Administration programme is to enhance organisational efficiency and effectiveness. The five indicators under this programme sought to improve strategic oversight and governance of the entity, enable service excellence and increase capacity. These indicators are briefly discussed below:

3.1.1. Receiving an Unqualified Audit

To achieve an unqualified audit, Nedlac has improved internal controls as well as efforts to address the procurement and contract management challenges of previous years. The National Treasury approved our condonation request of R19 588 781 in respect of irregular expenditure incurred up to 31 March 2022.

3.1.2. Stakeholder Satisfaction

During the reporting period, Nedlac introduced an independent annual stakeholder survey, which demonstrated a 78.4% level of satisfaction. The table below details results according to key themes measured.



3.1.3. Improved Facilities Management

During the 2021/22 financial year Nedlac employees continued to work remotely, allowing for maintenance and upgrading of the Nedlac building. The building's lift and HVAC are now functioning, and the building is occupational health and safety, and Covid-19 compliant. A facilities management service provider was appointed to audit the building and advise on standard operating procedures and revised policies going forward.

3.1.4. Improved IT systems and performance

Nedlac now operates effectively online. This has been achieved through revision of policies, updates to software and upgrades to hardware, a shift to the cloud and improved cyber security. For those who come to the Nedlac office, Wi-Fi has been introduced for both staff and visitors. The requirement to respond to 100% of all IT complaints within required timeframes was not met, but response time was still high at 92%.

3.1.5. Supply Chain Performance

The financial year saw a significant shift in the turn around time of tenders and compliance with the procurement policy. All tenders were awarded within two months of advertising.

3.1.6. Staff Training

The 2021/22 Annual Performance Plan committed Nedlac to significantly enhance staff training. This did not happen as intended due to procurement challenges and a lack of capacity in Nedlac. Nevertheless, seven staff members were funded for tertiary education.

3.1.7. Progress in Making Nedlac Fit for Purpose

The Governance Task Team, comprised of three representatives per social partner, made considerable progress in the year under review. In the first quarter a research study, conducted in partnership with the Mapungubwe Institute for Strategic Reflection (MISTRA) and the ILO, was concluded. Workshops were subsequently held internally before the Exco agreed in October 2021 to mandate the Governance Task Team to redraft the founding documents to inter alia strengthen the role of Nedlac, review the structures and manage representation.

3.1.8. Tracking of Nedlac Reports to Parliament

Two parliamentary tracker reports were produced, although one was not produced within the required timeframe. The parliamentary tracker reports indicate that there is an unnecessary delay after Bills leave Nedlac and are tabled in Parliament.

Progress on Key Performance Indicators: Programme 1

The following table indicates progress made towards Key Performance Indicators for Programme 1: Administration, during the 2021/22 financial year.

1 Programme: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
1.1 Nedlac accounts for the use of its financial resources	Unqualified Auditor General Report obtained	Unqualified audit opinion obtained by 31 March each year	Unqualified audit opinion obtained	Unqualified audit opinion obtained	Unqualified audit opinion for 2021/22 financial year obtained by 31 March 2022	Unqualified audit opinion obtained by 31 March 2022	N/A	N/A
1.2 Nedlac is efficient	Annual stakeholder satisfaction survey completed	Percentage of positive responses achieved on the satisfaction of social partners in relation to the effective functioning of Nedlac	N/A: new indicator	N/A: new indicator	An average of 75% positive responses achieved on the annual stakeholder satisfaction survey indicating that social partners are satisfied that Nedlac performs its work efficiently	78.4% positive responses achieved	N/A	N/A
1.3 Nedlac is efficient	Well managed building facilities achieved	Percentage of reasonable facilities-related complaints resolved as per set timeframes for each complaint	N/A: new indicator	N/A: new indicator	100% of facility related complaints resolved within agreed timeframes	100% of facility related complaints resolved within agreed timeframes	N/A	N/A
1.4 Nedlac is efficient	Well managed IT facilities achieved	Percentage of reasonable IT-related complaints resolved as per set timeframes for each complaint	N/A: new indicator	N/A: new indicator	100% of reasonable IT complaints resolved within agreed timeframes	92% of reasonable IT complaints resolved within agreed timeframes	8% of complaints were not resolved within agreed timeframes	Capacity constraints of the appointed service provider

1 Programme: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
1.5 Nedlac is efficient	Procurement processes completed within the set timeframes	Percentage of contracts awarded to suppliers within two months from closing date	N/A: new indicator	N/A: new indicator	100% of contracts awarded to suppliers within two months from closing date	100% of contracts awarded to suppliers within two months from closing date	N/A	N/A
1.6 Nedlac is efficient	Staff developed through training interventions	Percentage of planned training interventions delivered annually in relation to Nedlac training plan	N/A: new indicator	N/A: new indicator	100% of planned training interventions concluded	Target not met	Deviation not able to be calculated	There were human resource capacity and procurement constraints
1.7 Governance is effective	Governance Task Team process completed	Percentage of milestones of Governance Task Team resolutions implemented	N/A: new indicator	N/A: new indicator	80% of milestones achieved	100% of the milestones of the Governance Task Team were achieved	N/A	N/A
1.8 Monitoring and evaluation processes enables effective decision making	Monitoring and evaluation (M&E) performance reports concluded	Number of planned M&E products set out in the M&E framework delivered as per set timelines	2 x monitoring reports submitted to Manco	2 x monitoring reports submitted on 21 August 2020 and 19 February 2021	2 x planned M&E products submitted to Manco by 31 March 2022	1 x planned M & E product delivered on time	1 x planned M & E product not delivered on time	Lack of human resource capacity of responsible manager

3.2. Programme 2: Programmes (Core Operations)

The Core Operations programme ensures that the leadership of business, community, government and labour cooperate to identify and implement ways to address relevant and important social and economic issues. This section reports on all the key outputs and activities of this programme in the Chambers, as well as the work of the Covid-19 Nedlac Rapid Response Task Team and implementation of the Economic Recovery and Reconstruction Programme (ERRP).

3.2.1. Development Chamber and Social Development Issues

The Development Chamber seeks to reach consensus and make agreements for placing before Exco all matters pertaining to development, both urban and rural, implementation strategies, financing of development programmes, and campaigns to mobilise the nation behind government associated institutions of delivery.

The following legislation and policy matters were concluded by the Development Chamber in the 2021/22 financial year:

- **Draft Official Identity Management (OIM) Policy:** The Draft OIM Policy was tabled by Government on 11 May 2021. The purpose of the policy was to lay a foundation for repositioning the Department of Home Affairs as the sole provider for official identification and verification of status of every citizen or any person who lives in South Africa. The Nedlac Report was approved by Overall Convenors on 07 July 2021.
- **National Health Insurance (NHI) Bill:** The NHI Bill was re-tabled by Government for engagement at Nedlac on 14 May 2021, following cabinet engagements. The purpose of the Bill is to provide for universal access to health care services. The Bill envisages the establishment of a National Health Insurance Fund ("Fund") and sets out its powers, functions, and governance structures. The Nedlac Report was signed off by Overall Convenors on 29 July 2021.
- **Central Application Services (CAS) Bill:** The CAS Bill was tabled by Government on 01 June 2021. The purpose of the Bill is to provide for the establishment of a Central Application Service for the Post-School Education and Training (PSET) system that will deliver a central access point to all Post-School Education and Training Institutions and service providers for student accommodation, student financial aid providers and service partners. The Nedlac Report was signed-off by the Management Committee (Manco) on 08 October 2021.
- **Administrative Adjudication of Road Traffic Offences (AARTO) Regulations:** New regulations were tabled by Government on 10 March 2021. The purpose of the Regulations was to give effect to the Administrative Adjudication of Road Traffic Offences Act, No. 46 of 1998 and set out the process for issuing and payment of penalties for infringements, with a view of promoting road safety. It also provided for the effective and expeditious adjudication of infringements to alleviate the burden on the courts. The Nedlac Report was signed-off by Manco on 26 November 2021.
- **National Youth Development Amendment (NYDA) Bill:** The NYDA Bill was tabled by Government on 06 April 2021. The purpose of the Bill is to strengthen the Agency's operations, enhance governance, and promote visibility for access to the agency's products and service. The Nedlac report was signed off by Overall Convenors on 18 May 2021.
- **Critical Skills List:** The Critical Skills List was tabled by Government on 17 September 2021. The list seeks to identify skills that are critical for improving economic growth, that are in acute shortage or likely to be so in the future, and that require long lead-times to develop domestically. The Nedlac Report was signed off by Overall Convenors on 21 December 2021.
- **Green Paper on Comprehensive Social Security and Retirement Reforms (CSSRR):** The Green Paper on CSSRR was tabled by Government on 06 May 2021. The Green Paper made proposals in respect of a mandatory social security system, social security coverage for informal workers and a basic income grant. The Nedlac Report was signed off by the Overall Convenors on 05 August 2021.

The Development Chamber and Labour Market Chamber held the following joint dialogue sessions during the 2021/22 financial year:

- **Dialogue Session on the Statistics South Africa Census 2022:** The session was convened on 04 February 2022. The purpose of the dialogue session was for Government to present on the importance of conducting the Census and to engage with social partners on the processes, procedures, and challenges encountered in preparing and conducting the Census. The Report arising from the dialogue session was circulated to social partners on 23 February 2022.
- **Dialogue Session on the Critical Skills List:** The session was convened jointly by the Labour Market and Development Chambers on 03 September 2021. The purpose of the session was for Government to present the Critical Skills List. The Report arising from the dialogue session was circulated on 22 September 2021.

- **Dialogue Session on the National Labour Migration Policy (NLMP) and the Employment Services Amendment Bill (ESAB):** The Session was convened on 30 November 2021, jointly by the Development and Labour Market Chambers. The purpose of the session was for Government to share its envisaged plan on the NLMP and the proposed ESAB with the view of obtaining social partners' initial comments. The dialogue session agreed that Government would formally table the revised documents for detailed engagements at Nedlac once the Government's internal processes and public comments were complete. The Report arising from the dialogue session was circulated on 21 December 2021.
- **Dialogue Session on Gender-Based Violence and Femicide and ILO Convention 190:** The Session was convened jointly by the Development and Labour Market Chambers on 02 December 2021. The purpose was for the Department of Women, Youth and Persons with Disabilities (DWYPD) to present the National Council on Gender-Based Violence and Femicide (NCGBVF) Bill. The dialogue session also provided an opportunity for the DWYPD to provide a progress report on the implementation of the National Strategic Plan (NSP). The Report arising from the dialogue session was circulated on 21 December 2021.

The following engagements are currently underway, which were not concluded within the reporting period, but were still within the six-month engagement period:

- **Social Development White Paper:** The Paper was tabled by Government on 11 February 2022. The purpose of the Paper is to reposition the social development sector toward achieving a development agenda. It serves as a framework for the advancement of social development legislation which will provide a uniform system for governance, funding, and regulation of social development services.
- **Electronic Deeds Registration Amendment Bill:** The Bill was tabled by Government on 17 February 2022. The purpose of the Bill is to amend the Deeds Registries Act, 1937 to provide for the appointment of a Registrar of deeds, Deputy Registrar of deeds, and Assistant Registrar of deeds in terms of the provisions of the Public Service Act, 1994.
- **National Council on Gender-Based Violence and Femicide Bill:** The Bill was tabled by Government on 18 February 2022. The purpose of the draft Bill is to establish the National Council on Gender-Based Violence and Femicide.

Further work undertaken by the Development Chamber and in respect of social development was as follows:

- **Research Reports on CSSRR:** The CSSRR Task Team considered the CSSRR Green Paper on 28 March 2019 and identified further areas of research to be explored, in order to produce a consolidated response. The research reports were concluded in February 2021, focusing on the following areas:
 - o Feasibility of a Basic Income Grant;
 - o The impact on the investment environment and capital markets of a National Social Security Fund (NSSF);
 - o Economies of scale and costs within the occupational retirement system in South Africa;
 - o Social security coverage of informal workers; and
 - o Actuarial sustainability of the NSSF.
 The above-mentioned research reports were subsequently consolidated into a single report and accessible summaries were produced and disseminated to stakeholders and members of the public in the fourth quarter of 2021.
- **EPWP Study Tours:** The Development Chamber undertook study tours to the Western Cape, North West and Limpopo as part of its oversight of the Expanded Public Works Programme (EPWP) in March 2022. The purpose was to conduct physical verification of the implementation of the EPWP projects and to understand progress, challenges, and lessons learnt by the EPWP implementors and participants.

3.2.2. Labour Market Chamber

The Labour Market Chamber seeks to reach consensus and make arrangements for placing before Exco all matters pertaining to the world of work and the associated institutions of delivery.

The following legislation and policy matters were concluded by the Labour Market Chamber in the 2021/22 financial year:

- **Revised Draft Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace:** This Code of Good Practice was tabled by Government on 12 August 2021. The Code seeks to eliminate harassment of employees in the workplace, while working or engaged in work-related activities. It provides guidelines to employers and employees on the prevention and elimination of harassment, defined as a form of unfair discrimination in the workplace. The guidelines relate to human resources policies, procedures and practices, and appropriate procedures to deal with harassment and prevent its recurrence. The Nedlac Report was signed off by the Overall Convenors on 11 February 2022.

- **The Skills Strategy to Support the Successful Implementation of the ERRP:** The updated strategy was tabled by Government for engagement at the LMC Task Team on 22 April 2021. The Strategy lays out ten interventions to ensure that the skills required to implement the ERRP are developed. The Nedlac Report was signed off by the task team and the LMC Convenors on 22 November 2022. However, arising from the deliberations of the Process Committee on ERRP, the report was referred to the Economic Recovery Task Team on Skills Strategy to enable the Community Constituency to participate in the deliberations. Subsequently, engagements with the Community Constituency commenced on 14 December 2021, and the Nedlac Report was signed off by the Management Committee (Manco) on 18 February 2022.

The following engagement is underway but was not concluded within the reporting period by the Labour Market Chamber:

- **Labour Law Reforms Task Team:** The task team was established by the Labour Market Chamber on 19 August 2021, following the presentation of proposals by organised business and organised labour to amend labour laws. Government then tabled its proposals in February 2022 for further consideration. The proposed amendments seek to respond to the changing nature of the labour market and to improve the articulation of labour market legislation. The intent is to support employment creation, reduce the level of dispute and simplify dispute procedures, broaden protection to respond to an increasingly large group of unprotected workers and to enable economic growth and sustainability for small and new businesses.

Additional work undertaken by the Labour Market Chamber during the 2021/22 financial year was as follows:

- **Decent Work Country Programme (DWCP):** The DWCP Steering Committee engaged on the following matters:
 - o Implementation of Recommendation 204;
 - o Country-level research on apprenticeship development for the universal lifelong learning and training global project;
 - o Digital skills for youth project;
 - o Intensifying action on forced labour in the fishing sector;
 - o Project on productivity ecosystems;
 - o Mid-term review of the DWCP 2018-2023;
 - o ILO technical assistance to the national comprehensive social security reform process; and
 - o Partnerships on the future of work.

- **Demarcation Disputes:** The Demarcations Standing Committee received and considered 16 demarcation awards from the Commission for Conciliation, Mediation and Arbitration (CCMA), on demarcations disputes, in line with the Labour Relations Act. These were resolved within 21 working days from the date of receipt by Nedlac.

The Section 77 Standing Committee considered and concluded the following notices during the 2021/22 financial year:

- **Violent Crimes in the Western Cape:** The Section 77 notice was filed by the Congress of South African Trade Unions (Cosatu), dated 11 September 2018. A series of plenaries were convened by the Standing Committee with the Applicants and Respondents to resolve the issue. After much deliberation the Standing Committee, on 27 May 2021, declared that the issues contained in the notice could not be resolved. The Standing Committee therefore deemed the matter to be considered and a Section 77 Certificate was issued to the Applicant on 03 June 2021.
- **Defence and Promotion of the Socio-Economic Interests of Workers and Working Class in General:** This notice was filed by the South African Federation of Trade Unions (SAFTU), dated 28 September 2020. After a series of engagements on the issue, the Standing Committee had a final deliberation on the notice on 08 April 2021 and deemed the matter to be considered. A Section 77 certificate was issued to the Applicant on 13 April 2021.

The Section 77 Standing Committee also developed a new draft **Code of Good Practice on Protest Action to Promote or Defend the Socio-Economic Interests of Workers** in line with Section 77 of the Labour Relations Act 66 of 1995. The Code seeks to address the identified gaps on the current Nedlac Section 77 Protocol and Code of Good Practice. Key measures introduced through the Code include the following:

- Clarity on the roles and the responsibilities of the Section 77 Standing Committee, facilitators, and other appropriate forums in relation to consideration of Section 77 referrals.
- Clarity on the timelines applicable in relation to the Section 77 process.
- Alignment of the substantive and procedural requirements of the Code in respect of developing case law, as well guidelines set by the ILO.

The process to finalise amendments to the Code is still underway.

3.2.3. The Trade and Industry Chamber

The Trade and Industry Chamber seeks to reach consensus and make arrangements for placing before Exco all matters pertaining to the economic and social dimensions of trade, industrial, mining, agricultural and services policies and the associated institutions of delivery.

The following legislation and policy matters were concluded by the Trade and Industry Chamber in the 2021/22 financial year:

- **Companies Amendment Bill (CAB):** The Bill was tabled by government for engagement on 07 April 2021. The purpose of the CAB includes, among others, "encouraging transparency and high standards of corporate governance as appropriate, given the significant role of enterprises within the social and economic life of the nation". The access and transparency provisions in the Bill helps to provide oversight, including by customers, suppliers, workers, the media and the public. It allows these parties to shield themselves from risk, help identify misstatement, fraud and corruption and assist in compliance and law enforcement. The Nedlac Report was signed-off by Overall Convenors on 15 October 2021.
- **One-Stop Border Post (OSBP) Policy:** The OSBP Policy was tabled by government on 13 August 2021. The Policy seeks to enable the seamless facilitation of safe and efficient passage of people, conveyances, and goods across South African land Port of Entries (PoEs) without compromising the sovereignty, development, national security or international obligations of South Africa (SA). The Nedlac Report on the OSBP Policy was signed off by Manco on 18 February 2022.

The Trade and Industry Chamber also engaged on the following during the year under review:

- Government presented progress on Master Plans, as well as a Master Plan Guide and Toolkit.
- Productivity South Africa (PSA) provided an annual update on its activities, and its work to support businesses affected by the July 2021 unrest in KwaZulu-Natal and Gauteng.
- The South African Revenue Service (SARS) provided an update on progress against the agreements reached at Nedlac in 2019 as per the Customs Fraud and Illegal Imports Nedlac Report.
- Government presented the Control of Tobacco Products and Electronic Delivery Systems Bill on 30 October 2021. Arising from the session, social partners requested the Department of Health to table the Bill at Nedlac for engagement prior to it being tabled in

Cabinet. The Bill had not been tabled at Nedlac by the end of the reporting period. Manco resolved that this challenge should be escalated to the Deputy President as leader of Government Business.

- Government provided a presentation on the strategic lessons learned from the South Africa Personal Protective Equipment (PPE) localisation process.

The Technical Sectoral Liaison Committee of the Trade and Industry Chamber engaged on the following during the year under review:

- The Trade Policy for Industrial Development and Employment Growth.
- The proposed Southern African Customs Union (SACU)-SA African Continental Free Trade Area (AfCFTA) tariff offer to move to 90%.
- Progress reports were received in respect of the following issues:
 - o South Africa's current trade negotiations;
 - o Trade in service; and
 - o Existing trade agreements.

3.2.4. Public Finance and Monetary Policy Chamber

The Public Finance and Monetary Policy Chamber seeks to reach consensus and make agreements for placing before Exco all matters pertaining to financial, fiscal and monetary and exchange rate policies, the coordination of fiscal and monetary policy, related to elements of macroeconomic policy and the associated institutions of delivery.

The following Dialogue Sessions convened by the Public Finance Chamber and Exco, as well as Joint Dialogue Sessions with the Trade and Industry Chamber, the Development Chamber and ERRP, were conducted in the 2021/22 financial year:

- **Dialogue Session on Government Budget Planning:** The session was convened on 02 July 2021 and attended by Nedlac Exco members. The purpose of the session was for social partners to provide input into the Medium-Term Budget Policy Statement (MTBPS) and National Budget for the 2022/23 financial year. Social partners presented their understanding of the current context, key perspectives on the role of fiscal and monetary policy, expenditure, revenue collection and tax policy. The report arising from the session was circulated on 19 July 2021.
- **Dialogue Session on Financial Sector Inclusion Policy:** The Session was convened by the Public Finance and Monetary Policy Chamber (PFMPC) on 08 December 2021. The purpose of the session was for social partners to consider the current context of

financial inclusion in South Africa and provide input into the Financial Inclusion Policy which was presented by National Treasury during the session. The Policy seeks to establish a framework for financial inclusion and outlines Government's regulatory approach, the evolving Financial Sector Code (FSC), and sector market practices. The report arising from the dialogue session was circulated on 29 December 2021.

- **Dialogue Session on Anti-corruption:** The Session was convened jointly by the ERRP and PFMP on 30 September 2021. The purpose of the session was to engage on the National Anti-corruption Strategy (NACS) and identify areas of collaboration. Corruption Watch presented the results of their latest Annual Report and government presented the NACS. Following the dialogue session, a Nedlac Anti-Corruption Working Group was established to further engage on the NACS as well as on recommendations made by the Commission of Inquiry into State Capture (Zondo Commission Report). The report arising from the dialogue session was circulated on 20 October 2021.
- **Dialogue Session on Green Economy Interventions:** The Session was convened on 29 October 2021 by the ERRP. The purpose of the session was to receive progress updates from the Departments of Forestry, Fisheries and the Environment (DFFE) and Public Works and Infrastructure (DPWI) on the ERRP commitment on green economy interventions. Infrastructure South Africa (ISA) further provided a presentation on how green hydrogen can be used for economic development. The report arising from this dialogue session was circulated on 17 November 2021.
- **Dialogue Session on National Infrastructure Plan 2050:** The Session was convened jointly by the ERRP, Trade and Industry, and Development Chambers on 17 September 2021. Infrastructure South Africa (ISA) presented the National Infrastructure 2050 Plan to enable social partners to provide preliminary inputs. The Plan seeks to promote dynamism in infrastructure delivery and address institutional blockages and weaknesses that hinder success over the longer term. The report arising from the dialogue session was circulated on 08 October 2021.

The following engagement by the PFMP is currently underway and were not concluded during the reporting period:

- **The Conduct of Financial Institutions (CoFI) Bill** was tabled by government for engagement on 11 March 2022. The purpose of the Bill is to provide an updated regulatory framework for the conduct of financial institutions. To better understand the complexities of the Bill, the Chamber convened a series of workshops on 11 and 16 March 2022.

The following issues were discussed by the PFMP during the year under review:

- **Sugary Sweetened Beverages:** The Sugary Sweetened Beverages Task Team undertook a research study on the Socio-Economic Impact of the Health Promotion Levy (HPL). The purpose of the study was to quantify the impact of the HPL on the economy and jobs. Furthermore, it sought to quantify impacts across the entire value chain, including upstream impacts on the sugar industry.
- **National Student Financial Aid Scheme (NSFAS):** A task team was established jointly by the PFMP and the Development Chamber to engage and assess progress made in respect of the implementation of Higher Education Commission of Inquiry (Hefer Commission) report, released on 13 November 2017, with the view to find ways to implement the outstanding recommendations. Furthermore, the task team sought to provide input on the new proposed NSFAS funding mechanism. Social partners in the task team proposed solutions to the current crisis in the NSFAS for consideration by government. To avoid parallel engagement processes on the proposed funding mechanisms, the task team agreed to allow government to conclude its internal engagement processes. In this regard, the task team was put on hold pending the tabling of the proposals by Government regarding higher education funding mechanisms.
- **Anti-Corruption Working Group:** The working group was established to create a road map on measures to support the implementation of the National Anti-Corruption Strategy (NACS). The road map included commitments to be undertaken by each social partner with regards to implementation of recommendations made by the Commission of Inquiry into State Capture.

3.2.5. Economic Reconstruction and Recovery Plan

The following is an overview of engagements that took place in the 2021/22 financial year with regards to the Economic Reconstruction and Recovery Plan (ERRP) at Nedlac:

- **Economic Recovery Leadership Team (ERLT):** The ERLT convened meetings on 03 June 2021 and 14 January 2022. The ERLT received progress reports from social partners on their implementation of the ERRP. The President chaired the meeting on 14 January 2022 where he indicated that he would engage further with social partners on a bilateral basis, to consider a social compact, as well as to seek social partners' inputs for the State of the Nation Address (SONA).

- **Process Committee:** The Nedlac Process Committee met consistently during the year under review to consider issues emanating from the ERRP workstreams and to provide guidance on process issues pertaining to the implementation of the ERRP commitments.
- **Freight and Public Transport Workstream:** The workstream engaged on:
 - o The transformation of public transport including receiving reports on the Competition Commission Report on the Land Based Public Passenger Transport Sector, the proposed Public Transport Subsidy Policy, the High-Speed Rail (HSR) Framework and a report on the role of rail from the Gauteng Transport Authority.
 - o Curtailing vandalism of public transport and freight infrastructure.
 - o Port congestion and freight efficiency including through regular reports from Business Unity South Africa (BUSA) and Transnet.
 - o The Freight and Public Transport Workstream established a Cable Theft Subcommittee. The purpose of this was to address the issue of copper cable theft, which severely affects the movement of passenger and freight rail resulting in significant economic losses. Following several intensive engagements, the Cable Theft Subcommittee made recommendations to improve enforcement and increase the monitoring of exports.
- **White Paper on the National Rail Policy:** The White Paper was tabled by Government for engagement on 22 February 2022. The policy proposes investments which seek to revitalise the country's railway sector, the institutional repositioning of freight and passenger rail, and the allowing third party train operators and the concession of commuter/passenger lines. Engagements on the policy were concluded on 15 March 2022.
- **Localisation Workstream:** There were no engagements convened by Nedlac on the Localisation Workstream during the year under review. The Process Committee on ERRP agreed that BUSA would provide progress updates to Nedlac on issues pertaining to localisation. Progress reports were received from BUSA on localisation in South Africa.
- **Energy Security Workstream:** The Energy Security workstream engaged on various energy matters relating to the implementation of the Social Compact to Support Eskom, including the following:
 - o **Electricity Self-generation:** Progress reports were provided on the number of applications for private sector generation facilities since the exemption notice of August 2021 increased the licensing threshold to 100MW of installed capacity. Hurdles to the development of self-generation capacity and proposed mitigation measures were discussed. Updates on addressing environmental authorisation delays were also provided.
- o **Just Transition Plan:** Eskom provided Nedlac with regular reports on the implementation of their Just Energy Transition (JET) Plan. The Plan focused on repurposing and converting the Komati power station in Mpumalanga, which has reached its end of useful life, noting that these efforts would have a significant impact on workers and communities in the area.
- o **Eskom Multi-Year Price Determination (MYPD5) Application:** The workstream was appraised of the developments in litigation regarding the refusal by National Energy Regulator of South Africa (NERSA) to consider Eskom's MYPD5 application for the 2022/3-2025/6 financial years.
- o **Load Shedding:** The workstream considered the prospect for load shedding and potential management scenarios.
- o **Integrated Resource Plan Updates:** The workstream was appraised of the status of Bid Window 5 and 6 of the Renewable Energy Independent Power Producer Procurement Programme and short-term power producer's programme.
- o **Conference of Partners (Cop26):** In preparation for the United Nations Climate Change Conference (Cop26), proposals from Eskom and Meridian Economics on a Just Transition Financing Facility were presented. After the Cop26, a report back was delivered including on the discussion of the R131 billion offer made to South Africa by developed countries to support a just transition.
- o **Carbon Tax:** An update was received on the future impact of carbon tax to electricity supply.
- o **Electricity Regulation Act Amendment Bill:** Social partners began engagements on the Bill, which will result in the unbundling of Eskom into three entities; a transmission system operator; distribution entity; and generation entity.
- The **Small, Medium, and Micro Enterprise (SMME) Workstream** focused on the following during the year under review:
 - o Regulation that will ease the doing of business, especially for the informal sector.
 - o Covid-19 relief for small businesses in distress and those affected by the public violence in KwaZulu-Natal and Gauteng.
 - o Capacity building toolkits which were presented by the Small Enterprise Development Agency (SEDA), Small Enterprise Finance Agency (SEFA) and the South African Clothing and Textile Workers Union (Sactwu).

- o Research reports by the DSBD and the SBI which focused on strengthening the SMME eco-system and Government's progress towards ensuring the payment of suppliers within 30 days. A presentation was made by the National Treasury in this regard.
- o Presentation on localisation as the driver of economic recovery delivered by the DSBD, and a commitment to collaborate with DTIC regarding the localisation fund. Matters regarding digitalisation were discussed, and progress regarding township and rural economy efforts were received by the workstream.
- **Economic Reconstruction and Recovery Application (ERRA) Portal:** The Portal, which was launched in June 2021, sought to track progress on the implementation of ERRP commitments. Social partners struggled to use the portal and as a result a second more user friendly version is under development.
- **Economic and Employment Indicators & Trends in South Africa Reports:** Monthly reports providing an analysis on macro-economic trends (nationally and sectorally), utilising official statistics and other reliable sources of information, were shared with the ERRP structures.

3.2.6. Covid-19 Nedlac Rapid Response Task Team (NRRTT)

The NRRTT continued to operate during the 2021/22 financial year and comprised the following sub-committees:

- Occupational Health and Safety (OHS) Sub-committee;
- Unemployment Insurance (UI) Sub-committee;
- Liquor Industry Sub-committee;
- Opening up events and gatherings sub-committee; and
- Transport sub-committee on the taxi industry.

The NRRTT also met regularly with the economic Workstream leads of the National Joints Operations Centre (NatJoints), who were managing the Covid-19 response under the State of Disaster.

Below is a report on the key areas of work of the NRRTT and its sub-committees:

- **Monitoring and Information Sharing:** The Council for Scientific and Industrial Research (CSIR), Department of Health, Discovery Health and other scientists and bodies were requested to provide reports to NRRTT meetings. This provided Nedlac social partners with data to inform their response, and to give feedback to government on State of Disaster restrictions and the lifting of the State of Disaster.

- **Non-Pharmaceutical Interventions (NPIs):** Through the NRRTT and the Occupational Health and Safety (OHS) sub-committee, social partners reviewed the role of non-pharmaceutical interventions for Covid-19 and how these should be regulated by government. Issues considered included the provision of masks to public spaces, traders, and taxi drivers, ensuring there was a clear and coherent approach to gatherings, and improving the enforceability of existing regulations.
- **Vaccinations:** Social partners engaged government on the imperative to initiate and then step-up vaccination efforts over the period under review. Continued efforts to promote the roll out of vaccines and establish strong incentives for vaccination, including vaccine mandates and vaccine certification, were made. Engagements also focused on the need to finalise a vaccine certification process which is reliable and not subject to abuse, and how to leverage this to maximise vaccinations. Nedlac also facilitated social partner messaging and campaigns to ensure an "all of society approach" to vaccinations.
- **Covid-19 in the Workplace:** Social partners engaged and reached agreements on the following measures to regulate the management of Covid-19 in the workplace:
 - o Consolidated Direction on Occupational Health and Safety (OHS) Measures in Certain Workplaces (June 2021); and
 - o Code of Good Practice: Managing exposure to SARS-CoV-2 in the workplace (15 March 2022).
 The Direction and Code both sought to guide a risk-based approach to the management of Covid-19 in the workplace, of which vaccinations is one of the key measures to manage the risk of Covid-19 impacting negatively on workplace health and safety.
- **Opening Up Travel, Tourism and Hospitality:** Social partners engaged constantly on the need for a certain dispensation around international travel in respect of testing, vaccination, isolation and quarantine requirements. The lack of certainty and prohibition on international travel, especially in November 2021, impacted heavily on the tourism sector, which social partners sought to address in the interests of economic recovery and job creation.
- **Opening Up of Events to Spectators and Audiences:** Due to the restrictions on gatherings, the event sector has not been able to recover and rebuild. Nedlac worked closely with the Events Sector Alliance on a common approach to allowing spectators at formal and informal sport and cultural events in compliance with Covid-19 protocols. Unfortunately, consensus with government was not achieved by the end of the reporting period.

- **Relief:** Social partners, including through a UIF sub-committee of the NRRTT, focused on monitoring and ensuring that Covid-19 relief committed to by government was delivered. Attention was paid to the Covid-19 TERS, Workers Affected by Unrest (WABU), the Social Relief of Distress Grant, and school feeding.
- **Communication and Behavioral Change:** Nedlac social partners addressed the need to improve common communication messages and distribution through the National Communication Partnership (NCP) led by the Government Communication Information System (GCIS) during the period under review. The focus was on Non-Pharmaceutical Interventions (NPIs) and the vaccine roll-out programme.

3.2.7. Public Violence in KwaZulu-Natal and Gauteng

Nedlac social partners responded speedily to the instability and public violence that occurred in KwaZulu-Natal and Gauteng in July 2021. In its response, crafted during a special meeting of the Exco, social partners called for a focus on the following pillars:

- Stabilisation through an increased presence of law enforcement, as well as speedy and strong consequence management;
- Securing essential supplies and infrastructure by opening up the N3 highway and the railway line between KwaZulu-Natal and Gauteng;
- Relief and support to rebuild through a number of interventions including extending the Social Relief of Distress Grant, distribution of food parcels, the extension UI for workers whose workplaces have been destroyed, as well as loan holidays and similar relief from financial institutions;
- Support for businesses who may not be adequately insured; and
- Building an active citizenry in defence of lives and livelihoods including ensuring common messaging, mobilisation of community-based structures and addressing investor confidence.

Nedlac social partners continued to track and monitor government's response until sufficient stability was realised.

Progress on Key Performance Indicators: Programme 2 (Core Operations)

The following table indicates progress made towards Key Performance Indicators for Programme 2: Programmes, during the 2021/22 financial year.

2

Programme 2: (Core Operations)									
	Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reason for Deviation
2.1	Social dialogues are successfully convened	Social dialogues such as special sessions or workshops	Percentage of dialogue reports submitted to social partners within 14 working days of convening of dialogue	N/A: new indicator	N/A: new indicator	100% of dialogue reports released within 14 working days of hosting of dialogue	100% of dialogue reports were submitted to social partners within 14 working days of convening dialogue (Representing nine reports submitted out of nine dialogue sessions convened)	N/A	N/A
2.2	Agreements and social compacts are negotiated and concluded	Agreements and social compacts successfully concluded	Percentage of agreements successfully concluded within six months of issue being tabled at Nedlac, except where stipulated exclusions apply	N/A: new indicator	N/A: new indicator	75% of agreements successfully concluded within six months of issue being tabled at Nedlac, except where stipulated exclusions apply	100% of agreements were successfully concluded within six months from date of issue being tabled at Nedlac (Representing two out of two agreements concluded)	N/A	When the indicator was determined, a target of 75% was set due to the often occurrence of disagreements between social partners. However, social partners reached consensus earlier than expected on agreements related to Covid19 health and safety issues. This led to Nedlac concluding 100% of agreements within six months of the issue being tabled at Nedlac.

2 Programme 2: (Core Operations)

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reason for Deviation
2.3 Processes successfully enabled	Successfully completed processes	Percentage of reports on processes concluded within six months from the date of tabling at the relevant Nedlac structure, except where stipulated exclusions apply	80% of Nedlac reports on draft legislation or policy concluded within six months from tabling at the relevant Nedlac structure, except where stipulated exclusions apply	80% of Nedlac reports on draft legislation and policy concluded within six months (Representing six out of seven reports)	100% of reports on processes concluded within six months from date of tabling at the relevant Nedlac structure, except where stipulated exclusions apply	73% of reports on processes were concluded within six months from date of tabling (Representing eight out of eleven reports on processes concluded)	The following Nedlac reports could not be concluded within timeframes: (i) Report on Skills Strategy to Support the Successful Implementation of the ERP (ii) One-Stop Border Post (OSBP) Policy (iii) Companies Amendment Bill	Reasons for deviation: (i) The report was referred to the Economic Recovery Task Team on Skills Strategy to enable participation by the Community Constituency, causing a delay in the conclusion of engagements (ii) The Community Constituency did not respond timeously to the request for sign-off (iii) Government referred the CAB to Cabinet to be gazetted for public comment while the engagement process at Nedlac had not been finalised, which placed the Chamber's sign-off process on hold N/A
2.4 Percentage of Section 77 final Reports produced within five working days from date of the resolution of Section 77 notices	Reports arising out of Section 77 of the LRA	Percentage of Section 77 final reports produced within five working days from date of the resolution of Section 77 notices	100% of Section 77 final reports concluded within five working days from date of resolution of Section 77 notices	100% of Section 77 final reports concluded within five working days from date of resolution of Section 77 notices	100% of Section 77 final reports concluded within five working days from date of resolution of Section 77 notices	100% of Section 77 final reports were concluded within five working days from date of resolution of the Section 77 notice (Representing two out of two reports concluded)	N/A	N/A

MEMBERS WHO PARTICIPATED IN THE STRUCTURES UNDER PROGRAMME 2

The following is a list of all members who participated in Nedlac structures under Programme 2. Firstly, in structures which are linked to the Economics Unit and secondly, in those that are linked to the Labour and Development Unit.

ECONOMICS UNIT

ECONOMIC RECONSTRUCTION AND RECOVERY PLAN:

Economic Recovery Leadership Team (ERLT)

The ERLT considered matters pertaining to the ERRP structures within Nedlac. The ERLT comprised the following members and convened two meetings in the year under review.

Business	Community	Government	Labour
Baxter, Roger	Abbott, Grant	Adams, Faried	Ajam, Riefdah
Brewer, Thevendrie	Bale, Lawrence	Baty, Nomvuyiso	Eppel, Simon
Cawood, Jonathan	Horn, Pat	Benghu, Nomzamo	Hugo, Jacques
Coovadia, Cas	Josopu, Thembinkosi	Ganca, Linda	Keyter, Martle
Khuli, Zingi	Kganyago, Laura	Gordhan, Pravin	Modupi, Maile
Kingston, Martin	Ndlovu, Nhlanhla	Hanival, Stephen	Nonney, Chriscentia
Kunene, Bongsi	Ntsinde, Daluxolo	Jordan, Nonkqubela	Ntshalintshali, Bheki
Madisa, Mpumi	Nzimande, Mbusi	Kubayi-Ngubane, Nmamoloko	Selematsela, Godfrey
Mavuso, Busi	Radebe, Tebello	Lamati, Thobile	Phatoe, Solly
Morris, Jarredine	Tshefuta, Thulani	Madlala, Nompumelelo	
Nhlapo, Thenji		Magona, Pumeza	
		Makhaya, Trudi	
		Mantashe, Gwede	
		Masoga, Tshegofatso	
		Mavuso, Busisiwe	
		Mbatha, Maphefo	
		Mboweni, Tito	
		Mjo, Onke	
		Mkalipi, Thembinkosi	

Economic Recovery Leadership Team (ERLT) 3-a-side

The ERLT 3-a-side considered matters pertaining to the ERRP structures within Nedlac, prior to their consideration by the ERLT. The 3-a-side comprised the following participants and convened one meeting in the year under review.

Business	Community	Government	Labour
Brewer, Thevendrie	Ndlovu, Nhlanhla	Hanival, Stephen	Ntshalintshali, Bheki
Coovadia, Cas	Tshefuta, Thulani	Kathrada, Irshad	Parks, Matthew
Kingston, Martin		Kubayi-Ngubane, Mmamoloko	
Matabane, Kganki		Lamati, Thobile	
Mavuso, Busisiwe		Malebye, Kagiso	
		Mantashe, Gwede	
		Marock, Carmel	
		Mjo, Onke	
		Mkalipi, Thembinkosi	
		Nxesi, Thembelani	
		Patel, Ebrahim	
		Tharage, Victor	

Process Committee

The Process Committee considered matters pertaining to the Workstreams within the ERRP structures. The Committee comprised the following members and convened 16 meetings in the year under review.

Business	Community	Government	Labour
Brewer, Thevendrie Sibanda, Tyson	Ndlovu, Nhlanhla Tshefuta, Thulani	Lamati, Thobile Mokoena, Thabo Tharage, Victor	Benjamin, Ashley Hugo, Jacques Mulaisi, Lebogang Parks, Matthew

Freight and Public Transport Workstream

The Freight and Public Transport Workstream considered matters pertaining to freight (passenger and rail) and public transport to assist with South Africa's ERRP. The Workstream comprised the following members and convened ten meetings in the year under review.

Business	Community	Government	Labour
Coreejes, Adrian Mabizela, Bongani Madisa, Mpumi Maree, Juanita Matabane, Kganki Penfold, Deirdre	Nkosi, Zodwa Radebe, Tebello Rakoto, Samuel Zwane, Tumelo	Kani, Yolisa Kildase, Unathi Mabizela, Bongani Machebe, Sinne Manamela, Lesiba Moleme, Kagiso Mothoagae, Bontle Ramagoganye, Ngakane	Carstens, Sonja Harris, Steve Mulaisi, Lebogang

Cable Theft Sub-Committee

The Cable Theft Subcommittee of the Freight and Public Transport Workstream engaged on copper cable theft in South Africa including making recommendations on how the issue can be resolved. The sub-committee comprised the following members and convened four meetings in the year under review.

Business	Community	Government	Labour
Maree, Jaunita Penfold, Deidre	Radebe, Tebello Zwane, Tumelo	Bennet, Marius De Jager, Hilda De Meillon, Brigadier Dumebi, Ubogu Makoro, Joseph Mathobo, Tshilidzi Mothoagae, Bontle Naidu, Neil Rambau, Ndwakhulu Swanepoel, Evert Tsebe, Andretta	Carstens, Sonja Harris, Steve

National Rail Policy (NRP) Task Team

The National Rail Policy Task Team engaged on South Africa's rail challenges including the White Paper on National Rail Policy. The task team comprised the following members and convened two meetings in the year under review.

Business	Community	Government	Labour
Maree, Juanita Nhlapo, Mesela Penfold, Deidre Qwabe, Kaugelo Sibanda, Tyson	Macdonald, Nunu Radebe, Tebello Zwane, Tumelo	Hajat, Charlotte Kani, Yolisa Makaepea, Ngwako Mothoagae, Bontle	Ehrenreich, Anthony Parks, Matthew

SMME Workstream

The Purpose of the SMME Workstream is to ensure an enabling environment for SMMEs, start-ups and co-operatives in the formal and informal economy, particularly through supporting initiatives with the opportunity for collaboration with Social Partners. The workstream comprised the following members and convened nine meetings in the year under review.

Business	Community	Government	Labour
Dludlu, John	Horn, Pat	Adams, Faried	de Klerk, Eddie
Klein, Lisa	Litha, Lebohang	Bopape, Thato	Delpont, Eben
Magadze, Nyeleti (Resigned November 2021)	Masengana, Daniel Aifheli	Gwala, Zamokuhle	Eppel, Simon
Matabane, Kganki	Miller, Rosheda	Johardien, Sharna	Lepaku, Mpheane
Mhlambi, Muzi	Ngema, Mary	Komape, Kwena	Molete, Boitumelo
Radeb, Polo	Nkonka, Ntombi	Lehana, Letlatsa	Mulaisi, Lebogang
		Maeta, Choene	Ndhlovu, Sipho
		Masoga, Mhlanganisi	Parks, Matthew
		Matthews, Moatli,	
		Mbambo, Siyabonga	
		Mohlala, Bridget	
		Mushanganyisi, Nthatheni	
		Naidoo, Amelia	
		Ndumo, Jeffrey	
		Ramunasi, Ntsakisi	
		Sedipa, Senoamadi	
		Simango, Soza	

Localisation Workstream

The Localisation Workstream seeks to further localisation and import replacement to significantly impact job retention and creation, the development of new SMMEs and start-ups and the initiation of technology platforms that will strengthen South Africa's human resource endowment. The workstream comprised the following members and convened one meeting in the year under review.

Business	Community	Government	Labour
Boyd, Ross	Jajula, Nomfundo	Adams, Faried	Ehrenreich, Tony
Copelovici, Barbara	Mapaila, Solly	Chetty, Anneline	Mpendu, Zanoxolo
Coreejes, Andrian	Ndlovu, Nhlanhla	Hanival, Stephen	Parks, Matthew
Kingston, Martin	Phewa, Muzikayise	Makube, Tebogo	Tengela, Tengo
Masemola, Agatha		Malebye, Kagiso	Vlok, Etienne
Matabane, Kganki		Tlale, Vuyo	
Ndlovu, Helen			
Qoboshiyana, Nonelwa			
Rodseth, Philippa			
Serrão, Olivier (Resigned October 2022)			
Tloubatla, Kingsley			

Energy Security Workstream

The objective of the Energy Security Workstream is to ensure energy security for economic recovery and growth through policy coherence, collaboration between social partners and increased accountability. The Workstream comprised the following members and convened 11 meetings in the year under review.

Business	Community	Government	Labour
Baxter, Roger	Mapongwana, Bulelwa	Kildase, Nathi	Diatile, Helene
Dawson, Nic	Monyahi, Lawrence	Maluleke, Tutu	Klopper, Chris
Dumakude, Sakhi	Ndlovu, Nhlanhla	Mazibuko, Beauty	Mahlangu, Jan
Hamman, Christoff	Ntsinde, Daluxolo	Minyuku, Nthato	Maile, Modupi
Matabane, Kganki	Peek, Bobby	Mokoena, Thabo	Mulaisi, Lebogang
Mondi, Fanele	Radebe, Tebello	Molefe, Noella	Ndhlovu Sipho
Morris, Jarredine (Resigned January 2022)		Mpofu, Mthokozisi	Parks, Matthew
Mphahlele, Nkopodi		Naidoo, Michelle	Radebe, Ndlela
Nkambule, Happy (Started March 2022)		Ngcwabe, Ntokozo	Reyneke, Deon
Venter, Pierre		Nkadimeng, Donald	Rondganger, Micardo
Yawitch, Joanne		Rambharos Mandy	
		Ramuhulu, Avhasei	
		Scheppers, Segomoco	
		Tharage, Victor	
		Tsebe, Andretta	

CHAMBERS

Public Finance and Monetary Policy Chamber

The Public Finance and Monetary Policy Chamber's (PFMPC) mandate is to reach consensus and make agreements for placing before the Executive Council all matters pertaining to financial, fiscal and monetary, and exchange rate policies; the coordination of fiscal and monetary policy; related elements of macroeconomic policy; and the associated institutions of delivery. The Chamber comprised the following members and convened four meetings in the year under review.

Business	Government	Labour
Bondi, Paul (Convenor)	Maseko, Basil	Ajam, Riefdah
Brits, Mark	Momoni, Ismail	Baloyi, Nhlonipho
Gable, Jeff	Thela, Alvinah (Convenor)	Lekota, Moses (Convenor)
Mandy, Kyle		Mahlangu, Jan
Serrao, Olivier (Resigned October 2021)		Parks, Matthew
Sibanda, Tyson		Phochana, Sekgota
Smith, Stephen		Tengela, Tengo
Van der Westhuizen, Yvonne		

Conduct of Financial Institutions (CoFI) Bill Task Team

The purpose of the task team was to engage on the CoFI Bill. The task team comprised the following members and convened four meetings in the year under review.

Business	Government	Community	Labour
Greenop, Kirston	Bednar-Giyose, Jeannine	Bale, Lawrence	Conradie, Gizelle
Jacobs, Marguerite	Du Toit, Eugene	Ndlovu, Nhlanhla	Landman, Philip
Messerschmidt, Adri	Gibson, Katherine	Nzimande, Mbusi	Lekota, Moses
Naidoo, Easvarie	Maseko, Basil	Radebe, Tebello	Mahlangu, Jan
Rosemary, Lightbody	Moahlodi, Boikhutso		Parks, Matthew
Sibanda, Tyson	Momoni, Ismail		
Williams, Samantha	Thela, Alvinah		
	Van Deventer, Loraine		

Anticorruption Task Team

The Anticorruption Task Team engaged on and proposed possible solutions to support the implementation of the National Anticorruption Strategy. The task team comprised the following members and met twice during the year under review.

Business	Government	Labour	Community
Coovadia, Cas	Bruwer, Sunelle	Parks, Matthew	Nzimande, Mbusi Radebe, Tebello

Trade and Industry Chamber

The Trade and Industry Chamber seeks to reach consensus and make agreements on all matters pertaining to the economic and social dimensions of trade, industry, mining, agriculture and service industry policies, as well as the associated institutions of delivery. The Chamber comprised the following members and convened 11 meetings during the year under review.

Business	Government	Labour
Langenhoven, Henk Lasserre, Jean-Claude Maree, Juanita Penfold, Deidre Purchase, John (Convenor) Rodseth, Philippa Serrão, Olivier (Resigned October 2021) Sibanda, Tyson Theron, Paul	Adams, Faried (Convenor) Gilbert, Adele Kruger, Niki Mlangeni, Thembekile Mohala, Bridget Rhamulonga, Tendani	Benjamin, Ashley Ehrenreich, Tony (Convenor) Lepaku, Mpheane Moni, Lucky Mosehla, Mampho Vlok, Etienne

Companies Amendment Bill (CAB) Task Team

The purpose of the task team was to engage on the Companies Amendment Bill. The task team comprised the following members and convened one meeting in the year under review.

Business	Government	Labour
Choeu, Chose Cohen, Robert Du Toit, Michelle Makhetha, Tebele Moola, Mumtaz Morrison, Matthew Serrão, Olivier (Resigned October 2021) Sibanda, Tyson Tregoning, Amanda Jane Tshuma, Wilfred Van der Merwe, Annamarie	Adams, Faried Gilbert, Adele Mabaso-Muvhango, Pregoria Mabirimisa, Tshililo Masotja, Evelyn Mathonzi, Mokgadi Mokabane, Ria Nonyana Ramabulana, Desmond	Benjamin, Ashley Ehrenreich, Tony Lepaku, Mpheane Vlok, Etienne

One Stop Border Post Policy Task Team

The purpose of the task team was to engage on the One Stop Border Post Policy. The task team comprised the following members and convened eight meetings in the year under review.

Business	Government	Labour
Ben-Mazwi, Nkumbuzi	Adams, Faried	Benjamin, Ashley
Delport, Karen	Gilbert, Adele	Vlok, Etienne
Grant, Makokera Catherine	Makgabo, Kelebogile	
Maree, Juanita	Malakate, Moses	
Mhanga, Sipho	Mohlala, Bridget	
Serrao, Olivier (Resigned October 2021)	Monama, Rittah	
Sibanda, Tyson	Mthiyane, Sihle	
Theron, Paul	Ravele, Gene	
	Sebelemetja, Tsietzi	
	Van Neel, Stephen	

Technical Sectoral Liaison Committee (Teselico)

Teselico is a specialist sub-committee of the Trade and Industry Chamber (TIC) at Nedlac, which was formed to discuss matters of international trade among the constituencies. Teselico comprised the following members and convened 11 meetings in the year under review.

Business	Government	Labour
Ade, Michael	Adams, Faried	Benjamin, Ashley
Brink, Brian	Gilbert, Adele	Eppel, Simon
Grant, Catherine	Kruger, Niki	Lepaku, Mpheane
Lamprecht, Norman	Msiza, Priscilla	Moni, Lucky
Lehlongwane, Moshisi		
Purchase, John		
Rodseth, Philippa		
Serrao, Olivier (Resigned October 2021)		
Sibanda, Tyson		
Theron, Paul		
Van der Walt, Stephanie		

LABOUR AND DEVELOPMENT UNIT

Nedlac Rapid Response Task Team (NRRTT)

The NRRTT Task Team sought to coordinate a response between social partners and other coordinating teams within Government in response to the outbreak of Covid-19. The Covid-19 NRRTT also engaged under the following sub-committees:

- Occupational Health and Safety (OHS) Subcommittee;
- Unemployment Insurance (UI) Subcommittee;
- Liquor Industry Subcommittee;
- Opening up events and gatherings subcommittee; and
- Transport subcommittee on the taxi industry.

The task team comprised the following members and convened 32 meetings in the year under review.

Business	Community	Government	Labour
Alexander, Mark (Guest)	Bale, Lawrence (Alternate)	Adams, Faried	Ajam, Riefdah (Alternate)
Balfour, Thuthula	Frye, Isobel	Basimane, Dingaan	Benjamin, Ashley
Coovadia, Cas	Gotyana, Jimmy	Bronkhorst, Marsha	Ehrenreich, Tony
De Villiers, Jahni	Horn, Pat	Buthelezi, Makhosonke	Faasen, Cornelia
Donaldson, Andrew	Josopu, Thembinkosi	Currin, Michael	Hugo, Jacques
Fuzani, Max	Kganyago, Laura	Dunkerley, Dianne	Keyter, Martle
Goldberg, Jonathan	Letsike, Steve (Alternate)	Hanival, Stephen	Le Roux, Gabriel
Harris, Roseanne	Maketa, Pauline	Kistnasamy, Barry	Mahlangu, Jan
Jantjies, Sanelisiwe	Makhubela, Lulama	Makhafola, Belinda	Modise, Brenda
Jones, Kevan	Mfulo, Thandiwe (Alternate)	Makwiramiti, Anthony	Mulaisi, Lebogang
Kingston, Martin	Mfundisi, Mabalane	Maphahla, Phumdzo	Ndlovu, Siphon
Laubscher, Talita	Mqhayi-Mbambo, Nomonde	Maruping, Teboho	Parks, Matthew
Leyden, Siobhan	Ndlovu, Nhlanhla (Alternate)	Mkalipi, Thembinkosi	Thobejane, Edward
Matabane, Kganki	Ntsinde, Daluxolo (Alternate)	Mohale, Setepane	
Moabalobelo, Sino	Radebe, Tebello (Alternate)	Monakali, Xola	
Momodu, Neo	Schoeman, Greer	Netshipale, Peter	
Motlhamme, Motsamai	Tshefuta, Thulani	Ragavaloo, Allan	
Moyane, Kaizer		Sibeko, Brenda	
Nicolaou, Stavros		Tibor, Szana	
Schultz, Timothy		Thulare, Aquina	
Singer, Natalie		Yawa, Mzie	
Tyikwe, Zinhle			
Van Wyk, Justin			

The following technical representatives also served as advisory members on the NRRT Task Team.

Name	Institution
Cheadle, Halton	Legal Advisor
Jeebhay, Mohamed	UCT
Kgalamono, Spo	NIOH
Mzimkhulu, Muzi	NIOH
Naicker, Nisha	NIOH
Naidoo, Rajen	UKZN

Public Violence in KwaZulu-Natal and Gauteng in July 2021 Task Team

The task team sought to provide a speedy response to the instability and public violence that occurred in KwaZulu-Natal and Gauteng in July 2022. The task team comprised the following members and convened five meetings in the year under review.

Business	Community	Government	Labour
Bondi, Paul	Bale, Lawrence	Adams, Faried	Ajam, Riefdah
Coovadia, Cas	Frye, Isobel	Curran, Michael	Ehrenreich, Tony
Kingston, Martin	Gotyana, Jimmy	Dunkerley, Dianne	Keyter, Martle
Matabane, Kganki	Josopu, Thembinkosi	Hannival, Stephen	Mahlangu, Jan
Moabalobelo, Sino	Kganyago, Laura	Lamati, Thobile	Mulaisi, Lebogang
Mofokengc, Godfrey	Letsike, Steve	Makhubela, Errol	Ntshalintshali, Bheki
Moyane, Kaizer	Matlakala, Conti	Makwiramiti, Anthony	Parks, Matthew
Nicolaou, Stavros	Mfundisi, Mabalane	Marock, Carmel	
Penfold, Deidré	Ntsinde, Daluxolo	Mkalipi, Thembinkosi	
Purchase, John	Nzimande, Mbusi	Mogajane, Dondo	
Russell, Angela	Radebe, Tebello	Momoniati, Ismail	
Serrao, Olivier (Resigned October 2021)	Tshefuta, Thulani	Mthombeni, Adam	
Zungu, Sandile	Zwane, Tumi	Sishi, Edgar	
		Thobela, Themba	

LABOUR MARKET CHAMBER

Labour Market Chamber (LMC)

The purpose of the LMC is to consider all proposed labour legislation and policy matters relating to the labour market before they are introduced in Parliament. The Labour Market Chamber comprised the following members and convened four meetings in the year under review.

Business	Government	Labour
Balfour, Thuthula (Alternate)	Lefika, Masilo	Nhlapo, Bhabhali Ka Maphikela
Cowley, Kevin	Mamashela, Ntsoaki	Keyter, Martle
De Villiers, Jahni	Mkalipi, Thembinkosi (Convenor)	Mbongwe, Mduduzi (Convenor)
Dwayi, Innocent	Ramabulana, Unathi	Mpendu, Zanoxolo
Goldberg, Jonathan (Convenor)	Rathai, Stephen	Mulaisi, Lebogang
Jantjies, Sanelisiwe		Parks, Matthew
Moabalobelo, Sino (Alternate)		Phiri, Thandeka
Motlhamme, Motsamai		
Muavha, Tsakane (Alternate)		
Ranchod, Aruna (Alternate)		
Trentini, Lucio		
Qwabe, Kgauhelo (Alternate)		

Skills Strategy to Support the Successful Implementation of the ERRP Task Team

The task team engaged on the Skills Strategy to Support the Successful Implementation of the ERRP, which outlines interventions to ensure that the skills required to implement the ERRP are developed. The task team comprised the following members and convened ten meetings in the year under review.

Business	Government	Labour
Ally, Mustak	Chabane, Sebolelo	Abrahams, Abieda
Hoosen, Sumaya	Khuluvhe, Mamphoku	Benjamin, Ashley
Jack, Bev	Mabusela, David	Diatile, Helen
James, Cheryl	Maliviwe, Lumka	Dinwa, Wiseman
Jantjies, Sanelisiwe	Mvalo, Zukile	Engelbrecht, Andre
Matjila, Nomaxabiso	Ngubane, Mabuza	Nhlapo, Bhabhali Ka Maphikela
Moabalobelo, Sino	Nqandela, Nqaba	Maduna, Mike
Muavha, Tsakane	Sikaka, Weziwe	Phiri, Thandeka
Van Huyssteen, Louis		Teteme, Amon
		Van Kramberg, Lazelle

Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace Task Team

The task team engaged on the revised Draft Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace under the Employment Equity Act 55 of 1998. The task team comprised the following members and convened 11 meetings in the year under review.

Business	Community	Government	Labour
De Villiers, Jahni	Matlakala, Conti	Kabinde, Tabea	Loubser, Bonita
Jantjies, Sanelisiwe	Mfulo, Thandiwe	Lefika, Masilo	Modise, Brenda
Moabalobelo, Sino	Munyahi, Lawrence	Mamashela, Ntsoaki	Mtsweni, Gertrude
Muavha, Tsakane	Zwane, Tumelo	Rayner, Lucia	Ndhlovu, Sipho
Ngendane, Lwandile		Singh, Nireesh	Nyman, Patricia
Tshabalala, Noni			Orr, Liesl
Qwabe, Kgauhelo			Sebatana, Matshediso

Decent Work Country Programme Steering Committee

The South Africa Decent Work Country Programme is implemented by the International Labour Organisation (ILO). The DWCP Steering Committee provides an oversight role for the programme and the formulation and approval of South Africa's Decent Work Country Programme projects before implementation. The Steering Committee comprised the following members and convened four meetings in the year under review.

Business	Community	Government	Labour
Jack, Bev	Horn, Pat	Ndebele, Sipho	Diale, Amogelang
James, Cheryl	Lukuko, Thandolwethu	Petersen, Georgina	Keyter, Martle
Jantjies, Sanelisiwe	Mabuza, Thulane	Tinyani, Lufuno	Modise, Brenda
Lukhele, Sifiso	Matlakala, Conti		Molete, Boitumelo
Moabalobelo, Sino	Naude, Louise		Mtsweni, Gertrude
Motlhamme, Motsamai	Zwane, Tumelo		Mulaisi, Lebogang
			Ndhlovu, Sipho
			Phiri, Thandeka

Demarcations Standing Committee

The Demarcations Standing Committee considers disputes about the demarcation between sectors and areas referred by the Commission for Conciliation, Mediation and Arbitration (CCMA) in terms of Section 62(9) of the Labour Relations Act. The Committee also considers the variation of registered scope of council referred by the Registrar of Labour Relations in terms of Section 29 (3&7) of the LRA. The Standing Committee, which comprises the following members, received and considered 16 demarcation awards from the CCMA in the year under review.

Business	Government	Labour
Bezuidenhout, Gerrie Trentini, Lucio	Molefe, Lehlohonolo Ngwetjana, Mary	Keyter, Martle Mbongwe, Mduduzi

Section 77 Standing Committee

The Section 77 Standing Committee considers notices from registered trade unions prior to the commencement of protest action. The Standing Committee comprised the following members and convened five meetings in the year under review.

Business	Community	Government	Labour
Motlhamme, Motsamai	Matsela, Zacharia	Mkalipi, Thembinkosi	Mbongwe, Mduduzi Mulaisi, Lebogang (Alternate)

DEVELOPMENT CHAMBER

The Development Chamber is responsible for development issues considered at Nedlac. The Chamber included the following members and convened five meetings in the year under review.

Business	Community	Labour	Government
Cowley, Kevin Jantjies, Sanelisiwe Moabalobelo, Sino (Convenor) Muavha, Tsakane Qwabe, Kgauhelo Sibanda, Tyson Xaba, Fani	Bale, Lawrence Josopu, Thembinkosi Kganyago, Laura (Convenor) Mponzo, Matthews Qakaza, Lucas Tsebe, Herman	Duma, Siphokazi Molete, Boitumelo Ndlhovu, Sipho Parks, Matthews (Convenor) Sele matsela, Godfrey	Abrahams, Carmen-Joy Ariyo, Ignatius Dlala, Lungisani Mthombeni, Adam (Convenor) Mugerwa, Pearl Nkuna, Lindiwe

National Youth Development Agency Amendment (NYDA) Bill Task Team

The purpose of the task team was to consider the NYDA Amendment Bill. The task team comprised the following members and convened three meetings in the year under review.

Business	Community	Labour	Government
Frank, Brad Jantjies, Sanelisiwe Moabalobelo, Sino (Convenor) Ngetane, Lwandile Saungwene, Lister	Josopu, Thembinkosi Kganyago, Laura (Convenor) Mabaso, Zanele Ntsinde, Daluxolo (Alternate) Sibiya, Tolika Tshefuta, Thulani (Guest) Vayeke, Simthembile (Alternate)	Makhathini, Khwezi Mulaisi, Lebogang (Alternate) Ndhlovu, Sipho Parks, Matthew (Convenor)	Bangon, Walter (Alternate) Carrim, Waseem Hlagala, Bernice Mkasi, Calvin Mnyikiso, Ntombi (Alternate)

Central Application Services (CAS) Bill Task Team

The purpose of the CAS Bill Task Team was to engage on the Central Application Systems (CAS) Bill. The task team included the following members with three meetings convened in the period under review.

Business	Community	Labour	Government
Cheryl, James Jantjies, Sanelisiwe Moabalobelo, Sino Muavha, Tsakane Qwabe, Kgauhelo Ramagaga, Pamela	Fengu, Zanele Josopu, Thembinkosi Kganyago, Laura (Alternate) Mphahlele, Lerato	Molete, Boitumelo Ndhlovu, Sipho Parks, Matthew Tengela, Tengo	Duma, Siphokazi Makhaye, Dumisani Pillay, Renay Ramatlhape, Joel

Official Identity Management Policy Task Team

The purpose of the task team was to engage on the Official Identity Management Policy. The task team comprised the following members and convened three meetings in the year under review.

Business	Community	Labour	Government
Buitendag, Mark Brits, Mark Jantjies, Sanelisiwe Moabalobelo, Sino Mouton, Sean	Bale, Lawrence Kganyago, Laura Nzimande, Mbusi	Molete, Boitumelo Parks, Matthew Ndhlovu, Sipho	Malakate, Moses (Alternate) Mavuso, Thulani Mfokeng, Modiehi Mthiyane, Sihle Sebelemetja, Tsietsi

Administrative Adjudication of Road Traffic Offences Regulations

The purpose of the task team was to engage on the new AARTO Regulations. The task team comprised the following members and convened seven meetings in the year under review.

Business	Community	Labour	Government
Kelly, Gavin Magafela, Siganeke McCraw, Gary Modiba, Sharon Ntseoane, Sandile Scott, Garry Sibanda, Tyson Siwela, Kulani (Alternate) Snyman, Dannie (Alternate) Van der Merwe, Kevin (Alternate)	Bale, Lawrence Kganyago, Laura Nzimande, Mbusi Qakaza, Lucas Zwane, Tumelo	Mabaso, Mdumiseni Ndhlovu, Sipho Parks, Matthew	Bilikwana, Mncedisi Joubert, Hentie Lawrence, Mncedisi Theo Makgatho, Johannes Moletsane, Qacha Motsatsing, John Swanepoel, Alta Van Eeden, Gert

Deeds Registries Amendment Bill

The purpose of the task team was to consider the Deeds Registries Amendment Bill. The task team comprised the following members and convened three meetings in the year under review.

Business	Community	Labour	Government
Bennet, Dave (Alternate) Boshoff, Theo (Alternate) Campher, Andrea (Alternate) Cosby, Annelize Jantjies, Sanelisiwe Qwabe, Kgauhelo Sethusha, Lebogang Venter, Pierre	Bale, Lawrence Matsela, Zacharia Mngadi, Sibusisiwe	Molete, Boitumelo Ndhlovu, Sipho Parks, Matthew	Ayres, Thomas Knoesen, Carlise Mahlaela, Tshepo (Alternate) Reynold, Antoinette Tsoetsi, George (Alternate)

National Council on Gender Based Violence and Femicide Bill Task Team

The purpose of the task team was to engage on the National Council on Gender-Based Violence and Femicide Bill as tabled by Government, consider constituencies input and proposals and to develop a Nedlac Report outlining areas of agreement and disagreement after the process of engagement. The task team comprised the following members and convened six meetings in the year under review.

Business	Community	Labour	Government
De Villiers, Jahni	Kganyago, Laura	Molete, Boitumelo	Lefika, Masilo
Jantjies, Sanelisiwe	Khoza, Lorraine	Mtsweni, Gertrude	Maluleka, Esther
Moabalobelo, Sino	Malope, Bongiwe	Ndhlovu, Sipho	Mamashela, Ntsoaki
Muavha, Tsakane	Nkomo, Phelisa	Nyman, Patricia	Mnyikiso, Ntombi
Tshabalala, Noni		Orr, Liesl	Ngqulunga, Nondumiso
		Parks, Matthew	Tshabalala, Shoki

Expanded Public Works Programme (EPWP) Task Team

The EPWP task team comprised the following members and conducted site visits to the Western Cape, North West and Limpopo in the year under review.

Business	Community	Labour	Government
Jantjies, Sanelisiwe	Josopu, Thembinkosi	Ajam, Riefdah (Alternate)	Abrahams, Carmen Joy
Machaba, Thapelo	Nzimande, Mbusi	Molete, Boitumelo	Ariyo, Ignatius (Alternate)
Xaba, Fani	Qakaza, Lucas	Ndhlovu, Sipho	Dladla, Lungisani
		Parks, Matthew (Alternate)	Mugerwa, Pearl (Alternate)
		Selematsela, Godfrey	Nkuna, Lindiwe- (Alternate)

National Student Financial Aid Scheme (NSFAS) Task Team

The purpose of the NSFAS Task Team was to consider funding proposals from Government. The task team comprised the following members and convened three meetings in the year under review.

Business	Community	Labour	Government
James, Cheryl	Daweti, Lukhanyo	Abbott, Grant	Dube, Thiya
Jantjies, Sanelisiwe	Kganyago, Laura	Fakude, Xolani	Joubert, Zirk
Moabalobelo, Sino	Mahlangu, Bongani	Mulaisi, Lebogang	Mediroe, Richard
Moshata, Moeketsi	Monyahi, Lawrence	Ndhlovu, Sipho	Meje, Setjhaba
Ramagaga, Pamela	Ntsinde, Daluxolo	Tengela, Tengo	Molokoane, Kgabiso
Sibanda, Tyson	Nzimande, Mbusi		Mthombeni, Adam
Smith, Stephen	Radebe, Tebello		Thela, Alvinah

Comprehensive Social Security and Retirement Reforms (CSSRR) (Green Paper) Task Team

The purpose of the task team was to engage on the CSSRR Green Paper and produce a Nedlac Report. The task team comprised the following members and convened five meetings in the year under review.

Business	Community	Government	Labour
Acton, Michelle (Alternate)	Bale, Lawrence	Mafata, Vuyo	Baloyi, Nonhlonipho
Burger, Rowan (Alternate)	Frye, Isobel	Makwiramiti, Anthony	Diatile, Helen
Goldberg, Jonathan	Kganyago, Laura	Maruping, Tebogo	Hugo, Jacques
Indurjeeth, Nishika	Matlakala, Conti	Maseko, Basil	Mahlangu, Jan
Jantjies, Sanelisiwe (Alternate)	Ntingane, Gugu	Moloko, Mahlogonolo	Mbhele, Silindile
Moabalobelo, Sino (Alternate)	Nzimande, Mbusi	(Resigned May 2021)	Mulaisi, Lebo
Muavha, Tsakane (Alternate)	Zwane, Tumi	Momoniati, Ismail	Ndlhovu, Sipho (Alternate)
Rajcoomar, Rajendra (Alternate)		Ratau, Diketso (Alternate)	Nxumalo, Frank
Ramputa, Isaac		Sibeko, Brenda	Parks, Matthew
Smith, Stephen		Thela, Alvinah	
		Van Vrede, Brenton	

Critical Skills List Task Team

The purpose of the task team was to consider the revised Critical Skills List incorporating the public comment, and to further engage and ensure that final Critical Skills List reflected skills that are needed by the economy and are critical for economic growth.

The task team comprised the following members and convened four meetings in the year under review.

Business	Community	Government	Labour
Boshoff, Theo	Gwija, Buntu	Barnard, Wilna	Mampho, Mosehla
Jack, Bev	Josopu, Thembinkosi	Bobani, Mantombi	Masondo, Gregory
Jacobs, Marisa (Alternate)	Mango, Dumisani	Capazario, Michele	Mulaisi, Lebogang
Jantjies, Sanelisiwe (Alternate)	Monyahi, Lawrence	Mamphokhu, Khuluvhe	Molete, Boitumelo
Khumalo, Donald	Ntside, Daluxolo	Mbhele, Phindiwe	Ndhlovu, Sipho
Manana, James	Tsebe, Herman	Tloane, Esther	Nhlapo, Bhabhali Ka Maphikela
Moabalobelo, Sino (Alternate)		Venter, Fouche	Parks, Matthew
Moodley, Davi (Alternate)			Selematsela, Godfrey
Muavha, Tsakane			
Ntyikwe, Zintle			
Qwabe, Kgauhelo			
Ramagaga, Pamela			



3.3. Programme 3: Capacity Building

The purpose of the Capacity Building Programme is to ensure that Nedlac supports capacity development among organised business, labour and community.

The 2021/22 financial year was the first year of implementation for the new Capacity Building for Constituencies Policy, with new indicators included in the Annual Performance Plan. Organised business, labour and community were required in Q1 2021 to prepare a capacity building plan, which included requests for tools of the trade, technical support and training, which the Nedlac secretariat was required to supply.

Social partners struggled to produce these plans and the plans which were not delivered by the end of the first quarter. The Nedlac secretariat was also not able to procure some of the requests made by social partners due to the limitations of government procurement policies. Despite this, important achievements and lessons were learnt that will help to improve and expand capacity building of social partners going forward.

The Nedlac secretariat successfully pivoted away from providing data allowances to organised labour and community, towards providing all members who attend regular meetings with a device as well as sufficient data and airtime. This has improved members access to online meetings and enabled them to communicate amongst themselves, while also delivering costs savings to Nedlac.

Organised business used most of their capacity building funds to conduct a study on the electricity price path to enhance their participation in the Energy Security workstream, which is overseeing the implementation of the social compact to support Eskom.

Organised labour held their annual labourschool during the year under review. They also sought to employ a resource to support their participation in the implementation and monitoring of the ERRP. Unfortunately, due to procurement challenges, a resource was not employed by the end of the reporting period.

The following table indicates progress made towards Key Performance Indicators for Programme 3: Capacity Building, during the 2021/22 financial year:

3 Programme: Capacity Building								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
3.1 Constituencies have the necessary "tools of the trade" to engage effectively at Nedlac	Tools-of-the trade provided to social partners	Percentage of tools of trade as set out and agreed in a plan between Nedlac and social partners provided by 31 March 2022	N/A: new indicator	N/A: new indicator	80% tools of trade as set out and agreed in a plan between Nedlac and social partners provided by the end of the financial year	80% tools of the trade were delivered to social partners	N/A	N/A
3.2 Constituencies have technical assistance to engage effectively at Nedlac	Provision of technical assistance to constituencies	Percentage of technical assistance initiatives agreed to a plan between Nedlac and social partners provided by 31 March 2022	N/A: new indicator	N/A: new indicator	80% of planned technical assistance initiatives provided by the end of the financial year	Only 40% of planned technical assistance initiatives delivered (technical assistance for business was procured but not for labour)	Technical assistance for labour was procured timeously	There were procurement challenges in respect of labour and the process had to be redone
3.3 Training builds the capacity of constituencies	Constituency training interventions provided	Percentage of constituency training interventions agreed to in a plan between Nedlac and social partners provided by 31 March 2022	N/A: new indicator	N/A: new indicator	80% of planned constituency training interventions completed by each constituency by the end of the financial year	80% of constituency training interventions planned and requested were complete	N/A	N/A

3.4. Linking Performance with Budgets

The table below sets out the financial performance of Nedlac per programme. Programme 1 includes all salaries and general expenditure and is therefore allocated the most funding. The table shows that under expenditure was significantly reduced in the year under review. The main reason for under expenditure in the previous financial year was the shift in Nedlac's operational model as a result of the Covid-19 pandemic and subsequent lockdown.

Programme/ Activity/ Objective	2020/2021			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Programme 1	35,708	39,132	3,424	37 504,00	42 059,00	-4 555,00
Programme 2	15,935	4,471	11,464	17 529,00	10 716,00	6 813,00
Programme 3	4,670	1,998	2,672	4 937,00	3 160,00	1 777,00
Total	56,313	45,601	10,712	59 970,00	55 935,00	4 035,00

3.5. Strategy to Overcome Areas of Under Performance

The main areas of under-performance relate to the lack of capacity among the Nedlac secretariat and social partners as well as the constrained service delivery environment. To address under performance, the following strategies are being implemented:

- A more robust approach is taken to ensure that staff training requirements are implemented. Nedlac has also secured a service provider to deliver leadership, strategy and negotiation skills training for both staff and identified members among our social partners.
- In respect of capacity building of social partners, it is hoped that the funds made available will be more effectively used in the 2022/23 financial year, with the secretariat implementing lessons learned on how to best manage procurement for this programme.
- In respect of staff performance, the performance management system is continually enhanced. A review of the policy will be done in the 2022/23 financial year.
- One of the Capacity Building Programme indicators could not be met due, in part, to lack of clarity on Nedlac protocols and procedures. Nedlac management, working with the Governance Task Team, will revise the Nedlac protocols in the 2022/23 financial year.

3.6. Reporting on the Institutional Response to the Covid-19 Pandemic

Nedlac as an institution is very involved in co-ordinating external interventions by social partners to the Covid-19 pandemic. This is reported in section 3.2.6 above.

Internally, the Nedlac secretariat continued to update and amend the organisation's Covid-19 plan based on a risk assessment approach. During the year under review, meetings with social partners occurred mainly online while meetings at the Nedlac offices were required to follow Covid-19 protocols. Office procedures were adapted to ensure safety in the workplace, including upgrading of the air conditioning, reducing the number of officials in shared offices, screening arrangements and sanitation. Nedlac staff were encouraged to vaccinate.

4. CAPITAL INVESTMENT

Nedlac is not a capital-intensive entity, and its assets consist of the Nedlac House in Rosebank and the associated furniture, office equipment and fixtures. Nedlac owns two motor vehicles, and all staff are provided with appropriate IT equipment. An asset register is maintained detailing the list of all assets including its value and location. Most of the assets are in a good working condition and no substantial overhauls are expected in the coming years.



PART C

Governance





1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance regarding public entities is applied through the precepts of the Public Finance Management Act (PFMA) and occurs in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of Nedlac are responsible for corporate governance of the institution.

2. PORTFOLIO COMMITTEE

Nedlac reports to the Department of Employment and Labour Portfolio Committee as a public entity under the Department of Employment and Labour. During the year under review, Nedlac presented their Annual Performance Plan, Annual Report and quarterly progress to the Committee on the following dates:

- 14 May 2021;
- 01 June 2021;
- 17 November 2021; and
- 09 February 2022.

3. EXECUTIVE AUTHORITY

The Executive Authority of Nedlac is the Minister of Employment and Labour. In terms of statutory requirements, quarterly progress reports are provided to the Minister.

4. ACCOUNTING AUTHORITY

According to the Nedlac Act, the Accounting Authority of Nedlac is the Executive Council (Exco), which approves Nedlac's annual financial and non-financial performance and all Nedlac policies. Furthermore, the Exco is convened to discuss issues of national social and economic importance. In the period under review two special Excos were held, the first focusing on the government budget and the second on the July 2021 unrest in KwaZulu-Natal and Gauteng.

A management committee (Manco) is responsible for overseeing and co-ordinating the operational work of Nedlac. The Manco comprises two standing committees; the Human Resources and Ethics Committee and the Audit and Risk Committee.

The following table lists the members of the Executive Committee (Exco). The Committee held seven meetings during the 2021/22 financial year:

Business	Community	Government	Labour
Baxter, Roger	Alina Mfulo, Thandiwe	Adams, Faried	Ajam, Riefdah
Campbell, Chris	(Alternate)	Gilbert, Adele	Ehrenreich, Anthony
Campher, Leon	Bale, Lawrence	Hanival, Stephen (Alternate)	Keyter, Martle
Coovadia, Cas	Frye, Isobel	Lamati, Thobile	Kutumela, Malose
Dludlu, John	Gotyana, Ntobeko Melvin	Mkalipi, Thembinkosi	Lekota, Moses
Goldberg, Jonathan	(New Member)	Mogajane, Dondo	Lepaku, Mpheane
Gore, Adrian	Josopu, Thembinkosi	Moloi, Boitumelo (Deputy	Losi, Zingiswa
Kingston, Martin	Kganyago, Laura	Minister)	Mahlangu, Jan
Klein, Lisa	Matlakala, Conti	Mthombeni, Adam	Mbongwe, Mduduzi
Kunene, Bongsi	Matsela, Zacharia	Nxesi, Thulas (Minister)	Mphila, Pat
Lisa, Zoleka	Mpanza, Skumbuzo		Mulaisi, Lebogang
Mangozhe, Gwarega	Naidoo, Kugesh		Ntshalintshali, Bheki
Matabane, Kganki	Ndlovu, Nhlanhla		Parks, Matthew
Mavuso, Busisiwe	Ntingane, Nkele		Phetoe, Solly
Moabalobelo, Sino	Ntsinde, Daluxolo		Selematsela, Godfrey
Mohale, Bonang	Nzimande, Mbusi		Thobejane, Edward
Moyane, Kaizer	Phophi, Erasmus		
Nicolaou, Stavros	Radebe, Tebello		
Pityana, Sipho	Tsebe, Herman		
Russell, Angela	Tshefuta, Thulani		
Serrao, Olivier (Resigned	Zwane, Tumelo		
October 2021)			

The following table lists the members of the Management Committee (Manco). The Committee held seven meetings during the 2021/22 financial year.

Business	Community	Government	Labour
Bondi, Paul	Bale, Lawrence	Adams, Faried	Ajam, Riefdah
Goldberg, Jonathan	Josopu, Thembinkosi	Gilbert, Adele	Cele, Mabutho
Moabalobelo, Sino	Kganyago, Laura	Mkalipi, Thembinkosi	Ehrenreich, Anthony
Moyane, Kaizer	Ndlovu, Nhlanhla (Alternate)	Mohlala, Bridget	Keyter, Martle
Purchase, John	Ntsinde, Daluxolo	Mthombeni, Adam	Lekota, Moses
Serrao, Olivier (Alternate, resigned October 2021)	Nzimande, Mbusi	Ntsoaki, Mamashela	Mbongwe, Mduduzi
	Radebe, Tebello	Thela, Alvinah	Mulaisi, Lebogang
	Tshefuta, Thulani		Ntshalintshali, Bheki
			Parks, Matthew
			Selematsela, Godfrey
			Thobejane, Edward

The following table lists the members of the Audit and Risk Committee. The committee held nine meetings during the 2021/22 financial year.

Business	Community	Government	Labour
Setladi, Zelda	Naidoo, Kugesh	Mathabathe, Seswai	Hugo, Jacques

The following table lists the members of the Human Resources and Ethics Committee. The Committee held seven meetings during the 2021/22 financial year.

Business	Community	Government	Labour
Leyden, Siobhan	Zwane, Tumi	Mamashela, Ntsoaki Rathai, Stephen (Alternate)	Mahlangu, Jan

5. RISK MANAGEMENT

Revised risk management and fraud prevention strategies and policies were approved in the 2021/22 financial year. Arising out of these, Nedlac derived and implemented an annual risk management and fraud prevention plan including the establishment of an independent fraud hotline.

A risk register is prepared annually whereby entity wide strategic and operational risks are identified and assessed for consideration to be included in the risk register. The risks and related mitigations are then monitored and assessed quarterly by management before they are reported to the Audit and Risk Committee.

The risk management process improved over the year under review. Management has embedded risk management in Nedlac's day to day operations, which in turn will assist in improving the entity's overall performance.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

6.1. Internal Audit

The scope of internal audit entails evaluating the adequacy and effectiveness of the institutions systems of internal control and developing recommendations for improvement. Nedlac outsources the internal audit function, with an internal audit firm appointed on a three-year contract.

The responsibilities of the internal audit are to:

- Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- Review the systems established by management to ensure compliance with the policies, plans, procedures, laws and regulations that could have a significant impact on operations, and determine whether the organisation is complying;
- Review the means of safeguarding assets and verifying the existence of assets;

- Appraise the economy and efficiency with which resources are employed and identifying opportunities to improve operating performance;
- Review operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned; and
- Review compliance of the entity to the ICT Governance Framework, including assessing the ICT general controls.

The following internal audits were completed during the 2021/22 financial year:

- Bi-annual and annual audit of performance information;
- Review of the annual financial statements;
- Financial discipline review;
- Human resources review;
- Governance review; and
- A follow up audit on previous audit findings.

6.2. Audit and Risk Committee (ARC)

The Nedlac Manco has agreed to combine the functions of a finance committee and audit and risk committee into a single committee governed by a charter and guided by an annual work plan. The key responsibilities of the Audit and Risk Committee (ARC) are to:

- Ensure Nedlac's financial statements and performance reporting are understandable and reliable;
- Ensure that Nedlac establishes a thorough risk management process and has effective internal controls;
- Review the organisation's policies; and
- Review all internal and external audit findings.

7. COMPLIANCE WITH LAWS AND REGULATIONS

Nedlac complies with all relevant laws and regulations including but not limited to labour laws, occupational health and safety and the Public Finance Management Act (PFMA). During the state of disaster, Nedlac followed the relevant regulations issued in terms of the Disaster Management Act.

8. FRAUD AND CORRUPTION

Nedlac has a fraud prevention policy and fraud prevention plan that set out how the institution will prevent, detect, investigate, and address fraud and corruption. These documents identify the role players, their duties and responsibilities, and the action to be taken.

An independent fraud hotline provider was appointed during the year under review. Staff were introduced to the provider and encouraged to report any fraud related allegations through the fraud hotline. For the year under review, no cases of fraud were reported that required investigation.

9. MINIMISING CONFLICT OF INTEREST

All staff are required to sign annual declarations of interest. Disclosures of conflict of interest are requested in governance meetings and for procurement processes. The Code of Conduct (see below) also regulates conflict of interest.

10. CODE OF CONDUCT

The Nedlac Exco approved a Code of Ethics in the third quarter of 2021/22. The Code of Ethics defines Nedlac's values-based behaviours and regulates the conduct of the constituencies and the secretariat, across all governance structures. The Code of Ethics is based on the Public Service Code of Conduct and the King Codes on Corporate Governance and covers the performance of staff in the work environment, the protection of Nedlac's assets and how to address conflicts of interest. It makes provision for a process to be followed when there is a breach or an allegation of a breach.

The process includes the establishment of an Ethics Committee, which will be the Human Resources and Remuneration Committee (HRRemcom) without the Executive Director. As a result, the HRRemcom has been renamed the Human Resources and Ethics Committee (HREC) and its terms of reference have been amended. The HREC can make recommendations on consequence management in respect of staff and representatives of social partners.

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Committee conducted a health and safety audit during the period under review, while also focusing on:

- Appointing a service provider to address facilities management compliance issues;
- Appointing service providers for the maintenance and repairs of the power generator as well as the supply of diesel;
- Ensuring full functioning and maintenance of the HVAC system;
- Ensuring full functioning and maintenance of the elevator;
- Undertaking full electrical inspections and repairs, including issuing of a new COC; and
- Appointing a new security company to manage external security services.

To address the risk of Covid-19 infection, Nedlac continued to update Covid-19 protocols throughout the 2021/22 financial year, as well as:

- Delivering a Covid-19 Vaccine Awareness presentation to staff; and
- Conducting two Covid-19 vaccination surveys with staff.

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table was completed in accordance with the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has Nedlac applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	Yes	A Supply Chain Management Policy has been developed and approved that includes clauses in respect of preferential procurement.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	Yes	Reference in the supply chain management policy is made to Treasury Regulation 16 which is required to be complied with.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	N/A	

13. NEDLAC AUDIT AND RISK COMMITTEE REPORT: 2021-22 FINANCIAL YEAR

The Nedlac Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2022.

Audit and Risk Committee responsibility

The Audit and Risk Committee (ARC) is a Standing Committee of the Executive Council and is therefore accountable to and assist the Executive Council in fulfilling its oversight responsibilities.

In line with its responsibilities arising from Section 51(1)(a)(ii); 76(4)(d) of the Public Finance Management Act, 1999 and Treasury Regulation 27.1, the ARC is required to produce a record of its engagements and deliberations reports to its supporting structure, the Management Committee and Executive Council of the institution.

The ARC has adopted appropriate formal terms of reference outlined in its Audit and Risk Committee Charter. The Charter set out the principles upon which the ARC will fulfil its oversight responsibilities. It is in this light that during the year under review, the ARC has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein and the related accounting policies and practices.

Audit and Risk Committee members and attendance

The Audit and Risk Committee consists of the members from each of the Nedlac Constituencies made up of Business, Community, Government, Labour and an independent Chairperson as listed hereunder.

The ARC is required to meet quarterly as per the approved Audit and Risk Committee Charter of Nedlac. During the 2021/22 financial year, four (4) ordinary and Five (5) special meetings were held as follows:

Ordinary meetings	Special meetings
17 May 2021	8 April 2021
16 August 2021	19 July 2021
15 November 2021	30 September 2021
10 February 2022	13 January 2022
	10 March 2022

The membership period and number of meetings of the ARC for the 2021/22 financial year is as follows:

No	Name of Member	Period of membership during 2021/22 financial year	Number of Meetings attended
1.	Velile Pangwa (Independent Chair)	January 2021 - March 2022	9
2.	Mr. Kugesh Naidoo (Community)	April 2020 - March 2022	9
3.	Mr Seswai Mathabathe (Government)	October 2020 - March 2022	9
4.	Mr Jacques Hugo (Labour)	January 2021 - March 2022	8
5.	Ms. Zelda Setladi (Business)	January 2021 - March 2022	9

Stakeholder Engagement/s

The Committee has in its engagement been able to engage with the following Nedlac stakeholders and structures:

- Management Committee (Manco)
- Nedlac Management
- Internal Audit
- Auditor-General of South Africa

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in Nedlac and reported to both the Manco and Exco of Nedlac, reveals that, as in the previous year, some control weaknesses remain from the previous reporting periods which requires management attention, although improvement has been made.

The following internal audit work was completed during the year under review:

No.	Audit Project
1	AFS Review
2	Annual Performance Review
3	Follow Up Audit
4	Financial Discipline Review
5	Human Resource Audit
6	Audit of performance information
7	Review of Annual Performance Plan
8	Governance Audit

We acknowledge that during the year under review, Management has made efforts to identify and address the control weakness that have been consistent over the past few financial years. The Audit Committee acknowledged that in management's attempts, some of the matters to be addressed are historical, and will require significant time to fully dispose.

At the beginning of the financial year, Nedlac also saw a change in the Internal Audit service provider. Samba Solutions (Pty) Ltd (Samba) was appointed for a period of three years. We commend the work put in by Samba over the past financial year, as we believe the efforts made by the Samba team has played a significant role in the success seen by the organisation to date.

Although we note that continued efforts are required by Management, specifically in paying extra attention to the findings raised by the Auditor General, we do hope that Samba solutions will ensure that the necessary control weaknesses are monitored and tracked to hold both management and the Nedlac staff accountable.

The Audit Committee acknowledges and appreciates, once again, efforts underway by management and the governance structures of Manco and Exco, to address areas of concern raised by combined assurers.

Risk Management

Management ensured that a risk register was in place throughout the financial year which was presented to the Audit and Risk committee. To ensure oversight, the significant risks were monitored by the Audit and Risk Committee and EXCO regularly. Emerging risks were also identified more so as the organisation grappled with the changes in the working environment due to the need for change raised by the Covid19 pandemic.

Management is encouraged to keep track of the identified risks as recorded in the Strategic Plan and Annual Performance Plans to ensure that all these areas are addressed in the 2022/23 financial year.

In-Year Management and Quarterly Report

Management has reported quarterly as required by the PFMA. In addition, at all Audit and Risk Committee meetings management has presented quarterly reports for review and or consideration by the Audit Committee.

Evaluation of Financial Statements

The Audit and Risk Committee reviewed the Annual Financial Statements prepared by management and recommended them for audit subject to recommended refinements of the Audit Committee being implemented.

Evaluation of Performance Information

The Audit and Risk Committee further evaluated the performance information and recommended it for audit subject to recommended refinements of the Audit Committee being implemented.

Auditor General's Report

The Audit and Risk Committee notes with appreciation, the Unqualified Audit Opinion, which retains the same outcome from the previous year, with findings raised by the Auditor General. The Audit and Risk Committee further notes that the significant findings that were reported were not repeat findings and did not relate to a breakdown on controls during the financial year. The Audit and Risk Committee is also comforted by the Auditor General, the Internal Auditors and management's commitment to addressing the findings raised from the 2021/22 financial year's audit.

The Audit and Risk Committee therefore appreciates the work of the Auditor-General on the Annual Financial Statements as well as the performance Information and is of the opinion that the Audited Annual Financial Statements together with Performance Information be accepted and read together with the report of the Auditor-General.

In conclusion, the Audit Committee Chairperson expresses its gratitude to all the members of the Audit and Risk Committee. We would also like to thank all the stakeholders who

participated in the audit processes by both the Internal Audit and the Auditor General, the efforts and team effort has paid off and we wish to see a stronger and more compliant Nedlac in the future.

Velile Pangwa CA (SA)

Chairperson of the Audit and Risk Committee
Nedlac

Date 29 July 2022

PART D

Human Resource Management





1. HUMAN RESOURCE OVERSIGHT STATISTICS

The purpose of this section is to deliver information on Nedlac's human resources for the period under review, including cost, training and equity.

1.1. Personnel Related Expenditure

The following table shows employment and personnel cost by programme, activity and objective for the 2021/22 financial year.

Programme	Total Expenditure for the entity ()	Personnel Expenditure ()	Personnel exp. as a % of total exp. ()	No. of employees	Average personnel cost per employee ()
Programme 1: Administration	55 935	26 936	48%	36	748,22
Programme 3: Capacity	55 935	1 652	3%	3	550,67

The following table shows the expenditure and number of employees per level for the 2021/22 financial year.

Level	Personnel Expenditure ()	% of personnel exp. to total personnel cost ()	No. of employees	Average personnel cost per employee ()
Top Management	5 652	20%	3	1 940
Senior Management	1 049	4%	1	1 049
Professional qualified	13 756	48%	16	860
Skilled	7 303	25%	14	522
Semi-skilled	-	-	0	-
Unskilled	828	3%	4	207
TOTAL	28 588	100%	39	-

The following table quantifies the institutions performance rewards and their cost as a proportion of total personnel expenditure, for the year under review.

Level	Performance rewards (R)	Personnel Expenditure ()	% of performance rewards to total personnel cost ()
Top Management	31 462	28 588	0,11%
Professional qualified	102 703	28 588	0,36%
Skilled	55 468	28 588	0,19%
Unskilled	10 367	28 588	0,04%
TOTAL	R200 000		

The following table shows the number of employees trained and associated costs, for the year under review.

Personnel Expenditure ()	Training Expenditure ()	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg training cost per employee (R)
28 588	807	3%	32	R25 000

The following table shows the number of employees and vacancies for 2021/22 compared to the previous financial year.

Programme/ Activity/Objective	2020/2021 Number of Employees	2020/2021 Approved Posts	2021/2022 Number of Employees	2021/2022 Vacancies	% of Vacancies
Top Management	3	3	3	0	0%
Senior Management	0	3	1	2	66.66%
Professional qualified	19	18	16	2	12.5%
Skilled	11	12	12	0	0%
Semi-skilled	0	0	0	0	0%
Unskilled	4	4	4	0	0%
TOTAL	38	40	36	4	5%

The following table shows the changes in employment over the 2021/22 financial year. Nedlac experienced relatively low turnover during this time.

Salary Bands	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	3	0	0	3
Senior Management	0	1	0	1
Professional qualified	19	0	3	16
Skilled	11	1	0	12
Semi-skilled	0	0	0	0
Unskilled	4	0	0	4
Total	38	1	3	36

The following table provides the reasons for staff leaving the organisation during the reporting period.

Reason	Number	% of Total Number of Staff Leaving
Death	1	1
Resignation	1	1
Dismissal	1	1
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	3	3

The following table provides an overview of labour relations within Nedlac for the period under review. During this time one staff member was dismissed for misconduct and has referred the matter of unfair dismissal to the CCMA. The case is in progress.

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	1

PART E

Financial Information





Report of the auditor-general to Parliament on the National Economic Development and Labour Council

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Economic Development and Labour Council set out on pages 79 to 111, which comprise the statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Economic Development and Labour Council as at 31 March 2022, 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 opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an errors in the financial statements of the public entity at, and for the year ended, 31 March 2022.

Events after the reporting date

8. We draw attention to note 24 in the financial statements, which deals with events after the reporting period and specifically the condonation of irregular expenditure amounting to R19 588 781. The National Treasury condoned the irregular expenditure on 4 April 2022 and management appropriately adjusted note 26 in the financial statements to reflect this event.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority 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 authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Report on the audit of the annual performance report

Introduction and scope

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 2 – core operations	31 - 40

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2 – core operations

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. Refer to the annual performance report on pages 26 to 56 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

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

Expenditure management

23. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R31 716, as disclosed in note 28 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure was caused by performance bonuses erroneously paid to employees, who did not qualify to receive the bonus in terms of the public entity's performance management policy.

Other information

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

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
29. There was inadequate oversight responsibility over compliance with laws and regulations, resulting in repeat findings on expenditure management.
30. Management did not in all instances prepare financial statements in accordance with the requirements of the applicable financial reporting framework, which resulted in material corrections being made to the financial statements. This was due to management relying on templates to prepare the financial statements.

Auditor - General

Pretoria

31 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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



Index



The reports and statements set out below comprise the annual financial statements presented to the Parliament of the RSA:

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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	4	71 663	156 809
Cash and cash equivalents	3	29 709 272	26 127 580
		29 780 935	26 284 389
Non-Current Assets			
Property, plant and equipment	5	16 652 484	17 962 134
Intangible assets	6	429 962	320 597
		17 082 446	18 282 731
Total Assets		46 863 381	44 567 120
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	3 949 443	6 343 173
Provisions	8	200 000	83 865
		4 149 443	6 427 038
Total Liabilities		4 149 443	6 427 038
Net Assets		42 713 938	38 140 082
Accumulated surplus		42 713 938	38 140 082

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2022	2021
Revenue			
Revenue from exchange transactions			
Other revenue		30 866	94 295
Interest received	10	1 385 075	1 146 839
Total revenue from exchange transactions		1 415 941	1 241 134
Revenue from non-exchange transactions			
Transfer revenue			
Transfers from other government entities	11	59 093 000	58 303 497
Total revenue	12	60 508 941	59 544 631
Expenditure			
Depreciation and amortisation	16	(1 698 006)	(1 804 056)
Finance costs		-	(404)
Impairments of receivables	4	(43 419)	-
Lease rentals on operating lease	25	(167 755)	(120 139)
Loss on disposal of assets		(19 892)	-
Miscellaneous Expenses	15	(17 418 305)	(15 403 772)
Employee related costs	13	(28 587 708)	(28 272 595)
Special project expenses	14	(8 000 000)	-
Total expenditure		(55 935 085)	(45 600 966)
Surplus for the year		4 573 856	13 943 665

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2020	24 196 417	24 196 417
Changes in net assets Surplus for the year	13 943 665	13 943 665
Total changes	13 943 665	13 943 665
Balance at 01 April 2021	38 140 082	38 140 082
Changes in net assets Surplus for the year	4 573 856	4 573 856
Total changes	4 573 856	4 573 856
Balance at 31 March 2022	42 713 938	42 713 938

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Receipts			
Grants		59 093 000	58 303 497
Interest income		1 385 075	1 146 839
Insurance Proceeds		24 665	94 295
		60 502 740	59 544 631
Payments			
Employee costs		(28 586 708)	(28 272 595)
Suppliers		(27 882 694)	(20 410 855)
Finance costs		-	(404)
		(56 469 402)	(48 683 854)
Net cash flows from operating activities	18	4 033 338	10 860 777
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(25 724)	(1 248 740)
Purchase of other intangible assets	6	(425 922)	(467 437)
Net cash flows from investing activities		(451 646)	(1 716 177)
Net increase/(decrease) in cash and cash equivalents		3 581 692	9 144 600
Cash and cash equivalents at the beginning of the year		26 127 580	16 982 980
Cash and cash equivalents at the end of the year	3	29 709 272	26 127 580

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other operating revenue	-	-	-	30 866	30 866	
Interest received - investment	877 000	-	877 000	1 385 075	508 075	19.A1
Total revenue from exchange transactions	877 000	-	877 000	1 415 941	538 941	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	59 093 000	-	59 093 000	59 093 000	-	
Surplus fund retention	-	19 857 351	19 857 351	-	(19 857 351)	19.A2
Total revenue from non-exchange transactions	59 093 000	19 857 351	78 950 351	59 093 000	(19 857 351)	
Total revenue	59 970 000	19 857 351	79 827 351	60 508 941	(19 318 410)	
Expenditure						
Personnel	(28 460 000)	-	(28 460 000)	(28 587 708)	(127 708)	
Depreciation and amortisation	-	-	-	(1 698 006)	(1 698 006)	19.A3
Impairment loss/ Reversal of impairments	-	-	-	(43 419)	(43 419)	
Lease rentals on operating lease	-	-	-	(167 755)	(167 755)	
Miscellaneous Expenses	(31 510 000)	(6 857 351)	(38 367 351)	(17 418 305)	20 949 046	19.A4
Loss on disposal of assets	-	-	-	(19 892)	(19 892)	
Special Project	-	(13 000 000)	(13 000 000)	(8 000 000)	5 000 000	19.A5
Total expenditure	(59 970 000)	(19 857 351)	(79 827 351)	(55 935 085)	23 892 266	
Surplus	-	-	-	4 573 856	4 573 856	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement						
	-	-	-	4 573 856	4 573 856	

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (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.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

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.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables from exchange transactions

The entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus 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 trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

Impairment testing

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

Provisions

A provision is a liability of uncertain timing or amount.

A provision shall be recognised when an entity has a present obligation (legal or constructive) 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 amount of the obligation.

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

Allowance for doubtful debts

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

Bad debts must only be written off on the authority of Manco/Exco, subject to the recommendation of the Audit and Risk Committee, after all reasonable steps have been taken to recover the debt and it is satisfied that:

The debtor cannot be traced;

- All legal and other measures have been exhausted;
- Recovery of the debt would be uneconomical;
- Recovery would cause undue hardship to the debtor or his/her departments; and
- It would be an advantage to Nedlac to effect a settlement of its own claim or to waive the claim.

Depreciation and Amortisation

Property, plant and equipment and intangible assets are carried at cost less accumulated depreciation and amortisation and any impairment losses. Property, plant and equipment and intangible assets are depreciated and amortised on the straight-line basis over their expected useful lives to their estimated residual value.

Leave Accrual

The leave pay accrual is based on the total annual leave days due to employees. Only 21 working days annual leave can be encashed upon leaving the NEDLAC, but the total accumulated annual leave days can be taken by employees while still employed by the NEDLAC.

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

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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.

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

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

Items such as 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 (with exception to Land).

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

Item	Depreciation method	Average useful life
Land	Not depreciated	Infinite
Buildings	Straight-line	35 Years
Furniture and fixtures	Straight-line	5 - 20 Years
Motor vehicles	Straight-line	15 Years
Office equipment	Straight-line	1 - 10 Years
IT equipment	Straight-line	1 - 20 Years

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

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

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

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

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

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

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

1.5 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	1 - 10 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.

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.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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

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

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

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

A financial asset is:

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

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

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

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

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

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

Cash and Cash Equivalent
Trade and Other Receivables

Category

Financial asset measured at amortised cost
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

Payables from exchange transactions

Category

Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost.

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

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 :

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.

Presentation

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

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

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

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

1.7 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. When a lease includes both land and buildings elements, the entity assesses the classification of each element separately. Nedlac leases photocopier machines which are classified as operating leases, the risks and rewards incidental to the ownership does not transfer to the entity.

Operating leases - lessee

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

1.8 Classification of cash and non-cash generating assets

An entity determines the designation on initial recognition, based on the objective of using the asset (i.e. whether it is used to generate a commercial return for the entity). When it is not clear if the objective to use an asset is to generate commercial return, it is designated as non-cash-generating (to deliver services). A redesignation occurs only when there is clear evidence that such redesignation is appropriate.

An entity recognise impairment immediately in surplus / deficit unless the asset is carried at revalued amount, which is regarded as a revaluation increase/decrease. Adjust the depreciation / amortisation based on revised carrying amount.

1.9 Employee benefits

Short-term employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised as an expense in the statement of financial performance in the period in which the service is rendered and are not discounted.

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 expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance and a reliable estimate of their obligation can be made.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.10 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised.

1.11 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.12 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.

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, in surplus or deficit, using the effective interest rate method for financial instruments.

1.13 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange

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

Measurement

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

Transfers from other government entities

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remits grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

1.14 Comparative figures

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

1.15 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. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 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.

National Treasury instruction no. 2 of 2019/2020 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 17 May 2019):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note 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 must be 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 must be recorded appropriately in the irregular expenditure 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 must thereafter be taken to recover the amount from the person concerned.

If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements.*

The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/ expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register

1.17 Budget information

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

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

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

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

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

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

1.18 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.

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.

A related party transactions or balances outstanding are disclosed in the notes of the financial statements when transfer of resources, services, or obligations between the NEDLAC and a related party has occurred.

Key management comprises those persons responsible for planning, directing, and controlling the activities of the entity, including those charged with the governance of the entity and are regarded as related parties.

1.19 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.

1.20 Tax

Nedlac is exempt from paying income tax in terms of Section 10(1)(cA)(i) of the Income Tax Act.

2. New Standards and Interpretations / Amendments and Improvements

2.1 Standards issued and effective

The following standards were issued and effective from 01 April 2021.

GRAP STANDARD	IMPACT
Directive 14: The application of Standards of GRAP by public entities that apply IFRS standards	No impact -Nedlac does not apply IFRS standards
Nedlac has not applied the changes on the following standards:	
GRAP STANDARD	IMPACT
GRAP 25: Employee benefits - Effective date has not yet been gazetted by the minister	No impact.
GRAP 104: Financial instruments - Effective date has not yet been gazetted by the minister	No impact -Nedlac has no transactions that are affected by the suggested changes to this standard.

3. Cash and cash equivalents

Figures in Rand	2022	2021
Cash and cash equivalents consist of:		
Cash on hand	-	1 493
Bank balances	29 709 272	26 126 087
	29 709 272	26 127 580

No cash and cash equivalent were pledge as security.

4. Receivables from exchange transactions

Figures in Rand	2022	2021
Trade receivables	97 790	137 448
Provision for debt impairment	(43 419)	-
Other receivables	17 292	19 361
	71 663	156 809
	-	-
Financial asset receivables included in receivables from exchange transactions above	71 663	156 809
Total receivables from exchange transactions	71 663	156 809
Receivables Age Analysis		

Included in the amount above are Sundry debtors of R17 291 (2021: R19 362) and the following trade receivables.

31 March 2022							
Figures in Rand	180 days	120 Days	90 Days	60 Days	30 Days	Current	Balance
Trade receivables	65 810	-	-	-	-	31 980	97 790
31 March 2021							
Figures in Rand	180 days	120 Days	90 Days	60 Days	30 Days	Current	Balance
Trade receivables	-	283	-	-	-	137 164	137 447

Pledgers and security

No receivables were pledge as security.

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 2022, R22 389 (2021: R283) were past due but not impaired.

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

Figures in Rand	2022	2021
1 month past due	-	283

Trade and other receivables impaired

As of 31 March 2022, trade and other receivables of R 43 419 (2021: R -) were impaired and provided for. The amount of the provision was R 43 419 as of 31 March 2022 (2021: R -)

5. Property, plant and equipment

Figures in Rand	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 500 000	-	1 500 000	1 500 000	-	1 500 000
Buildings	21 707 233	(9 376 952)	12 330 281	21 707 233	(8 570 425)	13 136 808
Furniture and fixtures	3 613 228	(2 552 271)	1 060 957	3 613 228	(2 396 197)	1 217 031
Motor vehicles	587 831	(350 713)	237 118	587 831	(311 558)	276 273
Office equipment	1 552 025	(945 830)	606 195	1 526 301	(863 503)	662 798
IT equipment	1 838 421	(920 488)	917 933	1 794 554	(625 330)	1 169 224
Total	30 798 738	(14 146 254)	16 652 484	30 729 147	(12 767 013)	17 962 134

Reconciliation of property, plant and equipment - 2022

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 500 000	-	-	-	1 500 000
Buildings	13 136 808	-	-	(806 527)	12 330 281
Furniture and fixtures	1 217 031	-	-	(156 074)	1 060 957
Motor vehicles	276 273	-	-	(39 155)	237 118
Office equipment	662 798	25 724	-	(82 327)	606 195
IT equipment	1 169 224	65 967	(19 892)	(297 366)	917 933
	17 962 134	91 691	(19 892)	(1 381 449)	16 652 484

Reconciliation of property, plant and equipment - 2021

Figures in Rand	Opening balance	Additions	Depreciation	Total
Land	1 500 000	-	-	1 500 000
Buildings	13 941 775	-	(804 967)	13 136 808
Furniture and fixtures	1 350 345	11 951	(145 265)	1 217 031
Motor vehicles	315 461	-	(39 188)	276 273
Office equipment	583 367	203 228	(123 797)	662 798
IT equipment	358 191	1 033 560	(222 527)	1 169 224
	18 049 139	1 248 739	(1 335 744)	17 962 134

No Property, Plant and Equipment were pledged as security.

6. Intangible assets

Figures in Rand	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Computer software, other	2 663 738	(2 233 776)	429 962	2 237 816	(1 917 219)	320 597

Reconciliation of intangible assets - 2022

Figures in Rand	Opening balance	Additions	Amortisation	Total
Computer software, other	320 597	425 922	(316 557)	429 962

Reconciliation of intangible assets - 2021

Figures in Rand	Opening balance	Additions	Amortisation	Total
Computer software, other	321 471	467 437	(468 311)	320 597

Pledged as security

No Intangible assets were pledged as security.

7. Payables from exchange transactions

Figures in Rand	2022	2021
Trade payables	1 406 449	795 658
Payroll accruals	229 503	4 130 962
Leave Accrual	1 144 553	1 015 609
Accrued expenses	1 168 938	400 944
	3 949 443	6 343 173

8. Provisions

Reconciliation of provisions - 2022

Figures in Rand	Opening balance	Utilised during the year	Increased during the year	Total
Provision - Bonus	83 865	(200 000)	316 135	200 000

Reconciliation of provisions - 2021

Figures in Rand	Opening balance	Utilised during the year	Increased during the year	Total
Provision - Bonus	51 063	(51 063)	83 865	83 865

9. Accumulated Surplus

Figures in Rand	2022	2021
Accumulated surplus	42 713 938	38 140 082

10. Investment revenue

Figures in Rand	2022	2021
Interest revenue		
Interest received - other	1 385 075	1 146 839

The amount included in Investment revenue arising from exchange transactions amounted to R 1 385 075.

11. Transfers from other government entities

Figures in Rand	2022	2021
Operating Grants		
Transfers received from Department of Employment and Labour	59 093 000	58 303 497

12. Revenue

Figures in Rand	2022	2021
Other revenue	30 866	94 295
Investment revenue	1 385 075	1 146 839
Transfers from other government entities	59 093 000	58 303 497
	60 508 941	59 544 631

The amount included in revenue arising from exchanges of goods or services are as follows:

Other revenue	30 866	94 295
Investment revenue	1 385 075	1 146 839
	1 415 941	1 241 134

The amount included in revenue arising from non-exchange transactions is as follows:

Transfers from other government entities	59 093 000	58 303 497
--	------------	------------

13. Employee related costs

Figures in Rand	2022	2021
Basic	26 192 650	25 861 480
Bonus	321 919	107 056
UIF	68 117	66 138
WCA	113 380	75 593
SDL	221 850	165 523
Group life insurance	191 970	155 065
Leave pay provision charge	246 526	523 226
Medical aid	1 172 457	1 259 676
13th Cheques	58 839	58 838
	28 587 708	28 272 595

14. Special projects expenditure

Figures in Rand	2022	2021
Special projects expenditure - CCMA	8 000 000	-

The special project relates to the CCMA/Nedlac collaboration project. R8 million of the R13 million was expensed thus far. The remaining R5 million was not disbursed due to procurement delays within the CCMA. The project was advertised by the CCMA and evaluated in quarter 4 of 2021/22 but no service provider met the minimum requirements and thus the process has to be restarted.

15. Miscellaneous

Figures in Rand	2022	2021
Advertising	425 580	1 260
Auditors remuneration	1 182 052	2 176 170
Bank charges	23 553	25 953
Catering	49 115	29 443
Cleaning	9 706	20 007
Conferences and seminars	525 212	312 923
Consulting and professional fees	7 385 866	7 584 891
Electricity	603 046	497 728
Fines and penalties	-	203 676
IT expenses	550 321	96 703
Insurance	124 062	129 048
Levies	21 799	13 587
Postage and courier	8 037	4 593
Printing and stationery	59 696	70 115
Petty cash written off	1 493	-
Recruitment fees	29 394	-
Repairs and maintenance	511 169	374 465
Security expenses	195 598	317 430
Staff welfare	1 430	-
Stipend allowance	110 000	110 000
Study grants	399 746	169 295
Subscriptions and membership fees	164 020	12 078
Telephone and fax	1 695 846	2 058 519
Training	807 209	50 107
Travel - local	2 534 355	1 145 781
	17 418 305	15 403 772

16. Depreciation and amortisation expenses

Figures in Rand	2022	2021
Buildings	806 527	804 967
Furniture and fixtures	156 074	145 265
Motor vehicles	39 155	39 188
Office equipment	82 327	123 796
IT equipment	297 366	222 527
Intangible assets	316 557	468 312
	1 698 006	1 804 055

17. Auditors' remuneration

Figures in Rand	2022	2021
External audit	930 059	1 861 383
Internal Audit	251 993	314 787
	1 182 052	2 176 170

18. Cash generated from operations

Figures in Rand	2022	2021
Surplus	4 573 856	13 943 665
Adjustments for:		
Depreciation and amortisation	1 698 006	1 804 056
Loss on disposal of assets	19 892	-
Movements in provisions	116 135	32 802
Changes in working capital:		
Receivables from exchange transactions	85 146	(141 074)
Purchase of assets	(65 967)	-
Payables from exchange transactions	(2 393 730)	(1 953 174)
Deferred Income	-	(2 825 498)
	4 033 338	10 860 777

19. Budget differences

Material differences between budget and actual amounts

A1 Interest Received

Interest received was higher than budgeted due to the additional interest earned on cash reserves. The large retained surplus of R19,857 million significantly contributed towards the increased cash balance as well as the lower level of spending as compared to the revised budget.

A2 Surplus fund retention

The Nedlac applied for retention of its surplus funds from prior financial year, the application was granted by National Treasury and surplus funds of R19 857 351 was retained and included in the revised budget.

A3 Depreciation and Amortisation

This is a non-cash item which was not taken into consideration when budgeting for the 2021/22 financial year.

A4 Miscellaneous expenses

There is a significant underspend on the good and services budget. This was exacerbated due the request to retain the surplus funds of R19 857 million from the prior year which was approved in October 2021 and the revised budget that was subsequently approved. The amount of time that was available to spend the increased budget was limited. Further not all planned consulting projects were initiated which also contributed to the underspending. There was also a material underspend on the capacity building budget for the year under review.

A5 Special projects

The special project relates to the CCMA/Nedlac collaboration project. R8 million of the R13 million has been expensed. The remaining R5 million was not disbursed due to procurement delays within the CCMA in respect of their IT project. The project was advertised and evaluated in quarter 4 of 2021/22 but no service provider met the minimum requirements and thus the process has to be restarted.

20. Commitments

Figures in Rand	2022	2021
Authorised capital expenditure		
Authorised operational expenditure		
Already contracted for but not provided for		
• Internal audit fees	681 891	917 928
• Unified email management solutions (mimecast)	-	22 014
• Vox telecom voice and data	240 127	920 704
• Security guarding services	-	202 400
• Photocopy and printing costs (1)	77 323	103 097
• Photocopy and printing costs (2)	153 813	305 805
• Insurance - Nedlac assets	135 887	27 657
• Employee benefits advisory costs	66 000	129 000
• Security alarm system	2 704	16 371
• SAGE support	-	78 000
• Insurance - cellphones	14 536	40 594
• Economic and employment trends research	346 412	923 766
• HVAC	1 187 154	-
• Mimecast Support	371 959	-
• BBBEE Verifications	115 000	-
• Communication Consultant	2 934 984	-
• ICT Digitalise and Modernise	503 456	-
• Facilities Management	86 480	-
• Fire safety	113 803	-
• Fraud and ethics hotline services	102 914	-
• Energy Expert	908 960	-
• Security Services	616 451	-
• WIFI	316 058	-
• Coaching services	734 160	-
• Founding documents and related protocol	976 000	-
	10 686 072	3 687 336
Total operational commitments		
Already contracted for but not provided for	10 686 072	3 687 336
Total commitments		
Authorised operational expenditure	10 686 072	3 687 336

* **Restatement** - The comparative figure for photocopy and printing costs(1) has been restated from R103 496 to R103 097, due to an error identified on the contract value.

Figures in Rand	2022	2021
Operating Lease		
Minimum lease payments due		
- within one year	176 347	118 318
- in second to fifth year inclusive	54 789	307 625
	231 136	425 943

Nedlac acquired photocopier machines by entering into operating lease agreements of 36 months. Total contract value amounts to R529 040.

21. Financial instruments disclosure

Categories of financial instruments 2022

Financial assets

Figures in Rand	2022 At amortised cost	2021 Total
Receivables from exchange transactions	71 663	71 663
Cash and cash equivalents	29 709 272	29 709 272
	29 780 935	29 780 935

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	2 804 890	2 804 890

2021

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	156 809	156 809
Cash and cash equivalents	26 127 580	26 127 580
	26 284 389	26 284 389

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	5 327 564	5 327 564

22. Contingencies

Retention of Cash Surplus

In terms of Section 53 (3) of PFMA, public entities listed in Schedule 3A and 3C of the PFMA may not retain cash surpluses that were realised in the previous financial year without obtaining prior written approval from the National Treasury.

In September 2020, the National Treasury issued Instruction No.12 of 2020/21 which gave more detail to the surplus definition. According to this instruction, a surplus is based on the formula used below. As of 31 March 2022 the cash surplus was calculated as follows:

Components	
Figures in Rand	Amount
Cash and cash equivalent	29 709 272
Add: Receivables	71 663
Less: Current Liabilities	4 149 443
Surplus (Deficit) as of 31 March 2022	25 631 492

Other Contingent liabilities

RBJ Marketing Solutions was appointed in November 2021 to manage the 26th Annual Nedlac Summit which took place on the 07 December 2021. The purchase order amounted to R499 979. The service provider has been submitted an invoice amount of R499 979 and an additional invoice amounting to R48 645 as it argues that it was required to conduct additional activities that was not part of the scope of the project. Nedlac has been in constant communication with the provider and has explained its position as to why the additional amount invoiced is not valid. As the project has been completed, the purchase order amount of R499 979 has been accrued for and it is considered unlikely that the additional amount of R48 645 will be paid.

The former executive director, Mr Vilakazi, has challenged his dismissal through the Labour Court. Labour Court declined his application, he subsequently applied for leave to appeal the decision. The application for leave to appeal was also dismissed by the Labour Court. He has not petitioned the Labour Appeal Court directly, which indicates implicitly that he does not intend to challenge this matter further. However, and in so far as he petitions the Labour Appeal Court directly, together with a condonation application, and in the event that the Labour Appeal Court grants him access to that court, belatedly, Management's assessment after discussion with its lawyers is that Nedlac's merits to win the case are strong based on factual evidence. If in the unlikely event the Nedlac is unsuccessful, an estimated amount of backpay of up to R5 940 000 would be owing if Mr Vilakazi is reinstated.

The former Chief Financial Officer, Mr Daza, challenged his dismissal through the Labour Court and was awarded to be paid five month's remuneration as his compensation. He has launched an application to review the award. Management's assessment after discussion with its lawyers is that Nedlac's merits to win the case are strong based on factual evidence. If in the unlikely event the Nedlac is unsuccessful, an estimated amount of backpay of up to R3 551 100 would be owing if Mr Daza is reinstated.

The former Nedlac employee, Ms Lithebe, has challenged her dismissal through the CCMA. Management's assessment after discussion with its lawyers is that Nedlac's merits to win the case are strong based on factual evidence. If in the unlikely event the Nedlac is unsuccessful, an estimated amount of backpay of up to R632 386 would be owing if Ms Lithebe is reinstated.

23. Going concern

We draw attention to the fact that at 31 March 2022, the entity had an accumulated surplus of R 42 713 938 and that the entity's total assets exceed its liabilities by R 42 713 938.

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.

It is further noted that going concern of Nedlac was not impacted by the ongoing Covid-19 pandemic.

24. Events after the reporting date

Adjusting event

Nedlac applied for condonation of various Irregular expenditure amounting to R19 588 781. The approval was received on 4 April 2022, however this is considered as an adjusting event after reporting date as all conditions that triggered the process of the condonation of irregular expenditure at year end were met.

Apart from the above, members are not aware of any matter or circumstance arising since the end of the financial period.

25. Lease rentals on operating lease

Figures in Rand	2022	2021
Equipment		
Contractual amounts	167 755	120 139

26. Irregular expenditure

Figures in Rand	2022	2021
Opening balance	19 638 587	19 588 782
Opening balance as restated	19 638 587	19 588 782
Add: Irregular Expenditure identified in the current year	-	49 805
Add: Irregular Expenditure identified in the prior period	194 732	-
Less: Amount condoned	(19 588 781)	-
Closing balance	244 538	19 638 587

Prior Period error correction

A reduction of R3 737 380 has been made to the opening balance of irregular expenditure to remove items that were disclosed as irregular expenditure last year but have subsequently deemed not to be after consultation with the Auditor General of South Africa. It relates to procurement items that were awarded correctly but the award not advertised on the National Treasury E-Portal. It was noted that if advertised on an alternative platform (eg: website), it would be considered non-compliance but not irregular, thus the prior year irregular expenditure figure has been adjusted. Refer to note 30 for the correction of the error.

Figures in Rand

Details of irregular expenditure - current year

Due to work requested outside of the scope of work awarded	Remuneration Structure	20 570
Appointment of service providers was not according to SCM regulations	Group life cover	174 162
		194 732

Condonation

Nedlac applied for condonation of various Irregular expenditure amounting to R19 588 781. The approval was received on 4 April 2022, however this is considered as an adjusting event after reporting date as all conditions that triggered the process of the condonation of irregular expenditure at year end were met.

27. Related parties

Relationships

Parent Department	Department of Employment and Labour
Entities under common control	Commission for Conciliation Mediation and Arbitration Compensation Fund Productivity South Africa Unemployment Insurance Fund Supported Employment Enterprises
Non-profit entity with the ED as a common director	Proudly South African
Members of key management	L Seftel N Sibisi F Shamsodeen M Molete Nedlac Executive Council

Proudly South African was formed by Nedlac. Some of the Exco members of Nedlac also form part of the board members of Proudly South African. There are no binding arrangements and Proudly South African does not receive a financial interest from Nedlac. Statutory reporting of Proudly South African does not occur through Nedlac.

Figures in Rand

Related party balances

Transfers from other government entities

Department of Employment and Labour	59 093 000	58 303 497
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Special Project Expense

Commission for Conciliation, Mediation and Arbitration	8 000 000	-
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Figures in Rand	2022	2021
Compensation to members of Accounting Authority		
Dumisani Mthlane	-	400
Puleng Herman Tsebe	1 200	1 000
Lawrence Bale	49 212	38 893
Conti Matlakala	3 600	9 200
Thulani Tshefuta	124 413	137 666
Tebello Radebe	16 500	22 700
Thulani Mabuza	-	7 200
Zacharia Matsela	-	2 000
Thembinkosi Josopu	26 008	35 600
Lucky Moni	-	2 166
Laura Kganyago	22 600	-
Mbusi Nzimande	20 887	-
Tumelo Zwane	10 800	-
Godfrey Matsela Selematsela	5 037	5 554
Lucas Qakaza	-	1 200
Lerato Mofokeng	-	200
Daluxolo Ntsinde	10 500	-
Nhlanhla Ndlovu	18 000	-
Ntobeko Melvin Gotyana	3 017	-
Riefdah Ajam	788	-
Narius Moloto	594	-
	313 156	263 779

28. Fruitless and wasteful expenditure

Figures in Rand	2022	2021
Fruitless and wasteful expenditure	1 433 339	1 240 568
Opening balance	1 433 339	1 240 568
Add: Fruitless and wasteful expenditure - current year	31 716	192 771
Closing balance	1 465 055	1 433 339

Fruitless and wasteful expenditure incurred for the prior year amounting to R192 771 relates to SARS submissions and payment made after the date stipulated by SARS as a result of penalties and interest charges.

Fruitless and wasteful expenditure in the current year amounted to R31 716. The expenditure relates to performance bonus payments (R22 371) that were paid to a few staff members that did not qualify for the bonus based on the Nedlac performance management policy and R9 345 in relation to interest incurred on late payments to a service provider.

29. Management Emoluments

2022 Figures in Rand	Basic Salary	Bonuses Performance related payments	Employer contribution to Pension/Medical Fund/e.t.c	Total
L. Seftel - Executive Director	1 798 260	31 462	530 521	2 360 243
F. Shamsodeen - Chief Financial Officer	1 523 232	-	454 888	1 978 120
N. Sibisi - Head of Program Operations	1 186 217	-	370 639	1 556 856
M.Molete - Senior Manager - Corporate Services (Date Appointed 07/02/2022)	118 809	-	36 825	155 634
	4 626 518	31 462	1 392 873	6 050 853

2021 Figures in Rand	Basic Salary	Bonuses Performance related payments	Employer contribution to Pension/Medical Fund/e.t.c	Termination benefits	Other	Total
L. Seftel - Executive Director	1 742 500	-	464 552	-	3 000	2 210 052
J. Shai - Chief Financial Officer (01/04/2020 to 30/11/2020)	984 000	-	291 075	123 454	3 000	1 401 529
F. Shamsodeen - Chief Financial Officer (22/02/2021 to 31/03/2021)	151 380	-	44 630	-	-	196 010
N. Sibisi - Head of Program Operations	1 053 649	4 626	317 672	-	3 000	1 378 947
	3 931 529	4 626	1 117 929	123 454	9 000	5 186 538

30. Prior-year adjustments

To comply with GRAP 3, adjustments to correct the prior period errors were effected into the comparative figures.

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:

Statement of financial position

2022 Figures in Rand	Note	As previously reported	Correction of error	Restated
Trade receivables	N1	182 946	(45 498)	137 448
Payroll accruals	N1	(4 176 460)	45 498	(4 130 962)
Leave accrual	N2	-	(1 015 609)	(1 015 609)
Leave Provision	N2	(1 015 609)	1 015 609	-
		(5 009 123)	-	(5 009 123)

The following prior period errors adjustments occurred

N1 - As at 31 March 2021 trade receivables was overstated by an amount of R45 498 due to an incorrect SARS statement that was used.

N2 - The cost for unused annual leave as at 31 March 2021 was incorrectly classified as a leave provision instead of being classified as a leave accrual.

Irregular Expenditure

As per note 26, a reduction of R3 737 380 has been made to the opening balance of irregular expenditure to remove items that were disclosed as irregular expenditure last year but have subsequently deemed not to be after consultation with the Auditor General of South Africa. It relates to procurement items that were awarded correctly but the award not advertised on the National Treasury E-Portal. It was noted that if advertised on an alternative platform (eg: website), it would be considered non-compliance but not irregular, thus the prior year irregular expenditure figure has been adjusted.

Figures in Rand	As previously reported	Correction of error	Restated
Irregular expenditure incurred	23 375 967	3 737 380	19 638 587

Commitments

As per note 20 the comparative figure for photocopy and printing costs(1) has been restated from R103 496 to R103 097, due to an error identified on the contract value.

31. Risk management

Financial risk management

The entity's activities expose it to the following financial risks:

Cash flow interest rate risk (Market risk)
 Credit risk and Liquidity risk.

The Accounting Authority and the Executive Director have overall responsibility for the establishment and oversight of Nedlac's risk management framework. Nedlac's risk management policies are established to identify and analyse the risk faced by Nedlac, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Nedlac's activities. Nedlac, through its training and management standards and procedures, aim to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2022

Figures in Rand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Operating Lease Liability	176 347	54 789		
Payables from exchange transactions	3 949 443			

As at 31 March 2021

Figures in Rand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Operating Lease Liability	118 318	118 318	131 278	
Payables from exchange transactions	6 343 173			

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will default on its obligation to Nedlac, thereby causing financial loss. Receivable balances are monitored on an ongoing basis with the result that the exposure to bad debts is not significant. As of 31 March 2022, trade and other receivables of R 43 419 (2021: R -) were impaired and provided for. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

Financial assets exposed to credit risk at year end were as follows:

Financial instruments	2022	2021
Figures in Rand		
Cash and cash equivalent	29 709 272	26 127 580
Receivables from exchange transactions	71 663	156 809

Market risk

Nedlac's exposure to interest risk is managed by investing on a short term basis, in current accounts and the Corporation for Public Deposits (CPD), to ensure maximum interest on surplus funds within the prescribed legislation. The risk arises when there are interest rate changes downward, as this will reduce the interest income on invested funds. The entity manages its interest rate risk by only investing its funds in accounts at financial institutions wherein the accounts accrue interest at market related interest rates. In terms of National Treasury Regulation (section 31.3.3) all surplus funds are deposited in the call account.

Nedlac is exposed to interest rate changes in respect of returns on its investments with financial institutions.

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