



MINUTES OF MEETING

Meeting: EXECUTIVE COMMITTEE
Date: 10 FEBRUARY 2016
Time: 09H30
Venue: SACE BUILDING
CROSSWAY OFFICE PARK
240 LENCHEN AVENUE
CENTURION

1. OPENING AND WELCOME

- 1.1. The meeting commenced at 09H45 with a welcome from Adv L.Bono, the Chairperson.

2. ATTENDANCE AND APOLOGIES

2.1 Present

Adv L Bono	Chairperson
Mr A W Kutumela	Department of Basic Education
Ms J Mogale	Department of Basic Education
Mr S Faker	Department of Basic Education
Ms J K Moshotle	Department of Basic Education
Mr M Galorale	SADTU
Mr C Scorgie	CTU-ATU
Mr D Lerm	CTU-ATU

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Mr O Mafora	ELRC
Ms M B U Milne	ELRC
Ms N Bongco	ELRC
Ms B Loxton	ELRC

2.2 Apologies

Mr N Dolopi	SADTU
Mr M Ndouvhada	SADTU

3. CONFIRMATION OF THE AGENDA

- 3.1. SADTU moved and the Employer / CTU-ATU seconded the adoption of the agenda.

Decision 1:

The agenda was adopted.

4. MINUTES OF THE PREVIOUS MEETINGS

4.1. 28 October 2015

- 4.1.1. The CTU-ATU moved and the Employer/SADTU seconded the adoption of the minutes.

Decision 2:

The minutes of the Executive Committee meeting held on 28 October 2016 was unanimously adopted.

5. MATTERS ARISING FROM THE MINUTES

28 October 2015

5.1. Refurbishment of the ELRC Building

- 5.1.1. Mr B Solomon (SSQS Quantity Surveyors) presented the "*Financial Report for ELRC Building Refurbishment*" report dated 5 February 2016 and highlighted the following:
- 5.1.1.1. That the monthly cost report was presented to the ELRC in order to keep abreast with the movements of the costs and any unforeseen circumstances cost wise.
- 5.1.1.2. That the report dated 5 February 2016 reflected the costs to date which gave a summary of what was

allowed for, the cost to date and what the nett effect was.

- 5.1.1.3. That the original amount on which Bula Projects was appointed was R21,012,883.44 which was the total project value.
 - 5.1.1.4. That there was a nett savings of R1 993 122,20 and the project instruction on variations which was approved by the project team was R1 993 122,20
 - 5.1.1.5. That included into the contractor value were amounts that the contractor allowed for water and lights consumption during the project period with the arrangement that the ELRC would still be billed on a monthly basis and would recover the costs from the contractor therefore there was an amount of R195 597,51 still to be finalised with the main contractor.
 - 5.1.1.6. That also included in the contractor value was an amount of R107,200.00 for certain finishes in the portion that would not be occupied by the ELRC but by a separate tenant which was referred to “tenant installation cost” allocated to finishes to the tenant side of the building.
 - 5.1.1.7. That the total adjusted contract value to the main contractor was R20,710,085.93 , the reason being that they had always tried during the project to keep within the approved budget because they were told the if additional funding was required such would be a long process to acquired.
 - 5.1.1.8. That SSQS still needed to do the final account with the main contractor and all indications were that the project would remain within the budgeted amount.
- 5.1.2. CTU-ATU enquired what was meant by the allowance for tenant installation.
- 5.1.3. Mr B Solomon indicated the following:
- 5.1.3.1. That with regards to the tenant portion of the building only the minimum finishes were installed such as mechanical and electrical installations based on standard rates.
 - 5.1.3.2. That the amount of R107 200.00 would be taken away from the main contractor and given to the ELRC, once a tenant has been fixed then that amount could be used e.g. tiling, carpets etc.
- 5.1.4. The Employer enquired when the ELRC would be able to occupy the building.
- 5.1.5. Mr B Solomon indicated the following:
- 5.1.5.1. That at the site meeting held on 9 February 2016 which the CFO and the GS attended they were

informed that the move was arranged for the 19th February 2016 and the builders should be done by the 18th February 2016 when practical occupation would be completed.

- 5.1.5.2. That although it was practical completion there was still works completion and therefore there would be a few contract workers on site to complete some work for a three month period until final completion.
- 5.1.6. The Employer enquired whether a certificate of occupancy would be issued.
- 5.1.7. Mr B Solomon responded as follows:
- 5.1.7.1. That the main issue was whether the building complied with the fire regulations, there were also other issues such as certification for electrical work and mechanical work.
- 5.1.7.2. That Studio 3 Design House was responsible for the certificates and they were in contact with Tshwane City Council in terms of the different departments.
- 5.1.7.3. That the process involved was that Studio 3 Design House needed to submit “as built” drawings and based on such the Tshwane City Council would come out and check the building.

Decision 3:

The Executive committee noted the report by SSQS.

5.2. Legal Matters

PP Tours

- 5.2.1. The General Secretary indicated the following:
- 5.2.1.1. That the PP Tours matter has been set down for hearing on 8 April 2016.
- 5.2.1.2. That MacRobert was awaiting feedback from PP Tours on the possible settlement.

Decision 4:

That the Executive Committee noted the report.

5.3. Training and Development of Parties

- 5.3.1. The General Secretary indicated that at the previous Executive Committee meeting a decision was taken that a task team meeting be convened to finalise the document but

such could not be convened due to the unavailability of parties.

5.4. FETCBU

- 5.4.1. The General Secretary tabled a letter from PSCBC dated 3 November 2015 and indicated the following:
- 5.4.1.1. That the response to the letter from PSCBC was in detail in terms of the issues that they had raised to the ELRC.
 - 5.4.1.2. That the ELRC also communicated to them that despite the allegations that was levelled against the ELRC, our standing position was we were not in a position to make any submissions to them on the issue of the variation of the scope because the ELRC was awaiting a decision by parties as guided by the Act itself.
 - 5.4.1.3. That the PSCBC then responded that they had deliberated on our response at their EXCO held on the 22 October 2015 and they took a decision that they must seek a legal opinion
 - 5.4.1.4. That communication in the form of an e-mail was received from the General Secretary of the PSCBC that the EXCO of the PSCBC had taken a decision of having Joint EXCOs wherein amongst the issues that would be discussing was the scopes of the bargaining councils but there was no formal invitation for the Joint EXCO.
- 5.4.2. The Chairperson emphasised the urgency of the matter and how the members of trade unions were affected by the uncertainty.
- 5.4.3. The General Secretary indicated the following:
- 5.4.3.1. Expressed concern that there was a lot of confusion wherein the jurisdiction of the ELRC was questioned
 - 5.4.3.2. That the Secretariat had written to all parties that the ELRC remained having jurisdiction over the lecturers.

Decision 5:

The Executive Committee noted the report.

6. CORRESPONDENCE

6.1. Correspondence from Gauteng Provincial Chamber

- 6.1.1. The General Secretary tabled the correspondence from the Gauteng Provincial Chamber and indicated the following:

- 6.1.1.1. That the correspondence was mainly on the Secretariat not having provided the Gauteng Chamber a report on the staffing matters related to Mr Patrick Moalosi who had left Council under which circumstances EXCO would recall he had left.
 - 6.1.1.2. That the Gauteng Chamber was also questioning the appointment to replace Mr Moalosi but the conclusion they were putting forward was that they wanted to be given a report on the processes that led to the departure of Mr Moalosi and also the processes that led to the arrival of Mr Sbusiso Nkosi .
 - 6.1.1.3. That the Gauteng Chamber was expressing a concern that they felt they were undermined and they were strongly requesting that Council amend any policy that allowed for parties to be undermined but they did not make mention of which policies were in existence that undermine the provincial chambers.
 - 6.1.1.4. That she felt that this matter should be owned by EXCO because staffing matters were within the competency of EXCO through reports of the HR Sub Committee or the HR Policy that outlined the processes of filling vacancies.
- 6.1.2. The Chairperson indicated the following:
- 6.1.2.1. That the Provincial Chambers had never interacted on staffing issues (appointments and dismissals).
 - 6.1.2.2. That the correspondence was misplaced as dissemination of information was the responsibility of parties, they should give feedback on the processes followed.
- 6.1.3. CTU-ATU indicated the following:
- 6.1.3.1. That what transpired in the Gauteng Chamber was that at a meeting in the chamber parties noticed that there was a new employee but nobody knew who he was.
 - 6.1.3.2. That the new employee was not formally introduced to chamber and therefore if such was done there would not have been a problem.
 - 6.1.3.3. That if parties in the Gauteng Chamber were informed about the dispute with the previous employee they would have understood the appointment of the new employee.
- 6.1.4. The Chairperson indicated the following:
- 6.1.4.1. That the onus was on the parties to disseminate information on the issues that were dealt with in EXCO.
 - 6.1.4.2. That it was not the Secretariats responsibility to disseminate information particularly on issues of recruitment and selection because there was a

situation the previous year where there were accusations made against the Secretariat with regard to appointments.

- 6.1.4.3. That the Provincial Manager had the responsibility to introduce the new employee to the Gauteng Chamber.
- 6.1.4.4. Expressed concern over the content of the correspondence
- 6.1.5. SADTU agreed with the Chairperson because some of the issues that led to the departure of Mr Moalosi were discussed at the HR Sub Committee and EXCO therefore parties had the responsibility to filter such information to their representatives in the relevant provincial chamber.
- 6.1.6. The Employer indicated the following:
 - 6.1.6.1. That management should inform the provincial chamber that EXCO had received a complaint about the incumbent and was processing a suspension of the individual but while following the disciplinary process he resigned.
 - 6.1.6.2. That the General Secretary must have informed the Provincial Manager that Mr Nkosi was appointed in the position and the Provincial Manager should have informed the provincial chamber.
- 6.1.7. The Chairperson indicated the following:
 - 6.1.7.1. That in terms of operation functionality it was inevitably the Provincial Manager would have been informed about the new incumbent and The Provincial Manager should have introduced him to chamber.
 - 6.1.7.2. That the competency with regards to the suspension of an employee resided with EXCO as indicated in the ELRC constitution and did not involve the Provincial Manager.
 - 6.1.7.3. That it was necessary to respond to the Gauteng Chamber but enquired whether the response should be in writing or whether EXCO through its representatives would disseminate information and apologise that the Provincial Manager had the responsibility to introduce the new employee.
- 6.1.8. SADTU proposed that the Secretariat write a letter to the Gauteng Provincial Chamber to clarify the constitutional responsibilities of EXCO and briefly indicated that there was disciplinary process undertaken and the incumbent had resigned therefore EXCO had to fill that particular post.
- 6.1.9. CTU-ATU/Employer concurred with SADTU.

6.1.10. The Employer indicated that such issues must have been communicated to the Provincial Manager.

6.1.11. Chairperson indicated that the letter should explain that the competency of the issue lay with EXCO and that the Provincial Manager had the responsibility to introduce the new employee.

Decision 6:

The Secretariat to draft a letter to the Gauteng Provincial Chamber indicating the following:

- 1) That staffing matters lay within the competency of the Executive Committee.
- 2) That the Provincial Manager had the responsibility of introducing the new employee to the provincial chamber.

7. BUSINESS MATTERS

7.1. Committee Reports

7.1.1. Audit Committee Recommendations

7.1.1.1. The General Secretary tabled the Audit Committee report for the third quarter and highlighted the following:

- i) That the Audit Committee noted and interacted with the Project Report from Studio3 Design House. The Audit Committee noted with concern, the inherent risk that the occupation certificate might not be issued by 18 February 2016 when the project is handed over, however, welcomed an assurance by the office of the CFO that a meeting with Bula Projects would be held in this regard.
- ii) That the Audit Committee interacted with the external audit report and welcomed it. The committee noted all the findings and noted management efforts to address them, and the Audit Committee was of the view that the audit assisted the institution by identifying issues that needed to be addressed before the end of the year audit. The key resolutions were as follows:
 - All recommendations should be implemented
 - Fruitless expenditure to be investigated and monies to be recovered
- iii) That the Audit Committee interacted with the third quarterly report.

- iv) That the Audit Committee provided comments on the following draft Policies:
 - Supply Chain Management Policy
 - Unauthorised, Irregular & Fruitless & Wasteful Expenditure Policy
 - Contract Management Policy
 - Petty Cash Management Policy.
- v) That the Audit Committee interacted with and noted the compliance checklist.
- vi) That the third quarterly report of the Accounting Officer for the 2015/16 financial year was recommended to the Executive Committee.

Decision 7:

The Executive Committee noted the Audit Committee report for the third quarter

Special External Audit

7.1.1.2. Mr M Ebrahim (Ngubane & Co) tabled the special external audit report and highlighted the following:

- i) That Ngubane & Co had performed the procedures agreed with respect to the financial information of the ELRC as at 31 October 2015. Their engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The scope covered the period 01 April 2015 to 31 October 2015. The engagement had included tests to assess whether the financial information records were reliable and adequate as a basis for the preparation of the financial statements.
- ii) The proposed scope was limited to:
 - Review of internal controls in so far as expenditure cycle was concerned
 - A review of the monthly general ledger
 - A review of the journals
 - A review of the reconciliations
 - Financial transactions documented in the general ledger/cashbook
 - Rolling over of 2014/15 closing balances to the 2015/16 financial period
 - Accrual accounts
 - Financial statements for the period ended 31 October 2015 (compliance)
 - Use of CAATS to pick-up double payments
 - Assessment of Financial unit.

Unresolved Observations1. Provisions, creditors, suspense and accruals account

- iii) Finding 1.1: Opening balance not correctly accounted for: It was noted that the closing balance per the prior year Trail Balance for the Suppliers Control Account did not agree to the opening balance per the current year General Ledger.
- iv) Finding 1.2: Creditors and accruals account: It was noted that creditors account and accrual account had debit balances as at 31 October 2015.
- v) Finding 1.3 Long outstanding creditors: It was noted that following creditors were long outstanding, Adv Raynold Paul Bracks, Clubview Guest House, MTN, Nwa'Nkumi Development Projects, Prisa. The risk of such being:
- Interest may be incurred on the long outstanding creditors resulting in fruitless and wasteful expenditure.
 - Suppliers may institute legal action against ELRC for non-payments.
 - Good relations might not be maintained with the suppliers which might affect the business negatively.
- vi) Finding 1.4: Prescribed amounts not written off: In terms of section 11(d) of the Prescription Act No. 68 the periods of prescription of debts shall be the following: three years in respect of any other debt. The provision recorded in account 9400/006 was older than 3 years and therefore was no longer payable in terms of the Prescription Act 68 of 1969.
- vii) Finding 1.5: No controls in place to prevent duplicate payments. It was noted that there were no controls in place to prevent duplicate payments. The risk being that fraudulent payments may be made.
- viii) Finding 1.6: Creditors reconciliations not prepared. The risk being that errors and omissions may not be timely identified and double payments could occur.
- ix) Finding 1.7: No controls in place to review payments. Controls to review payments were not implemented and as a result, overpayments were made to SARS. The payments were reviewed by the Finance Manager and the CFO but incorrect amounts were still paid without being detected.

- x) Finding 1.8: Transactions recorded do not have unique identifier. It was noted that the transactions recorded in the General Ledger did not have unique numbers allocated to each transaction. Management recorded batch numbers in the General Ledger instead of unique invoice numbers. As a result it was not possible to identify all duplicate payments.

2. Cash and cash equivalents

- xi) Finding 2.1: General ledger balance per the bank reconciliation did not agree to balance per the general ledger. It was noted that there was a difference between general ledger balance per the bank reconciliation and the general ledger per the general ledger.
- xii) Finding 2.2: Bank reconciliations are not prepared on a timely basis. In terms of the Finance Policy bank reconciliations should be prepared on a weekly basis.
- xiii) Finding 2.3: Employee on the same level as the preparer reviewed the bank reconciliations therefore it was advisable that someone senior should review.
- xiv) Finding 2.4: Petty cash reconciliations. It was noted that bank statements balances per the reconciliations did not agree to the actual bank statements.
- xv) Finding 2.5: Petty cash payments exceed R500. In terms of Finance Policy section 2(n) "The maximum amount to be paid through petty cash is R500 (five hundred rand) per payment". Three transactions were identified that exceeded R500.

3. Supply Chain Management

- xvi) Finding 3.1: SCM: Contract register. It was noted that the Biometrics System contract was incorrectly recorded in the contract register. Both the amount and the description of the service were incorrect.
- xvii) Finding 3.2: Vendor evaluation forms not provided and suppliers not in the database. The risk being the following
- Contracting with unapproved suppliers
 - Retaining suppliers who were not performing as required
 - Delays and financial loss for the ELRC.
- xviii) Finding 3.3: SCM: Contracts were signed after the effective date. It was noted that the

- contracts of some suppliers were signed after the effective/inception date of the contract.
- xix) Finding 3.4: SCM: No policy on renewal of contracts. It was noted there was no policy that dealt with renewal of existing contracts with service providers.
 - xx) Finding 4: Invoices not recorded in the invoice register book. It was noted that invoices for some transactions were not recorded in the invoice register book.
 - xxi) Finding 5: Travel requisitions not approved by SCM Manager. It was also noted that there was no logbook in place to record trips taken using the ELRC vehicle.
 - xxii) Finding 6: Receivable may be irrecoverable. It was noted that an amount of R962 047,70 from SARS was recorded as receivable. It was understood that since a portion of the money had been received from SARS.
 - xxiii) Finding 7: Poor controls to address completeness and accuracy of levy income. There is a risk that the amount received for the month does not correspond to what actually should have been received. Long outstanding debts which are unlikely to be received would continue to be held s assets, when in fact they should be written off due to non-recoverability.
 - xxiv) Finding 8: Basis of accounting for revenue. Revenue is accounted for on the cash basis and not the accrual basis as stated in the accounting policy. Currently revenue was being recognised when cash was received, whereas according to IFRS for SME's, it should be recognised at the fair value of the consideration receivable.
 - xxv) Finding 9: Fruitless and wasteful expenditure incurred. It was noted that interest/penalties were incurred on overdue invoices resulting in fruitless and wasteful expenditure for Auditor General of SA and SARS.
 - xxvi) Finding 10: Non-compliance with the Finance Policy. In terms of Appendix G paragraph 4(a) of the Finance Policy "*The main responsibilities of the finance department are: draft financial statements quarterly*". It was noted that financial statements for the quarter ending 30 June 2015 were not drafted. It was also noted that the Financial Statements for the quarter ending 30 September 2015 were prepared using an incorrect reporting framework (GRAP).

- xxvii) Finding 11: Lack of segregation of duties. It was noted that some invoices were approved by the Chief Financial Officer and the Chief Financial Officer also released the payments to the suppliers.
- xxviii) Finding 12: Non-compliance with the HR Policy. It was noted that the full bonus amount was paid to an employee instead of a pro-rata service bonus as per paragraph 17.3.2 of the HR Policy.

Observations Resolved after being identified during the Engagement

- xxix) Finding 13: Uncleared suspense accounts. The risks thereof being:
- Financial Statements may be misstated.
 - Possible underpayment of third parties e.g. Medical schemes, SARS and other third parties.
 - Possible fraudulent transactions being processed during the suspense account.
 - Possible non-compliance with laws and regulations.
 - Possible lawsuits by employees due to money deducted from them not paid to third parties.
- xxx) Finding 14: Supplier control account balance per the General Ledger, Trial Balance and Creditors Age Analysis do not agree.
- xxxi) Finding 15: Creditors and accruals accounts with debit balances.
- xxxii) Finding 16: Original tax clearance certificates not submitted.
- xxxiii) Finding 17: Non-compliance with the Income Tax Act of 1962.

Annexure A: Assessment of Finance Department

- xxxiv) That their assessment of the control framework for the finance unit was done using the COSO framework which was the internal benchmark for internal controls i.e. control environment, risk assessment, control activities, information and communication, and monitoring.
- xxxv) That with regards to control environment there were numerous findings indicating areas were preparers seemed not to understand why they were performing a task or how to perform it.
- xxxvi) That these matters indicated that the control environment at the finance unit at the time was weak.

- xxxvii) That the inadequacy of risk assessment was evident due to the number of critical finding identified by the internal auditors and external auditors.
- xxxviii) That the control activities which were policies and procedures were sound but the implementation thereof was lacking.
- xxxix) That the inadequacy in the implementation of policies resulted in numerous findings related to control activities such as approvals, reconciliations and segregation of duties.
- xl) That the recurring issues on the monthly basis in the suspense account were an indication of lack of communication or ongoing monitoring at the finance department.
- xli) That management needed to ensure that there was constant monitoring in order to prevent issues from recurring and to prevent any new issues from arising.
- xlii) That in conclusion there was room for improvement in the finance unit.

Annexure B: Assessment of SCM

- xliv) That with regards to control environment the findings indicated a lack of stringency in performance of duties and maintenance of records.
- xliv) That there were weaknesses in the SCM unit which should be addressed as soon as reasonably possible.
- xliv) That with regards to risk assessment such was an ongoing process which was ultimately the responsibilities of management and stringent risk assessment would assist in reducing the opportunity for fraud and error.
- xlvi) That with regards to control activities the inadequacy in the implementation of policies had resulted in finding related to inadequate documentation from prospective suppliers and the entity doing business with suppliers who were not on the supplier database.
- xlvii) That with regards to information and communication, the lack of communication had resulted in the incorrect capturing of details in the contract register as well as contracts being signed after the inception dates.
- xlviii) That with regards to monitoring such should be carried out within SCM by the SCM Manager as well as outside of the SCM unit by those charged with governance and internal audit.

xlix) That in conclusion the strengthening of the control system through increased involvement and guidance by management of the entity and the SCM unit itself was very important in order to remedy the current situation.

7.1.1.3. CTU-ATU enquired why Gauteng was not included on the list with regards to the salary reports not been received.

7.1.1.4. Mr M Ebrahim responded that for the period April 2015 to October 2015 a salary report was received from Gauteng.

7.1.1.5. The Chairperson enquired which paragraph the external auditor was referring to in the "Conclusion" on page 73 with regards to "Our report is solely for the purpose set forth in the first paragraph".

7.1.1.6. Mr M Ebrahim responded as follows:

- i) That page 1 and 2 of the report detailed what was required from them by the ELRC and what the reasons was for ELRC requiring this report.
- ii) That the procedures were performed solely to assist the ELRC in evaluating the validity of the financial information and they also mentioned that the scope did not constitute either an audit or review made in accordance with International Standards on Auditing, International Standards on Assurance Engagements, they did not express any assurance in respect of the financial statements for the auditing period.

7.1.1.7. The Employer enquired in what position Council would be if these challenges continue.

7.1.1.8. Mr M Ebrahim indicated the following:

- i) That the issue was that Council would not want to have a qualification on the financial statements.
- ii) That based on the number and type of findings in the report it was necessary to correct all of them so that by year end none of these findings recur.
- iii) That he was not able to tell what opinion the ELRC would be having as such depended on the audit they would be conducting at the year end.

- 7.1.1.9. The Employer enquired about finding 2.3 were an employee on the same level as the preparer reviewed the bank reconciliations whether such was staff levels or ranking levels.
- 7.1.1.10. Mr M Ebrahim responded that with regards to the finding there were two employees on the same level in terms of seniority one preparing the reconciliation and the other review such.
- 7.1.1.11. The CFO indicated that the reason for such was that the Finance Manager was on leave at the time and had send an email to the officer indicating that the officer should stand in for her.
- 7.1.1.12. The Employer enquired whether the ELRC would be in a better position if management followed the corrective actions whether the ELRC would be in a better position.
- 7.1.1.13. Mr M Ebrahim responded that with each finding there was an observation, risk detailed and recommendations, therefore if those recommendations were followed those findings should not recur.
- 7.1.1.14. The Employer enquired whether there was a plan to monitor the implementation of the recommendations.
- 7.1.1.15. Mr M Ebrahim indicated the following:
- i) That the external auditors planned to come in before the year end audit to sit with management and follow-up on all the findings to make sure that the recommendations had been implemented.
 - ii) That they planned to come in towards the end of March while the year-end audit would occur in June and July.
 - iii) That it would give them time in case there were some findings that were still coming up thus could engage with management to ensure that those findings do not recur.
- 7.1.1.16. The General Secretary indicated the following:
- i) That she could safely report as she had done in the Audit Committee meeting that when the report was finalised that all the issues that staff had control over had since been resolved except for instances where the ELRC was dependent on provincial departments submitting reports on a monthly basis .

- ii) That she had also reported in the Audit Committee meeting that the ELRC owed its gratitude to a very competent Finance Manager which was recently appointed by Council because she had worked very hard in assisting the CFO to resolve most of the findings and her brief to the Finance Manager was to assist Council in ensuring that she cleans whatever she has found in the finance department.

7.1.1.17. The Chairperson enquired whether the external auditors expectation was that all the findings would be resolved by March and whether that was reasonable time given to resolve the findings since submission of the report or were they anticipating more issues.

7.1.1.18. Mr M Ebriham responded as follows:

- i) That the reason they were coming in March was to ensure that all the findings had been resolved as they did not want a repeat of the same findings at the year-end audit.
- ii) That they did not have any negative expectations as management had a clear understanding of what was required.

7.1.1.19. Chairperson enquired whether it was a reasonable period between then and March.

7.1.1.20. Mr M Ebriham responded as follows:

- i) That the period was reasonable because the findings were not of a nature which would take a great period of time to resolve as most were control issues.
- ii) That with regards to the finding on completeness and accuracy of levy income such could not be resolved quickly as it was out of the control of the ELRC as other parties were involved.

7.1.1.21. The Employer enquired whether the period of March was an agreed timeframe between management and the external auditors.

7.1.1.22. Mr M Ebriham indicated that March was an agreed timeframe.

7.1.1.23. SADTU indicated the following:

- i) Expressed concern that the external audit report and its findings were very disturbing.

- ii) That given the audit period April – October 2015 there were so many findings in such a short period became worrisome.
- iii) That they heard the responses from management and the General Secretary that most of the findings had been resolved and they heard what the external auditors were saying in terms of the processes that they intended to consult before the year end audit to ensure that the issues raised in their findings had been addressed to avoid a negative year end audit report.
- iv) Expressed concern about the financial implications of such consultation before the year-end audit which led to asking two questions: 1) Has Council made correct appointments in that particular section 2) Would Council be comfortable with the situation of a follow-up, was Council going to babysit these managers that were supposed to do their job at an extra cost

7.1.1.24. CTU-ATU indicated the following:

- i) That they agreed that the report was disconcerting but had listened to the General Secretary who had indicated that the issues were corrected and dealt with.
- ii) That there were performance assessments done on the finance employees the previous year were these issues should have been reflected.

7.1.1.25. The Chairperson indicated that he could only talk to the assessment of the CFO and such was picked up.

7.1.1.26. The General Secretary indicated the following:

- i) That with regards to the follow-up audit there was no cost implication because in the ordinary cost of the business the auditors would do a preliminary audit and in such they would check the state of readiness for the year end audit.
- ii) That in this case the only cost incurred in addition to that which the ELRC had appointed them for was for the special audit.
- iii) That with regards to whether the Council had appointed the people with the correct skills, she was not sure in the light of the developments because the report was pointing to a different direction.

- iv) That she could only vouch for the recent appointment of the Finance Manager because she had seen the deliverables in turning the situation around by resolving the audit findings.
- v) That with regards to the performance assessments, the challenge was that one had control of only the CFO but the staff below the CFO was his responsibility.
- vi) That with regards to the performance assessment of the CFO, he had joined Council the previous year and his final assessment was done by herself and the Chairperson wherein these matters were discussed with him even before they were expressed in the report.
- vii) That the CFO should take responsibility as the report spoke to the lack of review because the auditors had indicated that in some instances if there was proper review issues would have been avoided.

7.1.1.27. CTU-ATU indicated the following:

- i) Expressed concern that some of the issues raised by the auditors were issues that was part of the job of the finance department, the employees should have the capacity to do the job.
- ii) That there were lessons learnt from this, the next time EXCO would look thoroughly into the performance assessments of staff members.

7.1.1.28. The Employer enquired what remedial action was management planning with regards to the audit finding where staff members did not know how to perform a duty and did not understand why they performed that duty.

7.1.1.29. The CFO indicated the following:

- i) That in terms of addressing the weaknesses, management had reassessed the segregation of duties and was currently reviewing the job descriptions.
- ii) That the segregation of duties had afforded management the opportunity to have people dedicated responsibilities so that even if training was provided such would be channelled to that specific responsibility.

7.1.1.30. The Chairperson indicated the following:

- i) That the first issue was that the report identified serious gaps which EXCO had been reassured that most of them have been resolved.
- ii) That the second issue was that in fairness to the individual the CFO had only been employed for a year and a portion of that year he had been appointed as Acting General Secretary which was not an easy task.
- iii) That the third issue was that EXCO should also take responsibility because EXCO had discussed the issue before the General Secretary went on leave and had made suggestions to try to insulate challenges that the institution would face.
- iv) That during that period he had to request the General Secretary to assist therefor in his view the playing field had not been levelled.
- v) That going forward the CFO could be assessed when the playing field was levelled.

7.1.1.31. The General Secretary indicated the following:

- i) That what was identified was the fact that the finance staff were also capitalising on the fact that management was not playing its role as supervisors because management was not reviewing the work they were doing.
- ii) That going forward the CFO knows that there are specific tasks to be performed by himself by virtue of being the CFO because finance clerks could not be blamed for the findings in the audit report, the levels of accountability did not allow such.
- iii) That what was agreed to at the Senior Management meeting was that the Senior Managers should must play their role in ensuring that they quality control the work of those that were reporting to them.
- iv) That going forward it was critical that management took full responsibility for those that were reporting them.

7.1.1.32. SADTU agreed with the submission by the Chairperson and indicated the following:

- i) That whilst taking responsibility as EXCO, the committee had discussed the matter and risks of the CFO being appointed as the Acting General Secretary but was very open with the CFO that in the event of any serious challenges EXCO was there to take action.

- ii) That the CFO had not contacted EXCO on challenges therefore EXCO had assumed that the CFO was coping.
- iii) Reprimanded the CFO that EXCO was not happy with his performance and the audit report that EXCO had received as there were simple issues that required monitoring that the CFO should have monitored and therefore the CFO must take that responsibility for all the issues raised in the audit report.

7.1.1.33. CTU-ATU agreed with the submission by the Chairperson and indicated that in the process of seeking a levy increase such audit report would not board well for such a proposal.

Decision 8:

The Special Audit report was noted by EXCO.

Memorandum on SARS Receivable – R962 047.70

7.1.1.34. The CFO tabled the memorandum on SARS Receivable and highlighted the following:

- i) That on 25th June 2012 SARS had deducted an amount of R1 882 722.35 from the ELRC Nedbank account in order to settle liabilities due to SARS.
- ii) That during the 2014/15 financial year, the Council engaged SARS and an amount of R920 674.55 was refunded to the Council.
- iii) That in January 2016 the Council had engaged SARS in an attempt to resolve the matters outstanding in facilitation of the refund of the balance due which was R962 047.00.
- iv) That SARS had explained that Council had additional liabilities in the amount of R670 356.15 dating back to 2002 January tax period.
- v) That this liability had been settled from the R962 047.70 due to the Council..
- vi) That SARS would provide Council with a reconciliation that would detail the liability due since 2002, and thereafter a balance of R291 691,55 would be refunded to Council.
- vii) That following these transactions a decision was taken to discharge the current tax consultants Roux van Rooyen Accountants of their duties and to appoint a new tax practitioner with the right skill and experience.

- viii) That Council had implemented additional controls of drawing the monthly statement to perform reconciliations.

7.1.1.35. SADTU enquired who was responsible for the appointment of the new tax consultants and the discharging of Roux van Rooyen Accountants.

7.1.1.36. The CFO responded as follows:

- i) That the Secretariat had started the processes of appointing new tax consultants and would be finalising such by the end of the week.
- ii) That the reason for fast tracking the process was that there was new tax legislation which was coming into effect on 1st March 2016.
- iii) That a letter was drafted to the General Secretary to release Roux van Rooyen Accountants.

7.1.1.37. SADTU enquired whether it was managements or EXCOs responsibility to appoint a tax consultant.

7.1.1.38. The CFO responded that it was management's responsibility to appoint a tax consultant.

7.1.1.39. CTU-ATU enquired how long the tax consultant was with the ELRC and whether Council had similar problems in the past with SARS.

7.1.1.40. The General Secretary responded as follows:

- i) That the consultants had been with the ELRC since Councils inception and the problem dated back since 2002.
- ii) That the tax consultant was required to assess the tax returns and assist the ELRC with submissions to SARS for tax purposes.
- iii) That it was clear that Roux van Rooyen Accountants was doing something wrong in reconciling the information which resulted into the ELRC owing SARS money as far back as 2002.
- iv) That it was necessary to release the current tax consultant from their responsibilities and make sure that a new tax consultant was appointed to maintain a clean record.

7.1.1.41. The Employer enquired the following:

- i) Whether the contract with Roux van Rooyen Accountants had an expiry date or whether the contract was indefinite, because Council could

be faced with the same challenges as PP Tours.

- ii) Whether the cost of the new contract would be more the R500 000 as any procurement over R500 000 should be done through EXCO and below such is done by management.

7.1.1.42. The CFO responded as follows:

- i) That the cost of the contract would not be over R500 000 as the contractor would only come in once a year and they would charge a rate per hour.
- ii) That the contract with Roux van Rooyen Accountant had continued for a long time, it was one of those contracts that kept renewing itself.
- iii) That the Secretariat would be sending Roux van Rooyen Accountants a letter in terms of the notice requirements of the contract and a letter to the General Secretary to indicate the intention to terminate the contract.

7.1.1.43. The General Secretary indicated the following:

- i) That the Secretariat followed the process of looking at the contract and considered the termination clause whether there was a notice period requirement.
- ii) That with regards to PP Tours there was never a contract hence there was no notice served.
- iii) That the Secretariat would advise EXCO on the matter because the issue was not to provide an indefinite contract which could result in exceeding the R500 000 threshold but to protect the ELRC in the event that the ELRC was not satisfied with the services rendered.

Policies

7.1.1.44. The General Secretary tabled the policies and indicated the following:

- i) That the Audit committee had reviewed the policies which were drafted by the management.
- ii) That the provisions in the Finance Procedure Manual were extracted and put into separate policies as part of addressing the internal and external audit findings and in some instances management had to remove references to the PFMA and Treasury regulations therefore

management had not introduced anything new other than addressing the audit findings.

- iii) Requested that the policies be approved as such addressed the findings of the audit.
- iv) That when the workshop on the policies is convened and there were new issues that needed to be addressed EXCO could amend the policies.

7.1.1.45. The Employer enquired how much time EXCO would be given to check the policies.

7.1.1.46. The General Secretary indicated that such should be done before the follow-up audit which was 4th March 2016.

7.1.1.47. The Employer proposed that a Special EXCO be convened to deal with the policies.

Decision 9:

That a Special Executive Committee meeting to be convened on 22nd February 2016 to deal with the policies.

7.1.2. Finance Sub Committee Recommendations

7.1.2.1. The CFO tabled and presented the Finance Sub Committee report and indicated the following:

- i) That the Finance Sub Committee interacted with the third quarter report together with the Financial Statement of the Accounting officer and recommended to the Executive Committee for approval and adoption
- ii) That the Finance Sub Committee interacted with the Cashbook and it was noted.
- iii) That the Finance Sub Committee recommended the approval and adoption of the Petty Cash Policy by the Executive Committee.

7.1.2.2. The Chairperson indicated that linking the issues raised by the external auditors to the role of FINCO was something EXCO had to look into in the future by ensuring Council had finance expertise in FINCO.

7.1.2.3. The General Secretary indicated the following:

- i) That the King III report spoke about fit for purpose and such was discussed at the workshop to say why was Council not getting to a point where parties despite them being

entitled to a number of seats, they should look at the expertise and skill required because all parties had different divisions.

- ii) That parties should make sure they send the right people to these sub-committees so that EXCO could put reliance on those sub-committees as they had the relevant expertise.

7.1.2.4. SADTU indicated that parties at the King III training session had made a recommendation that management should prepare a document to address some of the issues raised in the King III for EXCO to consider.

7.1.2.5. The Employer enquired whether the financial statements went through the process of auditing by the Internal Audit.

7.1.2.6. The General Secretary indicated the following:

- i) That the financial statements did not go to the Internal Audit for auditing however EXCO should put reliance on the Audit Committee because the Audit Committee was constituted by people who had the skills and expertise in finance.
- ii) That at the end of the financial year the Audit Committee would receive the draft report of the audit financial statements and would engage on such and would direct the ELRC on specific areas that needed to be correct before submitting to the auditors.
- iii) That once the Audit Committee had satisfied themselves with the financial statements they would give the ELRC approval to submit to the auditors.
- iv) That the Audit Committee's report stated that EXCO should place comfort on the fact that the Audit Committee had reviewed the work of management and they were therefore recommending to EXCO to for approval.

Decision 10:

The report of the Finance Sub Committee was noted by the Executive Committee.

7.1.3. Third Quarter Performance and Financial Report of the ELRC for 2015/16 Financial Year

7.1.3.1. The General Secretary tabled the third quarter report and highlighted the following:

- i) That Collective Bargaining Services: National had achieved all set targets for the period under review which was on par with the 100% achievement rate reported in the first and second quarter.
- ii) That with regards to the FETC there was no finality on the matter only that the PSCBC in its meeting took a decision that the status quo should continue until such time a decision was taken on the matter.
- iii) That the performance of the provincial chambers improved significantly, four chambers recorded 100%, namely Eastern Cape, Limpopo, Western Cape and KwaZulu-Natal. This was a remarkable achievement for KwaZulu-Natal, as the Chamber only recorded 25% in the second quarter.
- iv) That the Gauteng Chamber recorded an 80% achievement rate. The Free State, North West and Mpumalanga all achieved 75%.
- v) That the Northern Cape recorded an achievement rate of 50%.
- vi) That with regard to Dispute Management Services, a total of 184 disputes was referred to the ELRC during the period under review.
- vii) That a total of 314 events were conducted for the period under review of which 77 were conciliations and 237 were arbitration events.
- viii) That the Council recorded that the CTU-ATU Practical Labour Law Training (Commissioner's Course) by NMMU had been completed within the specified time-frame and 12 certificates have been issued to the candidates. Only nine candidates, who wrote supplementary exams, would be awarded with certificates in the fourth quarter.
- ix) That the Council had provided facilitation on disputes for non-payment of salaries as well as Post-Provisioning Norms (PPN) declaration in the Eastern Cape.
- x) That the Council had further mediated on Annual National Assessment (ANA), however did not yield positive results as the process ended in a deadlock.
- xi) That the ETDP-SETA awarded bursaries to the Council to the value of R150 000 from their Discretionary Grant allocation for the 2015/16 financial year, to implement skills development interventions.

- xii) That what transpired from the King III training was that because the ELRC was moving from the PFMA era the ELRC was well off in comparison to institutions that had started with King III principles, the ELRC had systems in place ensuring that the ELRC does not lower its standards.
- xiii) That the governance structures had been sensitised that if the ELRC did not receive a levy increase she had an obligation to advise EXCO to start engaging the union in terms of Section 189 processes.
- xiv) That in terms of research and media Council continued to implement its awareness campaign during the period under review.
- xv) That in terms of information technology, ICT launched a resilient SharePoint based Intranet for ELRC internal communications with rapid response.
- xvi) That the overall performance of Council improved significantly during the period under review.
- xvii) That Council was committed to retain this performance rate for the remainder of the 2015/16 financial year and to improve in areas of underperformance.

7.1.3.2. SADTU indicated the following:

- i) That with regards to the 100% achievement rate of Collective Bargaining Services National, there had been discussions on the assessment of the performance of Council as an impression was created that a number of collective agreements had been signed
- ii) That it was necessary to put measures in place to report on the non-performance of parties to Council on collective bargaining because such was one of the key responsibilities of parties.
- iii) That EXCO could not put the blame on the Secretariat for the non-performance of parties to Council to conclude on issues put on the table of Council.
- iv) That in future it would be necessary to put such mechanisms in place that would give a reflection that parties were failing and therefore put remedies/measures in place to circumvent such situations.
- v) That it would be difficult to justify a levy increase if parties were failing to conclude collective agreements.

7.1.3.3. CTU-ATU indicated the following:

- i) That with regard to the performance of provincial chambers there were some provinces which were very active, they had set targets of 10 tasks to achieve had only achieved 5 which would give 50%, but were out performing provincial chambers that set one target and achieving one would give 100%.
- ii) Therefore the reflection was not true of what was happening in the provincial chambers.

7.1.3.4. The Employer indicated the following:

- i) That the issue of setting up targets that reflect percentages was a PFMA requirement to measure performance in percentages.
- ii) Suggested that performance should be measured in ways that could reflect that parties were unable conclude on matters in collective bargaining because the demands were too expensive etc, rather than in terms of the number of meeting held.

7.1.3.5. The Chairperson indicated the following:

- i) That the matter CTU-ATU had raised was an issue that EXCO could manage.
- ii) That the process that SADTU had raised was challenging as that part of challenge was that Council would start a process and it would not get properly completed.
- iii) That there were commitments that Council had made in Cape Town and if that process was evaluate the question was where Council was currently on those commitments.
- iv) That the previous year a new DG was appointed and a meeting with the new DG was supposed to be convened but due to other commitments such did not happen.
- v) That the point SADTU had raised was that Council was not doing as well as expected and therefore it would be difficult to justify a levy increase.
- vi) That with the new DG appointed it would be necessary to build a new way of doing things and engage the DG on processes, how things get to him and mandates etc
- vii) That he had thought that in Cape Town Council had created a good baseline.
- viii) That there was a high percentage achievement rate on the targets set that the

Secretariat was responsible for but the targets that the parties have to deliver was problematic therefore required that Council and EXCO decide what to deliver, run the programme and build relationships.

- 7.1.3.6. CTU-ATU indicated that that parliament committee used the benchmark of the matric examination but the top performing Provincial Chambers were Eastern Cape, Limpopo and KZN exactly the three provinces that were the poorest performers with regards to the matric examination which was a contradiction.
- 7.1.3.7. The General Secretary indicated the following:
- i) That the APP was drafted to comply with the PFMA and Treasury Regulations thus the quarterly report reflected on such.
 - ii) That the new APP would be drafted without having to subscribe to the PFMA and Treasury Regulations, thus the Secretariat would afford parties the chance to put information which would give a true reflexion of the situation when it comes to reporting.
 - iii) That the Secretariat had proposed dates for the Strategic Planning Workshop and had taken a different approach whereby each party needed to present their own plan in terms of what they wanted to see the ELRC doing.
 - iv) That the Secretariat would deal with the framework by taking the issues and plotting it into the framework of the new APP for 2016/17.
- 7.1.3.8. SADTU agreed with the General Secretary and indicated the following:
- i) That before the Strategic Planning Workshop meetings needed to be scheduled with the new DG and with principals of parties to pave a way forward.
- 7.1.3.9. The CFQ tabled the “*Financial Report and Financial Statements*” and highlighted the following:
- i) That Council had introduced accrual accounting for revenue as per the requirements of the IFRS (IAS 18).
 - ii) That these improvements to the accounting system established a process wherein invoices were raised for DHET, DBE and TEVT/FETC Colleges, resulting in a compliant accounting

- for receivables, the collections and ageing of debtors.
- iii) That Council continued to pursue the recovery of the receivables from SARS which was a result of over dawn amounts by the Revenue Services.
 - iv) That the cash and cash equivalents of Council remained stable, wherein in the current period a transfer from reserves of R10 million was made as approved by EXCO to cover some of the related to the refurbishment project.
 - v) That the Council continues to draw interest income from cash reserves which was R5.5 million year to date.
 - vi) That trade and other payables remained minimal as invoices received were processed as per the policy guidelines, which was 30 days after receipt of the invoice.
 - vii) That the provision for FTSS related to liabilities raised in the prior period which were older than 3 years, as such those amounts had prescribed (ito the Prescription Act).
 - viii) That income from levies for basic education was at 2% below the budget for the quarter and now stood at 27% of the full year budget.
 - ix) That in the beginning of the first quarter of the 2015/16 financial year, TVET lecturers were transferred to the Department of Higher Education and Training which resulted in a more efficient collection of levies and culminated in contributions improving by 2%.
 - x) That the financial performance and position of the Council remained favourable.
 - xi) That there were sufficient resources to meet the Councils obligations and the achievement of set strategic targets.

7.1.3.10. The Employer indicated the following:

- i) That Collective Agreement 2 of 2008 compelled the General Secretary to pay the provincial departments and not to reserve the money because when provinces did not claim the money such was prescribed
- ii) That it would be necessary to correct such aspect because the money should go back to the provinces to be able to afford the secondment of FTSS.

7.1.3.11. The Employer moved and SADTU/CTU-ATU seconded the approval of the third quarter report.

Decision 11:

- 1) The Third Quarter Performance and Financial Report for 2015/16 was approved and adopted.
- 2) The General Secretary and Chairperson to schedule meetings with the new DG and principals of parties to engage on issues to pave a way forward before the Strategic Planning Workshop.
- 3) Parties to make presentations at the Strategic Planning Workshop on the following:
 - Their assessment / evaluation of Council's performance
 - Their inputs on the objectives for Council for the new financial year

7.1.4. Human Resources Sub Committee

7.1.4.1. The General Secretary tabled the HR Sub Committee report and indicated the following:

- i) That the HR Sub-Committee recommended that the Executive Committee approve the policy amendment and look at the employee inputs:
 - Recruitment and Selection
 - Training and Development
 - Performance Management
 - Leave Management
 - Disciplinary
 - Code of Conduct and Ethics
- ii) That the HR Sub Committee received and interacted with the content of "*Annexure A: Mobilising Employee Services*" of the third quarterly report and recommended it to the Executive Committee.
- iii) Proposed that the HR policies be dealt with at the Special Executive Committee meeting scheduled for 22nd February 2016.

Decision 12:

- 1) The Executive Committee noted the HR Sub Committee report
- 2) The HR policies to be dealt with at the Special Executive Committee meeting scheduled for 22nd February 2016.

7.2. Other Business Matters

7.2.1. Funding for Placing a Notice in the Extra-Ordinary Government Gazette: PAM

7.2.1.1. The General Secretary indicated the following:

- i) That the Secretariat had received approval from all parties for the funding for placing a

notice in the extra-ordinary government gazette: PAM for R157,933.02

- ii) That the corresponding Officer of CTU-ATU had requested that the Executive Committee confirm the approval of the funding.

7.2.1.2. CTU-ATU, SADTU and the Employer ratified the approval of the funding of R157,933.02 for placing a notice in the extra-ordinary government gazette.

7.2.1.3. The General Secretary further indicated the following:

- i) That the leaders of parties would have taken note that the ELRC was currently pursuing discussion with Juta legal services in so far as the copy rights to the material which they had been reproducing for profit making purposes.
- ii) That the Secretariat would update EXCO on the matter.

Decision 13:

- 1) The Funding of R157,933.02 for placing a notice in the extra-ordinary government gazette was unanimously approved.

7.2.2. Free Market Foundation

7.2.2.1. The General Secretary indicated the following:

- i) That the issue of the free market foundation was one of the items that the PSCBC had suggested to be discussed amongst the Councils.
- ii) Requested that EXCO take a discussion on the matter because it had proven to be very expensive as EXCO should recall that the decision was that a firm should be appointed via the PSCBC to play a watching brief on the matter because the ELRC was not cited as a respondent.
- iii) That the Secretariat was of the view that it was becoming very difficult to sustain the costs that were related to that because the ELRC was not cited as a respondent was no justification for Council to continue incurring exorbitant costs for a firm to play a watching brief.
- iv) Proposed that EXCO take a decision that Council no longer pursue the matter but would observe the process from the media platforms and when judgement was passed if there was

anything required from the ELRC Council would take it up at that point in time.

- v) Proposed that the Secretariat advise the PSCBC that the ELRC could no longer afford the cost and therefore would be withdrawing our instruction as ELRC to the lawyers to play a watching brief.

7.2.2.2. The Employer agreed with the proposal.

7.2.2.3. SADTU indicated the following:

- i) Proposed that before EXCO takes a decision on the matter that such concerns be raised at the envisaged joint PSCBC EXCO because Council was not sure how the judgement would affect bargaining councils in future.

7.2.2.4. The Chairperson indicated the following:

- i) That the invoices received were not for a watching brief but were for attending to the matter.
- ii) That for purposes of a watching brief only one candidate was sent to listen and to write a report and as such was inexpensive.

7.2.2.5. The General Secretary indicated the following:

- i) Expressed concern that from a managements point of view the ELRC was only notified of the decision by the PSCBC EXCO by chance after the Secretariat had done the assessment.
- ii) That the Secretariat did not know when that Joint EXCO was going to take place because the General Secretary of PSCBC GS was proposing a meeting of all the Bargaining Councils General Secretaries in March 2016.
- iii) That it was necessary for the ELRC to reflect on the matter because Council could not be dependent on the views of other sectors.
- iv) That the issue was on the extension of collective agreement and the ELRC operated in a state environment where all the employees which Council dealt with were state employees so there was no basis for ELRC to say the judgement passed would affect the ELRC adversely.
- v) That for Council it would be sufficient that the Minister of Labour was cited as a respondent
- vi) That the amendments to the LRA were compelling all Bargaining Council to build into their constitutions a provision for exemption from collective agreements.

- vii) That EXCO should reflect whether there was any point for the ELRC to keep on incurring such exorbitant costs.
- viii) That it was necessary for EXCO to prepare and express a view at the PSCBC Joint EXCO.

7.2.2.6. SADTU agreed that EXCO should express a view at the PSCBC Joint EXCO and therefore the Secretariat could propose that such meeting be moved forward given the fact that the matter was a costly exercise.

7.2.2.7. CTU-ATU enquire whether it was necessary for EXCO to take decision on the matter or await the PSCBC Joint EXCO before taking a decision on the matter.

7.2.2.8. The Chairperson indicated that the status quo would remain until engagement with other sectors at the PSCBC Joint EXCO and thereafter EXCO could take a decision on the matter.

7.2.2.9. The Employer enquired how the ELRC would deal with the financing of the free market foundation in the interim.

7.2.2.10. SADTU indicated the following:

- i) That the PSCBC Joint EXCO should be moved forward so that EXCO could ascertain what the views of other sectors was.
- ii) That it is a matter that could have an impact on bargaining councils..

7.2.2.11. The Employer enquired whether the ELRC had other pending invoices.

7.2.2.12. The General Secretary responded as follows:

- i) That as long as the lawyers were appointed they would always be submitting invoices, because the ELRC was not issuing instructions to the lawyers therefore was not privy to the work they had done to this point.
- ii) Proposed that whilst awaiting the PSCBC Joint EXCO the Secretariat would obtain the instructions given to the lawyers from the PSCBC.

7.2.2.13. The Employer proposed that Secretariat write to the PSCBC requesting that the Joint EXCO be brought forward.

Decision 14:

The Secretariat to write to the PSCBC requesting that the Joint EXCO is brought forward.

7.2.3. Policy on International Trips

7.2.3.1. Standing item on the agenda.

7.2.4. Corporate Governance Report – King III

7.2.4.1. The General Secretary indicated the following:

- i) That the corporate governance report was included into the pack for noting
- ii) Proposed that an item be added to the Strategic Planning programme to reflect on the recommendations made.

7.2.4.2. The Chairperson indicated that at the Strategic Planning Workshop a session would be included to reflect on the report on corporate governance.

7.2.4.3. CTU-ATU, SADTU and the Employer agreed to the proposal of including an item in the Strategic Planning programme to reflect on the report of corporate governance

Decision 15:

An item to be added to the Strategic Planning Workshop to reflect on the corporate governance report.

8. CONFIRMATION OF DATE OF NEXT MEETING

8.1. The Secretariat to confirm the date of the next Executive Committee meeting.

9. CLOSURE

The meeting closed at 12h00 with a vote of thanks from the Chairperson.

Chairperson

General Secretary

Date