



Education Labour
Relations Council

Legislative and Corporate Governance Checklist

Second Quarter 2016-17
01 July – 30 September



SECTION A: Executive Summary

1. BACKGROUND

- 1.1. As part of the Accountable Officer duties the General Secretary is responsible for ensuring that the Council has in place effective systems to safeguard public funds. This responsibility includes ensuring that the ELRC is managed responsibly and transparently, and meets its statutory, contractual and other obligations.
- 1.2. This responsibility is discharged on a day-to-day basis on behalf of the General Secretary by the Senior Managers.
- 1.3. The Audit Committee monitors management action taken in response to the audit recommendations through the follow-up process described below.
- 1.4. The ELRC must comply with a range of statutory requirements as listed on the compliance universe. To achieve this objective, ELRC designed a checklist to assist in ensuring that it complies with statutory and corporate governance requirements that will directly or indirectly impact the activities of the Council.

2. PURPOSE OF CHECKLIST

- 2.1. The checklist seeks to aid the ELRC in monitoring compliance with the legal and governance obligations set out in the ELRC Constitution, the Labour Relations Act, as well as other pertinent legislation and the King Report on Corporate Governance.
- 2.2. The checklist further assist the Council with compliance and the reporting requirements required for reporting frameworks which are primarily based on the legislation mentioned above.
- 2.3. The checklist is divided into different sections being legislative and corporate governance as follows:

a) Legislative checklist

This section will deal with the requirements in relation to the establishment and general administration of the Council, accounting and auditing (financial management) requirements taken from the Labour Relations Act. It must be noted that most parts of this section of the checklist are in order to give a brief overview of the requirements of ensuring a sound and sustainable management of the financial and organisational affairs of the Council. The checklist attached marked **Annexure 1**.

The checklist does not cover the entire spectrum of the legislation, only those parts that were considered to be pertinent for this period.

b) Corporate governance

This section of the checklist, attached marked **Annexure 2** is by no means the only reference that needs to be taken into account in order to comply with corporate governance principles, but it is rather be seen as the first step in implementing a corporate governance culture, which needs to be cultivated on an on-going basis. This list follows the structure and order of the King Code and attempts to put into question format the requirements of the King Code.

ANNEXURE 1 - Legislative Compliance Checklist

Legislation: Labour Relations Act

Legislative Provision	Requirement	Yes / No / N/A	Confirmation Documentation	Comments
Powers and functions of Bargaining Council Section 28	Does the powers and functions of the ELRC in relation to its registered scope include the following- a) To conclude collective agreements? b) To enforce those collective agreements? c) To prevent and resolve labour disputes? d) To perform the dispute resolution functions referred to in section 51? e) To establish and administer a fund to be used for resolving disputes? f) To promote and establish training and education schemes?	Yes ↓	Collective agreements	The council is to complying with par (f) of this section in a case where training needs were identified and presented by the parties.
Constitution of bargaining Council Section 30	Does the Constitution of the ELRC at least provide for- a) The appointment of representatives of the parties to the Bargaining Council, of whom half must be appointed by the trade unions that are party to the Bargaining Council and the other half by the employers' organisations that are party to the Bargaining Council, and the appointment of alternates to the representatives? b) The representation of small and medium enterprises? c) The circumstances and manner in which representatives must vacate their seats' and the procedure for replacing them? d) Rules for the convening and conducting of meetings of representatives, including the quorum required for, and the minutes to be kept of, those meetings? e) The manner in which decisions are to be made; the appointment or election of office-bearers and officials, their functions, and the circumstances and manner in which they may be removed from office? f) The establishment and functioning of committees? g) The determination through arbitration of any dispute arising between the parties to the Bargaining Council about the	Yes ↓		- Par (b) is not applicable. - Par (J) is not applicable; Employee, Employer and union are bind irrespective of whether are members. Therefore there is no any exemption. <i>Ref Collective agreement 1 of 2014</i>

Legislative Provision	Requirement	Yes / No / N/A	Confirmation Documentation	Comments
	<p>interpretation or application of the Bargaining Council's Constitution?</p> <p>h) The procedure to be followed if a dispute arises between the parties to the Bargaining Council?</p> <p>i) The procedure to be followed if a dispute arises between a registered trade union that is a party to the Bargaining Council, or its members, or both, on the one hand, and employers who belong to a registered employers' organisation that is a party to the Bargaining Council, on the other hand?</p> <p>j) The procedure for exemption from collective agreements?</p> <p>k) The banking and investment of its funds?</p> <p>l) The purposes for which its funds may be used?</p> <p>m) The delegation of its powers and functions?</p> <p>n) The admission of additional registered trade unions and registered employers' organisations as parties to the bargaining Council, subject to the provisions of section 56?</p> <p>o) A procedure for changing its constitution? and</p> <p>p) A procedure by which it may resolve to wind up?</p>	<p>Yes</p> 		
<p>Accounting records and audits Section 53(1)</p>	<p>Does the Council adhere to the standards of generally accepted accounting practice, principles and procedures-</p> <p>a) Keep books and records of its income, expenditure, assets and liabilities?</p> <p>b) Within six months after the end of each financial year, prepare its financial statement, including at least-</p> <p>(i) A statement of income and expenditure for the previous financial year; and</p> <p>(ii) A balance sheet showing its assets, liabilities and financial position as at the end of the previous financial year?</p>	<p>Yes</p> 	<p>2015-16 Annual Financial Statements</p>	<p>The Council adheres to IFRS-SME since the delisting.</p> <p>The 2015-16 annual audit reports were submitted to the Registrar of Labour on the 23rd September 2016</p>
<p>Section 53(2)</p>	<p>Did the Council arrange for an annual audit of its books and records of account and its financial statements by an auditor who must-</p> <p>a) Conduct the audit in accordance with IFRS-SME; and</p> <p>b) Report in writing to the Council and in that report express with those provisions of its constitution relating to financial matters.</p>	<p>Yes</p> 	<p>2015-16 Annual Financial Statements</p>	<p>The Council has appointed Ngubane & Co as its independent external auditor</p> <p>Reported to Council the audited 2015-16 financial statements.</p>

Legislative Provision	Requirement	Yes / No / N/A	Confirmation Documentation	Comments
Section 53(3)	Does the Council- a) Make financial statements and the auditor's report available to the parties to the Council or their representatives for inspection; and b) Submit those statements and the auditor's report to a meeting of the Council as provided for in its constitution?	Yes ↓	AGM minutes	2015-16 Annual Audit Report were presented to members at the AGM, the 24 th August 2016
Section 53(4)	Does Council preserve each of its books of account, supporting vouchers, income and expenditure statements, balance sheets, and auditor's reports for a period of three years from the end of the financial year to which they relate?	Yes	Relevant documents	
Section 53(5)	Are funds of the Council invested in Savings accounts, permanent shares or fixed deposits in any registered bank or financial institution?	Yes	SARB monthly statements	The Council currently invests its funds in saving accounts with the SARB.
54(2)(a)	Did the Council submit its auditor's report, a certified copy of that report and of the financial statements to the registrar within 30 days of receipt from the auditors?	Yes	Annual Audit Report	The 2015-16 annual audit reports were submitted to the Registrar of Labour on the 23 rd September 2016
Duty to keep records and provide information to registrar Section 54(1)	Does the Council keep minutes of its meetings, in an original or reproduced form, for a period of three years from the end of the financial year to which they relate?	Yes	Relevant documents	Secretariat keeps records of minutes
Delegation of functions to committee of Council 55(1)	Did the Council delegate any of its powers and functions to a committee on any conditions, imposed by the Council in accordance with its constitution?	Yes	ELRC Constitution	Executive committee, Finance sub-committee, Human resources sub-committee; Legal sub-committee, and Audit committee
Appointment of commissioner to resolve dispute through arbitration Section 136	Does the Council appoint a commissioner to arbitrate issues that remains unresolved?	Yes	Relevant documents	Matters not resolved in conciliation are referred to arbitration
Schedule 7(16)(2)	Is the registered scope of the Education Labour Relations Council, the State and those employees in respect of which the Educators' Employment Act, 1994 (Proclamation No. 138 of 1994), applies?	Yes		Mandate is derived from the EEA
Schedule 7(16)	Did the ELRC furnish the Registrar with a copy of its constitution?	Yes	ELRC Constitution	The revised ELRC Constitution come into effect on the 23 rd August

Legislative Provision	Requirement	Yes / No / N/A	Confirmation Documentation	Comments
				2016 and was subsequently submitted to the Dept. of Labour The Registrar of Labour is in possession of the old ELRC Constitution
Council meetings Schedule 9(6)(1)	Does the Council hold an annual general meeting?	Yes	AGM minutes	Annual General meeting held on the 24 th August 2016
Schedule 9(6)(3)	At the annual general meeting, does the Council: a) Elect the additional members of the Executive Committee? b) Elect the Chairperson and the Deputy Chairperson of the Council? c) Appoint the members of the panel of conciliators referred to in clause 11 (1) (a)? d) Appoint the members of the panel of arbitrators referred to in clause 11 (1) (b)? e) Appoint the members of an exemptions board to consider and dispose of applications for exemption from the provisions of any collective agreement that may be concluded in the Council? f) Consider the annual financial statements of the Council and the auditor's report on those statements? g) Consider and approve, with or without any amendments, the budget of the Council for the next financial year?	Yes ↓	AGM minutes	ELRC constitution: General Provisions: clause 15.2.2: agenda of AGM) AGM was held on the 24 th August 2016, EXCO members were elected Para c) and d) - conciliators and arbitrators are appointed via the DMS department 2015-16 annual financial statements tabled at the AGM Budget for the next financial year 2017-18 will be tabled in January 2017
Schedule 9(6)(4)	Does the Secretary prepare a written notice of every Council meeting stating the date, time and venue of the meeting and the business to be transacted?	Yes	Relevant documents	ELRC constitution: General Provisions: clause 15.1 & clause 17.1
Executive Committee Schedule 9(7)(1)	Does the Council have an executive committee that consists of the chairperson and the deputy chairperson of the Council, who are members by virtue of their respective offices additional members elected in accordance with sub-clause (3)?	Yes	AGM minutes	AGM held on the 24 th August 2016
Other committees- Schedule 9(8)(1)	The Council may appoint other committees to perform any of its functions, including investigating and reporting to the Council on	Yes	ELRC Constitution	ELRC constitution, General Provisions, clause 16.1

Legislative Provision	Requirement	Yes / No / N/A	Confirmation Documentation	Comments
	any matter, but excluding the non-delegated functions referred to in clause 7(2) (d)			
Officials and employees- Schedule 9(10)(1)	<p>Did the Council appoint a secretary who will be responsible for the administrative and secretarial work arising from the functioning of the Council and for performing the functions and duties imposed on the secretary by or in terms of the Act and this constitution? That work and those duties and functions include -</p> <p>a) To keep and maintain the books and records of account that the Council may direct in order fully to reflect the financial transactions and state of affairs of the Council?</p> <p>b) To attend all meetings of the Council and its executive committee and record the minutes of the proceedings at those meetings?</p> <p>c) To conduct the correspondence of the Council, keeping originals of letters received and copies of letters sent?</p> <p>d) At each meeting of the Council, to read significant correspondence that has taken place since the previous meeting?</p> <p>e) To bank all moneys received on behalf of the Council within three days of receipt?</p> <p>f) Whenever required by the Council, but at least once in every quarter of the financial year, to submit to the Council statements of its financial affairs and position?</p> <p>g) To prepare, for submission at the annual general meeting of the Council, a budget for the next financial year and an annual report summarizing the key activities of the Council?</p> <p>h) To countersign cheques drawn on the Council's bank account?</p>	Yes 	ELRC Constitution Appointment letters Job descriptions Meeting minutes Bank statements Quarterly reports	The General Secretary reports quarterly and annually to EXCO on the financial position and performance information of the Council
Schedule 9(10)(2)(a)	Does the secretary retain a copy of the confirmed and signed minutes of every meeting of the Council, the executive committee and any other committee of the Council in safe custody at the office of the Council for a period of at least three years from the date those minutes were confirmed?	Yes	Relevant documents	ELRC constitution: General Provisions: Clause 17.3.7
Finances- Schedule 9(15)	Does the Council raise funds by charging a levy on employees and employers within the registered scope of the Council?	Yes	Collective agreement on levies	Levy increased effective from the 1 st April 2017

Legislation: Occupational Health and Safety Act

Legislative Provision	Requirement	Yes / No / N/A	Confirmation Documentation	Comments
Health and Safety policy- Section 7	Does a written policy concerning the protection of the health and safety of the employees at work exist?	Yes	Safety, Health and Environment (SHE) Policy EXCO meeting minutes	Presented and adopted by EXCO on the 28 th July 2016
General duties of employers to their employees- Section 8(1)	Does the employer provide and maintain, as far as is reasonable practical, a working environment that is safe and without risk to the health of his employees?	Yes	SHE meetings minutes	
General duties of employers and self-employed persons to persons other than their employees- Section 9(1)	Does the employer conduct his undertaking in such a manner as to ensure, as far as reasonably practicable, that persons other than those in his employment who may be directly affected by his activities are not thereby exposed to hazards to their health or safety?	Yes	SHE policy	
Duty not to interfere with, damage or misuse things Section 15	No person shall intentionally or recklessly interfere with, damage or misuse anything which is provided in the interest of health or safety.	Yes	SHE policy Code of conduct	
Health and safety representatives- Section 17(1)	Has the employer (more than 20 employees in his employment at any workplace), designated in writing for a special period health and safety representatives for such workplace or for different sections thereto?	Yes	SHE members - Appointment letters	
Functions of health and safety representatives- Section 18(1)	Are health and safety representative perform functions in respect of the workplace for which he has been designated?	Yes	SHE members - Appointment letters	
Health and safety committees- Section 19(1)	An employer shall in respect of each workplace where two or more health and safety representatives have been designated, establish a health and safety committee and, at every meeting of such a committee with a view to initiate, developing, promoting, maintaining and reviewing measures to ensure the health and safety of his employees at work.	Yes	SHE members - Appointment letters	
Health and safety committees- Section 19(3)	The persons nominated by an employer on a health and safety committee shall be designated in writing by the employer for such period as may be determined by him, while the health and safety	Yes	SHE members - Appointment letters	

Legislative Provision	Requirement	Yes / No / N/A	Confirmation Documentation	Comments
	representatives shall be members of the committee for the period of their designation.			
Health and safety committees- Section 19(4)	Does the health and safety committee hold meetings as often as may be necessary, but at least once every three months?	Yes	Meeting minutes	Quarterly meetings are held - the last meeting was held on the 30 th September 2016
Display of substituted notices and signs- 2B of General Safety Regulations	If the provisions of any regulation prescribe a particular notice or sign to be displayed by an employer or by user at a workplace, the employer display a corresponding symbolic sign, as contained in a safety standard incorporated for this purpose into regulations, in which case the employer shall be deemed to have complied with such provisions	Yes		
First aid, emergency equipment and procedures- 3(1) of General Safety Regulations	An employer shall take all reasonable steps that are necessary under the circumstances, to ensure that persons at work receive prompt first aid treatment in case of injury or emergency.	Yes		Training was provided to the SHE representatives
First aid, emergency equipment and procedures- 3(2) of General Safety Regulations	Where more than five employees are employed at a workplace, the employer of such employees shall provide a first aid box which shall be available and accessible for the treatment of injured persons at that workplace.	Yes	Meeting minutes	HR is custodian of first aid box
First aid, emergency equipment and procedures- 3(4) of General Safety Regulations	Where more than 10 employees are employed at a workplace, the employer of such employees shall take steps to ensure that for every group of up to 50 employees at that workplace, at least one person is readily available during normal working hours, who is in possession of a valid certificate of competency in first aid, issued by- (a) The SA Red Cross Society; (b) The St John's Ambulance; or (c) The SA First Aid League.	Yes	Training Certificates	Training was provided to SHE representatives

Legislation: Basic Conditions of Employment Act

Legislative Provision	Requirement	Yes / No / N/A	Confirmation Documentation	Comments
Regulating of working time- Section 7	Does the employer regulate the working time of each employee?	Yes	HR Policy Contract of employment	Working hours are stipulated on the contract of employment of every employee
Ordinary hours of work- Section 9(1)	Are the normal working hours of employees are 45 hours in any week?	Yes	HR Policy Contract of employment	Official working hrs. – 08:00am to 16:30pm Lunch break – 1 hour Tea break – 15 minutes
Overtime- Section 10(1)	An employer may not require or permit an employee to work- a) Overtime except in accordance with an agreement; b) More than ten hours' overtime a week	Yes	HR Policy	Pre-authorised
Overtime- Section 10(4)	Does the employer grant paid time off within one month of the employee becoming entitled to it?	Yes	HR Policy	Time off in lieu of overtime payment
Meal intervals- Section 14(1)	Does the employer give an employee who works continuously for more than five hours a meal interval of at least one continuous hour?	Yes	HR Policy Contract of employment	Lunch break – 1 hour Tea break – 15 minutes
Public holidays- Section 18(1)	The employer may not require an employee to work on a public holiday except in accordance with an agreement.	Yes	HR Policy Contract of employment	
Annual leave- Section 20(2)(a)	Does the employer grant an employee at least 21 consecutive days' annual leave on full remuneration in respect of each annual leave cycle?	Yes	HR Policy	EE < 5yrs of employment qualifies for 2.17 credits pm EE > 5yrs of employment qualifies for 2.50 credits pm
Annual leave- Section 20(4)	Does the employer grant annual leave not later than six months after the end of the annual leave cycle?	Yes	HR Policy	
Sick leave- Section 22(1)	Does the employer grant sick leave period of 36 months?	Yes	HR Policy	
Proof of incapacity- Section 23(1)	An employer is not required to pay an employee if the employee has been absent from work for more than two consecutive days or on more than two occasions during an eight-week period and, on request by the employer, does not produce a medical certificate stating that the employee was unable to work for the duration of the employee's absence on account of sickness or injury.	Yes	HR Policy	
Maternity leave- Section 25(1)	Are employees entitled to at least four consecutive months' maternity leave?	Yes	HR Policy	

Family responsibility leave- Section 27(2)	Does the employer grant the employee, during each annual leave cycle, at the request of the employee, three days paid leave?	Yes	HR Policy	
Written particulars of employment- Section 29(2)	Does the employer supply an employee, when the employee commences employment, with the following particulars in writing— <ul style="list-style-type: none"> ▪ The full name and address of the employer; ▪ The name and occupation of the employee, or a brief description of the work for which the employee is employed; ▪ The place of work, and, where the employee is required or permitted to work at various places, an indication of this; ▪ The date on which the employment began; ▪ The employee's ordinary hours of work and days of work; ▪ The employee's wage or the rate and method of calculating wages; ▪ The rate of pay for overtime work 	Yes 	EE personal files	
Information employees of their rights- Section 30	Does the employer have on display at the workplace where it can be read by employees a statement in the prescribed form of the employee's rights under this Act in the official languages which are spoken in the workplace?	Yes		BCEA displayed in the HR office
Keeping of records- Section 31(1)	Does the employers keep a record of at least: <ul style="list-style-type: none"> ▪ The worker's name and job ▪ Time worked ▪ Money paid 	Yes	Monthly payslips Attendance register Personal files	
Deductions and other acts concerning remuneration- Section 34(1)	An employer may not deduct any money from a worker's pay unless: <ul style="list-style-type: none"> ▪ That worker agrees in writing. ▪ The deduction is required by law or permitted in terms of a law, collective agreement, court order or arbitration award. 	Yes	Employee personal file Payroll file	
Notice to termination of employment- Section 37(5)(a)	Is the notice to termination of employment given in writing?	Yes	Letter of resignation Personal file	
Payments on termination- Section 40(a)	On termination of employment, does the employer pay an employee for any paid time off that the employee is entitled to?	Yes	Payroll file	
Certificate of service- Section 42	Does the employer give the employee a certificate of service when a job ends?	Yes	Certificate of termination of service	

Legislation: Income Tax Act

Legislative Provision	Requirement	Yes / No / N/A	Confirmation Documentation	Comments
Payment of employees and provisional tax and Interest on overdue payments of such taxes- General Provisions Part iv(89bis)	Does the employer make payments by way of employees' tax and provisional tax to SARS?	Yes	Bank statement EMP201	
Employer to deduct tax (paragraphs. 2-11A)- General Provisions Employee's Tax (Para 2-16)	Does the employer deduct or withhold from the employee's remuneration by way of employees' tax an amount which shall be determined as provided in paragraph 9, 10, 11 or 12, whichever is applicable, in respect of the liability for normal tax of that employee, or, if such remuneration is paid or payable to, and shall pay the amount so deducted or withheld to the SARS within 7 days after the end of the month?	Yes	Payslips EMP201 Bank statement	
Employers to keep records and furnish returns- Para 14	Does the employer maintain a record showing the amounts of remuneration paid or due by him to such employee and the amount of employees' tax deducted or withheld from each such amount of remuneration?	Yes		
Employers to keep records and furnish returns- Para 14	Does the employer submit to SARS a declaration of payment of employees' tax?	Yes	EMP501	
Registration of employers- Para 15	Is the ELRC registered with SARS as an employer?	Yes		
Certificates by employers- Para 17(1)	Does the employer, within 30 days after the end of fiscal year, deliver to such employee a certificate which shall show the nature of such taxable benefit and the full cash equivalent of the value thereof during such year or period?	Yes	IRP5/IT3	
Certificates by employers- Para 17(3)	Does the employer, within the said period of 30 days or the said further period, deliver to the Commissioner a copy of such certificate?	Yes		
Annual statements by employers- Para 18(1)	Does the employer declare that all taxable benefits enjoyed by employees (as declared on the employee's tax certificate) of such employer during the period in respect of which such return was furnished?	Yes		

<p>Provides for exemption of the receipts and accruals of any organisation established to promote the common interests of persons Section 10(1)(d)(iv)(bb)</p>	<p>The founding document (constitution) of the organisation must provide that</p> <ul style="list-style-type: none"> a) Substantially the whole of its funds will be used for the sole or principal object for which it has been established; b) Substantially the whole of its activities will be directed to the furtherance of its sole or principal object and not for the specific benefit of an individual member or minority group and c) Substantially the whole of the entity's funding must be derived from its annual, or other long term members or from an appropriation by the Government of the Republic in the national, provincial or local sphere 	<p>Yes</p> 	<p>ELRC Constitution</p>	<p>Constitution amendment made to give effect to the requirement</p>
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ANNEXURE 2: Corporate Governance Checklist

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
1. Ethical leadership and corporate citizenship					
Responsible leadership	1.1. The Executive Authority should provide effective leadership based on an ethical foundation	Does the Executive Authority: 1.1.1. Direct the strategy and operations to build a sustainable business? 1.1.2. Consider the short- and long-term impacts of the strategy on the economy, society and the environment? 1.1.3. Do business ethically? 1.1.4. Take account of the Council's impact on internal and external stakeholders?	Yes ↓	ELRC Constitution Strategic Plan Annual Performance Plan	Constitution: Part A General Provisions
Executive authority's responsibilities		Is/does the Executive Authority: 1.1.5. Responsible for the strategic direction of the Council and for the control of the Council? 1.1.6. Set the values to which the Council will adhere formulated in its code of conduct? 1.1.7. Ensure that its conduct and that of management aligns to the values and is adhered to in all aspects of its business? And 1.1.8. Promote the stakeholder-inclusive approach of governance?	Yes ↓	ELRC Constitution Strategic Plan Annual Performance Plan	Constitution: Part A General Provisions
Ethical foundation		Does the Executive Authority ensure that: 1.1.1. All deliberations, decisions and actions are based on the values underpinning good governance? 1.1.2. Each member adheres to the duties of a member	Yes ↓	ELRC Constitution Meeting minutes	
	1.2. The Executive Authority should ensure that the Council is and is seen to be a responsible corporate citizen	Does the Executive Authority: 2.1.1. Consider not only on financial performance but also the impact of the Council's operations on society and the environment?	Yes ↓	ELRC Constitution Meeting minutes	Constitution: Part A General Provisions

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
		2.1.2. Protect, enhance and invest in the wellbeing of the economy, society and the environment? 2.1.3. Ensure that the Council's performance an interaction with its stakeholders is guided by the Constitution? 2.1.4. Ensure that collaborative efforts with stakeholders are embarked upon to promote ethical conduct and good corporate citizenship? 2.1.5. Ensure that measurable corporate citizenship programmes are implemented? And 2.1.6. Ensure that management develops corporate citizenship policies?	Yes 		
	1.3. The Executive Authority ensure that the Council's ethics are managed effectively	Does the Executive Authority ensure that: 1.3.1. It builds and sustains an ethical corporate culture in the Council? 1.3.2. It determines the ethical standards which should be clearly articulated and ensures that the Council takes measures to achieve adherence to them in all aspects of the business? 1.3.3. Adherence to ethical standards is measured? 1.3.4. Internal and external ethics performance is aligned around the same ethical standards? 1.3.5. Ethical risks and opportunities are incorporated in the risk management process? 1.3.6. A code of conduct and ethics-related policies are implemented? 1.3.7. Compliance with the code of conduct is integrated in the operations of the Council?	Yes 	ELRC Constitution Meeting minutes Business policies	

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
		1.3.8. The Council's ethics performance is assessed, monitored, reported and disclosed?			
2. The Executive Authority and Members					
Role and function of executive authority	2.1. The executive authority should act as the focal point for and custodian of corporate governance	Does the executive authority 2.1.1. Have a charter setting out its responsibilities? 2.1.2. Meet at least four times per year? 2.1.3. Monitor the relationship between management and the stakeholders of the Council?	No Yes ↓	Constitution: Part A General Provisions EXCO meetings minutes	Responsibilities of EXCO are enclosed in the Constitution The EXCO charter has been drafted and awaits approval
	2.2. The executive authority should elect a chairman of the executive authority who is an independent non-executive member. The General Secretary of the ELRC should not also fulfil the role of chairman of the executive authority	2.2.1. Does the members of the board should elect a chairman on an annual basis? 2.2.2. Is the chairman independent and free of conflict upon appointment? 2.2.3. Is the role of the chairman formalised? 2.2.4. Is the chairman's ability to add value, and his performance against what is expected of his role and function, assessed every year?	Yes ↓	Constitution: Part A General Provisions EXCO quarterly meetings minutes AGM minutes	
	2.3. The executive authority should appoint the General Secretary and establish a framework for the delegation of authority	Does the executive authority: 2.3.1. Appoint the General Secretary? 2.3.2. Provide input regarding senior management appointments? 2.3.3. Approve a delegation of authority framework? 2.3.4. Ensure that the role and function of the GS is formalised and the performance of the GS is valuated against the criteria specified? 2.3.5. Ensure succession planning for the GS and CFO is in place?	Yes ↓ N/a	Constitution: Part A General Provisions HR policy Delegation of Authority policy EXCO meetings minutes	Succession planning is not an issue due to the size of the organisation
Composition of the executive authority	2.4. The executive authority should comprise a balance of power, with a majority of non-executive	2.4.1. Is the majority of executive authority members' non-executive? 2.4.2. Is the majority of the non-executive members independent?	Yes	Constitution: Part A General Provisions AGM minutes	Members are elected and deployed by their respective parties in line

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
	members. The majority of non-executive members should be independent	2.4.3. When determining the number of members serving on the executive committee, the knowledge, skills and resources required for conducting the business of the executive authority should be considered.			with the provisions of the Constitution
Executive authority appointment process	2.5. Members should be appointed through a formal process	2.5.1. Does a nomination committee assist with the process of identifying suitable members of the EXCO? 2.5.2. Are background and reference checks performed before the nomination and appointment of members? 2.5.3. Is the appointment of non-executive members formalised through a letter of appointment. 2.5.4. Does the executive make full disclosure regarding individual member to enable shareholders to make their own assessment of members	N/a ↓		Executive members are appointed in line with the provision of the Constitution. The appointment process is outlined in the Constitution
Committee members development	2.6. The induction and ongoing training and development of executive members should be conducted through formal processes	Does the executive authority ensure that: 2.6.1. A formal induction programme is established for new members? 2.6.2. Inexperienced members are developed through mentorship programmes? 2.6.3. Continuing professional development programmes are implemented; and 2.6.4. Members receive regular briefings on changes in risks, laws and the environment?	N/a ↓		Training of committee members is undertaken as and when a need arises, then members are be trained accordingly
Performance assessment	2.7. The evaluation of the executive authority, its committees and the individual members should be performed every year	2.7.1. Does the executive authority determine its own role, functions, duties and performance criteria as well as that for members on the executive to serve as a benchmark for the performance appraisal? 2.7.2. Are yearly evaluations performed by the chairman or an independent provider? 2.7.3. Do the results of performance evaluations identify training needs for members?	N/a ↓		An audit to assess the effectiveness and efficiency of EXCO and its sub-committees is scheduled in the 4 th quarter 2016-17

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
Executive authority committees	2.8. The executive authority should delegate certain functions to well-structured committees but without abdicating its own responsibilities	2.8.1. Is the formal terms of reference established and approved for each committee of the executive? 2.8.2. Is the committees' terms of reference should be reviewed yearly? 2.8.3. Is the committees appropriately constituted and the composition and the terms of reference should be disclosed in the integrated report? 2.8.4. Is there an audit committee?	Yes ↓	ELRC Constitution: Part A General Provisions	Finance, legal, Human Resources sub-committees
Remuneration of executive members	2.9. Council should remunerate executive members fairly and responsibly	2.9.1. Companies should adopt remuneration policies aligned with the strategy of the company and linked to individual performance. 2.9.2. The remuneration committee should assist the board in setting and administering remuneration policies. 2.9.3. The remuneration policy should address base pay and bonuses, employee contracts, severance and retirement benefits and share-based and other long-term incentive schemes. 2.9.4. Non-executive fees should comprise a base fee as well as an attendance fee per meeting.	N/a ↓	ELRC Constitution:	Executive members are not remunerated
3. Audit Committee					
	3.1. The executive committee should ensure that the Council has an effective and independent audit committee	3.1.1. Has the Council established an audit committee, defined its composition, purpose and duties in the Constitution? 3.1.2. Does EXCO approve the terms of reference of the audit committee. 3.1.3. Does the audit committee meet as often as is necessary to fulfil its functions but at least twice a year?	Yes ↓	ELRC Constitution Audit Committee Charter Meeting minutes	New AC members were appointed on the 1 st September 2016

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
		3.1.4. Does the audit committee meet with internal and external auditors at least once a year without management being present?	No		
Membership and resources of the audit committee	3.2. Audit committee members should be suitably skilled and experienced independent non-executive members	3.2.1. Are all members of the audit committee independent non-executive members? 3.2.2. Is the audit committee should consist of at least three members? 3.2.3. Is the chairman of the executive not the chairman or member of the audit committee? 3.2.4. Is the committee collectively have sufficient qualifications and experience to fulfil its duties?	Yes ↓	ELRC Constitution Meeting minutes Appointment letters	
	3.3. The audit committee should be chaired by an independent non-executive director	3.3.1. Does the executive committee elect the chairman of the audit committee? 3.3.2. Does the chairman of the audit committee participate in setting and agreeing the agenda of the committee? 3.3.3. Does the chairman of the audit committee attend the AGM?	Yes ↓	Meeting minutes	
Responsibilities of the audit committee	3.4. The audit committee should oversee integrated reporting	3.4.1. Does the audit committee have regard to all factors and risks that may impact on the integrity of the integrated report? 3.4.2. Does the audit committee review and comment on the financial statements included in the integrated report. 3.4.3. Does the audit committee review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information? 3.4.4. Does the audit committee recommend to the EXCO to engage an external assurance provider on material sustainability issues? 3.4.5. Does the audit committee consider the need to issue interim results?	Yes ↓ N/a ↓ Yes	Audit Committee Charter	

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
		3.4.6. Does the audit committee should review the content of the summarised information? 3.4.7. Does the audit committee should engage the external auditors to provide assurance on the summarised financial information?	Yes ↓		
	3.5. The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	3.5.1. Does the audit committee ensure that the combined assurance is received is appropriate to address all the significant risks facing the company? 3.5.2. Is the relationship between the external assurance providers and the company should be monitored by the audit committee?	Yes ↓	IA quarterly report SHE quarterly report RMC quarterly report IT quarterly report	A draft combined assurance framework was submitted to AC members on the 8 th August for consideration
Internal assurance Providers	3.6. The audit committee should satisfy itself of the expertise, resources and experience of the council's finance function	3.6.1. Every year a review of the finance function should be performed by the audit committee. 3.6.2. The results of the review should be disclosed in the integrated report.	Yes	Audit Committee (AC) Charter	
	3.7. The audit committee should be responsible for overseeing of internal audit	3.7.1. Is the audit committee responsible for the appointment, performance assessment and/or dismissal of the CAE? 3.7.2. Does the audit committee approve the internal audit plan? 3.7.3. Does the audit committee ensure that the internal audit function is subject to an independent quality review as and when the committee determines it appropriate?	No Yes ↓	HR policy 2016-17 Audit Coverage Plan IA charter	There is no CAE position in terms of the ELRC structure but a senior manager. The appointment of all senior managers is in line with the HR policy IA function will be subjected to a quality review after 5 years
	3.8. The audit committee should be an integral component of the risk management process	3.8.1. Does the charter of the audit committee set out its responsibilities regarding risk management? 3.8.2. Does the audit committee should specifically have oversight of: 3.8.2.1. Financial reporting risks? 3.8.2.2. Internal financial controls?	Yes ↓	AC Charter	

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
		3.8.2.3. Fraud risks as it relates to financial reporting? and 3.8.2.4. IT risks as it relates to financial reporting?	Yes ↓		
External assurance Providers	3.9. The audit committee responsible for recommending the appointment of the external auditor and overseeing the external audit process	Does the audit committee: 3.9.1. Nominate the external auditor for appointment? 3.9.2. Approve the terms of engagement and remuneration for the external audit engagement? 3.9.3. Monitor and report on the independence of the external auditor? 3.9.4. Define a policy for non-audit services provided by the external auditor and approve the contracts for non-audit services? 3.9.5. Be informed of any Reportable Irregularities identified and reported by the external auditor? and 3.9.6. Review the quality and effectiveness of the external audit process?	No ↓ Yes ↓	SCM policy	Appointment of external auditor is done via the SCM processes – BSC, BEC, BAC
Reporting	3.10. The audit committee report to EXCO on how it has discharged its duties	3.10.1. Does the audit committee report internally to the EXCO on its statutory duties and duties assigned to it by the EXCO? 3.10.2. The audit committee must report to the shareholders on its statutory duties: 3.10.2.1. how its duties were carried out; 3.10.2.2. if the committee is satisfied with the independence of the external auditor; 3.10.2.3. the committee's view on the financial statements and the accounting practices; and 3.10.2.4. whether the internal financial controls are effective. 3.10.3. Does the audit committee provide a summary of its role and details of its	Yes ↓	Audit Committee Charter ELRC Constitution AC quarterly reports Minutes of quarterly meetings	Quarterly and annual reporting

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
		composition, number of meetings and activities, in the integrated report? 3.10.4. Does the audit committee recommend the integrated report for approval by the EXCO?	↓		
4. Governance of Risk					
The executive authority's responsibility for risk governance	4.1. The executive authority should be responsible for the governance of risk	4.1.1. Has the ELRC developed a policy and plan for a system and process of risk management? 4.1.2. Are risk management policies clearly communicated to all employees? 4.1.3. Is there a procedure in place to ensure communication of risk management policies to all employees? 4.1.4. Is training on the risk management policies provided to all employees? 4.1.5. Does the audit committee assist EXCO in carrying out its risk responsibilities?	Yes ↓	ELRC Constitution Risk Management Framework and Policy	In terms of section 14 of the Constitution, function sound management and administration of ELRC are delegated to the General Secretary
Management's responsibility for risk management	4.2. The executive should delegate management responsibility to design, implement and monitor the risk management plan	4.2.1. Is the risk strategy executed by management by means of risk management systems and processes? 4.2.2. Is management is accountable for integrating risk in the day-to-day activities of the company?	Yes ↓	Risk management framework and policy	
Risk assessment	4.3. The executive authority should ensure that risk assessments are performed on a continual basis	4.3.1. Does the executive authority ensures effective and ongoing risk assessments are performed? 4.3.2. Is a systematic, documented, formal risk assessment conducted at least once a year? 4.3.3. Is risks prioritised and ranked to focus responses and interventions? 4.3.4. Does the risk assessment process involve the risks affecting the various income streams of the company, the critical dependencies of the business, the	Yes ↓	Risk assessment report Risk register	

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
		sustainability and the legitimate interests and expectations of stakeholders? 4.3.5. Does the General Secretary regularly receive and review a register of the company's key risks?	↓		
Risk response	4.4. The executive should ensure that management considers and implements appropriate risk responses	4.4.1. Does management identify and note in the risk register the risk responses decided upon? 4.4.2. Does management demonstrate to the board that the risk response provides for the identification and exploitation of opportunities to improve the performance of the ELRC?	Yes ↓	Risk management framework and policy Risk register Meetings minutes	
Risk monitoring	4.5. The executive authority should ensure continual risk monitoring by management	4.5.1. Does the executive authority ensure that effective and continual monitoring of risk management takes place? 4.5.2. Is the responsibility for monitoring defined in the risk management plan?	Yes ↓	Risk management framework and policy Risk register Meetings minutes	Responsibilities are defined in the risk management framework
Risk assurance	4.6. The executive authority should receive assurance regarding the effectiveness of the risk management process?	4.6.1. Does management provide assurance to the EXCO that the risk management plan is integrated in the daily activities of the council? 4.6.2. Does the internal audit provide a written assessment of the effectiveness of the system of internal controls and risk management?	Yes ↓	Quarterly risk monitoring reports	
5. Governance of Information Technology					
		5.1. Is EXCO responsible for information technology (IT) governance? 5.2. Is IT aligned with the performance and sustainability objectives of the Council? 5.3. Does EXCO delegate to management the responsibility for the implementation of an IT governance framework?	Yes ↓	IT Framework Delegations of Authority policy	In terms of section 14 of the Constitution, function sound management and administration of ELRC are delegated to the General Secretary

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
		5.4. Does EXCO monitor and evaluate significant IT investments and expenditure? 5.5. Does IT forms an integral part of the company's risk management? 5.6. Does EXCO ensure that information assets are managed effectively? 5.7. Does the audit committee assist EXCO in carrying out its IT responsibilities?	Yes ↓		
6. Compliance with Laws, Rules, Codes and Standards					
		6.1. Does EXCO ensure that the Council complies with applicable laws rules, codes and standards? 6.2. Does the compliance risk form an integral part of the Council's risk management process? 6.3. Does EXCO delegate to management the implementation of an effective compliance framework and processes?	Yes ↓	Compliance universe Compliance management framework Audit reports	
7. Internal Audit					
The need for and role of internal audit	7.1. The executive authority should ensure that there is an effective risk based internal audit	7.1.1. Has the ELRC established an internal audit function? 7.1.2. Does Internal audit perform the following functions: 7.1.2.1. Evaluate the company's governance processes? 7.1.2.2. Perform an objective assessment of the effectiveness of risk management and the internal control framework? 7.1.2.3. Systematically analyse and evaluating business processes and associated controls? and 7.1.2.4. Provide a source of information as appropriate, regarding instances of fraud, corruption, unethical behaviour and irregularities?	Yes ↓	ELRC structure Internal audit charter	

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
		7.1.3. Is an internal audit charter in place? 7.1.4. Does the internal audit function adhere to the IIA Standards and code of ethics?	Yes ↓		
Internal audit's approach and plan	7.2. The internal audit should follow a risk based approach to its plan	7.2.1. Is the internal audit plan and approach informed by the strategy and risks of the Council? 7.2.2. Is Internal audit independent from management? 7.2.3. Is internal audit an objective provider of assurance that considers: 7.2.3.1. the risks that may prevent or slow down the realisation of strategic goals? 7.2.3.2. whether controls are in place and functioning effectively to mitigate these; and 7.2.3.3. the opportunities that will promote the 7.2.3.4. realisation of strategic goals that are identified, assessed and effectively managed by the company's management team.	Yes ↓	Audit coverage plan	IA reporting line: functional to AC and administratively to GS
	7.3. Internal audit should provide a written assessment of the effectiveness of the Council's system of internal controls and risk management	7.3.1. Does internal audit form an integral part of the combined assurance model as internal assurance provider? 7.3.2. Are internal controls established not only over financial matters, but also operational, compliance and sustainability issues? 7.3.3. Does ELRC maintain an effective governance, risk management and internal control framework? 7.3.4. Does internal audit provide a written assessment of the system of internal controls and risk management to the executive? 7.3.5. Does internal audit provide a written assessment of internal financial controls to the audit committee?	Yes ↓	Internal audit reports Meetings minutes	

Governance Element	Principle (s)	Recommended Practice	Yes / No / N/A	Confirmation Documentation	Comments
Internal audit's status in the company		7.4. Is the internal audit strategically positioned to achieve its objectives?	Yes		

