



MINUTES OF MEETING

Meeting: FINANCE SUB COMMITTEE
Date: 09 MAY 2017
Time: 10H30
Venue: ELRC BUILDING
261 WEST AVENUE
CENTURION

1. OPENING AND WELCOME

1.1 The meeting commenced at 10H35 with a welcome from Mr Cele, the Chairperson.

2. ATTENDANCE AND APOLOGIES

2.1 Present

Mr. M Cele	Chairperson
Ms. M Mogale	Employer
Mr. H Ngwenya	Employer
Mr. S Mogapi	SADTU
Mr. M Jacobs	SADTU
Mr. D Lerm	CTU-ATU
Ms. N O Foca	ELRC-GS
Ms. N Shadung	ELRC-CFO
Ms. N Bongco	ELRC
Mr. M Moela	ELRC
Mr. S Moloisi	ELRC
Mr. V Mandobe	ELRC
Ms. B Loxton	ELRC
Ms. M B U Milne	ELRC

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2.2 Apologies

Mr. W Kutumela Employer
Mr M Moloji CTU-ATU

3. CONFIRMATION OF THE AGENDA

- 3.1. SADTU requested that there be an addition of an item under 5.2 on the agenda.
- 3.2. CTU-ATU moved and the Employer seconded the adoption of the agenda.

Decision 1

The agenda as amended was unanimously adopted.

4. MINUTES OF THE PREVIOUS MEETING

4.1. 31 January 2017

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

4.2. 13 March 2017

- 4.2.1. SADTU indicated that what they proposed earlier falls within 5.2 and noted an omission.
- 4.2.2. SADTU indicated that 4.1.19.2 indicated that the matter raised on that point emanated from what SADTU raised, the question on the report that was taken to EXCO which needed to be shared with the Council.
- 4.2.3. SADTU indicated that the issue was omitted in the minutes.
- 4.2.4. The General Secretary indicated that the omission would be included in the minutes.

Decision 2:

- 1) The minutes of Finance Sub Committee meeting held on 31st January 2017 were adopted.
- 2) The minutes of Finance Sub Committee meeting held on 13th March 2017 as amended were adopted.

5. MATTERS ARISING

5.1. 31st January 2017

- 5.1.1. There were no matters identified in the minutes of 31st January 2017.

5.2. 13th March 2017

- 5.2.1. SADTU indicated that having agreed that there was an omission on the minutes, asked if the report would be presented to Council.
- 5.2.2. The General Secretary in response indicated that the omission was conceded to however the report will first find expression in EXCO, then presented to Council.
- 5.2.3. The General Secretary confirmed that the report has not yet served in the EXCO and therefore it would not be presented in FINCO meeting.
- 5.2.4. SADTU indicated that they are satisfied with the response however requested that the report be presented to Council after EXCO has deliberated on it.
- 5.2.5. The Employer seconded SADTU on the issue of the report to be presented to Council after EXCO has deliberated on it.
- 5.2.6. The Chairperson indicated that the matter should have been raised before the adoption of the agenda but however the Chairperson allowed the employer to raise the matter and cautioned that next time members should adhere to the agenda as adopted.
- 5.2.7. The Employer indicated that on 4.1.19.3, requested that the issue of the necessity of new FINANCE committee members to be taken through workshop for their understanding of the finance committee roles and responsibilities in line with the Constitution was raised.
- 5.2.8. The Chairperson indicated that the issue was when the workshop will be conducted to FINANCE committee members.
- 5.2.9. The General Secretary in response, refer the meeting to item 6.3 of the agenda on the Sub Committee Charter, the Charter provides for the roles and responsibilities of the Sub Committee.
- 5.2.10. The General Secretary further indicated that when the Council delisted, the roles and responsibilities of the committees were removed from the Constitution and placed in the Charters.

- 5.2.11. The General Secretary indicated that when the service provider for King IV workshop is confirmed, the Subcommittee Charters would be provided to the service provider to be included in the package for workshop on King IV including the Finance Subcommittee charter.
- 5.2.12. The General Secretary indicate that the dates for workshop would be confirmed and communicated once EXCO has deliberated and agreed on the matter.

Decision 3:

The date for convening the workshop on King IV and the Subcommittee Charters would be communicated once EXCO has agreed on it.

6. BUSINESS MATTERS**6.1 Fourth Quarter Report of the Accounting Officer**

- 6.1.1 The General Secretary presented the fourth quarter report of the accounting officer and referred the meeting to page 3 of the document, highlighting the following:
- 6.1.1.1 That focus will be on Collective Bargaining Services Nationally, which has recorded a decline in performance which was attributed to the non-availability of Parties to have meetings convened such that the objectives set for the quarter to be achieved and such could not materialise.
- 6.1.1.2 That a draft management plan was presented to Council for consideration for the year 2017/18 as well as recording the trainings conducted on the revised PAM.
- 6.1.1.3 Further indicated that the performance of the Provinces continued to be impressive as five of the provinces, namely Northern Cape, Limpopo, Gauteng, Mpumalanga and North West achieved 100% and the other four provinces performed on par with that of the third quarter in exception of North West, which improved from 63% recorded in the third quarter to 100% in the fourth quarter.
- 6.1.1.4 That Free State recorded an achievement at a rate of 92% which is consistence with the previous quarter achievement.
- 6.1.1.5 That the performance of KZN Chamber declined from 83% recorded in the third quarter to 60% in the four quarter and the same reasons attributed to National, of unavailability of Parties to convened meetings are the same for poor performance in Provinces.

- 6.1.1.6 That the Council noted the performance of Western Cape Chamber which is at 80%, the same as the third quarter, the challenge there be of the Dispute Prevention objective not been achieved due to postponement of the meeting until further notice.
- 6.1.1.7 That Eastern Cape chamber recorded an improved performance from 33% in the third quarter to 67% in the fourth quarter, the appointment of the new Superintendent-General of Education in the Province and the facilitation provided by the Council Chairperson and the General Secretary is bearing positive results.
- 6.1.1.8 That in so far as the Dispute Management Services is concerned: Council received 249 disputes for the quarter under review.
- 6.1.1.9 That a total of 338 processes were conducted, of which 101 were conciliation and 207 were arbitration processes.
- 6.1.1.10 That a total of 37 awards were rendered during the fourth quarter, which is three less than those in the fourth quarter of 2015/16 financial year.
- 6.1.1.11 That the Council conducted trainings in the Western Cape and North West provinces for Dispute Prevention Practitioners.
- 6.1.1.12 That the Council reports 227 cases that are to be carried over to the first quarter of 2017/18 financial year and that of 227 cases, 192 cases are for the year 2016/17 and 35 cases are from the previous financial years.
- 6.1.1.13 That the reasons that led to the organisation continuously carrying cases over to the next financial year are that at times the unavailability of parties to the dispute, either the lawyer that represent the employee is not available and in some instances, it is as a result of learners being the witness in the case and the information received that indicates that schools are closed and learners are not available.
- 6.1.1.14 That there are a range of reasons that can be attributed to the cases delayed and courses the carry-over of cases to the next financial year.
- 6.1.1.15 That in some cases it is the issue of review of cases that returned to be heard afresh.
- 6.1.1.16 That with regards to Facilitation: the Council concluded the mediation processes of a dispute on implementation of PAM in Mpumalanga, while the dispute on the translation of Therapists and Psychologists in Gauteng, in terms of Collective Agreement No. 1 of 2008 (framework for the establishment of an Occupational Specific Dispensation for educators in public education) is still continuing.

- 6.1.1.17 That Council further facilitated on a Dispute in the Western Cape in which 123 educators were charged for misconduct for alleged involved in the boycott of the systematic evaluation between October and December 2016.
 - 6.1.1.18 That in relation to Risk Management: the Council continuously report on the activities as required in terms of our risk management.
 - 6.1.1.19 That in relation to HR, the Council is reporting on the activities that the HR took part in making sure that the objectives are achieved.
 - 6.1.1.20 That in terms of Research and Media, the Council is highlighting the activities that the Media section has participated in on behalf of the Council.
 - 6.1.1.21 That in terms of IT, the Council also report on the activities that IT section conducted to make sure that the objectives are achieved.
 - 6.1.1.22 The General Secretary concluded the report by indicating that the overall performance of the Council improved considerably during the 2016/17 financial period, compared to the 2015/16 financial period year, specifically the Dispute Management Services, Corporate Services and Collective Bargaining: Provincial.
- 6.1.2 SADTU indicated the following in their comment:
- 6.1.2.1 That noting all the issues around handling of cases, delays and all other things that Council is not responsible for, the levy agreement in operation, proposed that the Council provide all educators with the ELRC policy handbook of the revised PAM so that the educators are aware of the issues and be able to assist in minimising disputes cases.
- 6.1.3 The Chairperson asked that in terms of Provinces that are not performing in par with others, does the Council have the responsibility to engage with parties at provincial level to avail themselves to fight with the backlogs.
- 6.1.4 The Chairperson further that does the ELRC prescribe cases from previous year.
- 6.1.5 The General Secretary indicted that it is regrettable to announce that the Levy Agreement only exist on paper and that we are not in a better position than where we were before the agreement was signed. That it should not be assumed under any circumstance that the council had more money in their account as a result of the levy agreement.
- 6.1.6 The General Secretary further indicated that even if those that are responsible for implementing the Levy agreement had

implemented it, the CFO has previously presented all issues on what type of relieve would have been there and it will not be possible for Council to take up any additional projects at this time but the appropriate structure will have to decide on the matter, the Secretariat can only note the proposal as raised.

- 6.1.7 The General Secretary in response to the issue of cases to be prescribed, indicated that it is not permissible in terms of the law to prescribe cases, they need to be opened until they are attended to.
- 6.1.8 The General Secretary indicated that the Chairperson of the Council and herself will always engage with the provincial parties where there are areas of concern and to date there were no issues of concern in relation to performance.
- 6.1.9 The Employer indicated that on the issue of Levy agreement, all parties need to make sure that the collective agreement is implemented as it was signed by all.
- 6.1.10 The Employer further indicated that a letter has been written to Treasury and the Levy increment would be implemented.
- 6.1.11 The CFO presented the financial report and financial statement and indicated the following:
 - 6.1.11.1 That on assets, non-current assets has decreased by R959 922 year on year.
 - 6.1.11.2 That cash and cash equivalents from which interest is earned, is reported at R 120-million, compared to R118-million for the previous financial year.
 - 6.1.11.3 That on liabilities, trade and other payables is reported at R 7.8-million, mainly due to the accrued expenses for Panellists.
 - 6.1.11.4 That the accrual for FTSS is reported at R 17-million after prescribed liability of R 7.7-million.
 - 6.1.11.5 That on income and expenditure, the income from levies is reported at R 48.8-million which is on par with the same period of the prior financial year and the total operating expenditure for the 2016/17 financial year.
 - 6.1.11.6 That the Council earned R 8.3-million in interest from cash reserves.
 - 6.1.11.7 That a surplus of R 2.8 –million is reported for the year under review.
- 6.1.12 On the financial highlights, the CFO indicated the following:
 - 6.1.12.1 That the actual income earned in the quarter is R 21.8-million, which is 19% above the quarterly budget.
 - 6.1.12.2 That the levies collection are equivalent to the quarterly budget and 2% above the annual budget.

- 6.1.12.3 That the total operating expenditure for the quarter is reported at 60% to the quarterly budget and 15% to the annual budget.
- 6.1.12.4 That the actual utilisation by Dispute Management Services is at 76% of the quarterly budget and 4% above the annual budget.
- 6.1.12.5 That the overall actual expenditure for Collective Bargaining Services nationally is at 41% of the quarter and 80% to the annual budget.
- 6.1.12.6 That overall expenditure of Collective bargaining Services: Provinces is reported at 84% of the quarterly budget and 80% of the yearly budget, due to underperforming provinces.
- 6.1.12.7 That on Administration, Governance Support Services actual expenditure is at 81% of the quarterly budget, which translates to 49% of the annual budget.
- 6.1.12.8 That the actual expenditure on Finance, Accounting and Facilities Management Services is at 57% to the quarterly budget and 80% to the annual budget.
- 6.1.12.9 That on Mobilising Employees Services, the actual expenditure is at 45% of the quarterly budget and 100% of the yearly budget.
- 6.1.12.10 The CFO concluded the financial highlights by indicating that the Council reports a surplus of R 11.5-million for the quarter under review, due to the write-off of prescribed FTSS claims.

- 6.1.13 SADTU requested clarity on the following:
 - 6.1.13.1 Whether the levy agreement does not increase the Council funds?
 - 6.1.13.2 Whether the new posts introduced were part of the projects before the levy increase?

- 6.1.14 In response the General Secretary indicated that levies will only relieve the Council going forward and that the posts that were filled were vacancies that already existed.

- 6.1.15 The General Secretary emphasised that on PAM, the decision taken was that PAM documents should not be reproduced and if there is any party that need to resuscitate the discussions on PAM reproduction, let it raise it at the level of EXCO and the parties are the once to decide on the priorities.

- 6.1.16 CTU-ATU requested the General Secretary to brief the meeting about the letter from Mpumalanga on the FTSS claim and the threat to ELRC legally on the matter.

- 6.1.17 General Secretary indicated that the Council received the claim from Mpumalanga which was responded to and subsequent to that, Mpumalanga continued to demand payment and threatened the Council with lawsuit. The Council contacted the

Director General of DBE about the matter and the Director General responded by indicating that he will arrange a meeting with Mpumalanga and ELRC will be informed of the decision.

- 6.1.18 The Chairperson indicated that the total expenditure on page 97 is reported at 60%, what could be the reason.
- 6.1.19 The CFO in response indicated that 40% under-utilisation has been explained by the General Secretary under the provincial performance.
- 6.1.20 The Employer indicated that it is good to hear the word surplus as reported on page 98, will that surplus be able to alleviate the financial problems of the Council.
- 6.1.21 In response, the CFO indicated that surplus is an accounting term, we need to look at the actual cash to sustain the Council in to the future and that the amount at hand indicated that the Council will operate for the next two years.
- 6.1.22 CTU-ATU proposed that the report be recommended to EXCO for adoption and Employer seconded.

Decision 4:

The Fourth Quarter Report was noted and recommended to the Executive Committee for approval and adoption.

6.2 Cash Book

- 6.2.1 The Mr V Mandobe (Finance Manager) tabled in brief the cashbook and highlighted the following:
- 6.2.1.1 That the summary of total receipts for the fourth quarter is reported as R12, 080,381.86 against a total payments of R12, 439,425.70.
- 6.2.1.2 That there was a shortfall of R 359,043.84.
- 6.2.1.3 That the opening balance as at 1st January 2017 was at R 5,010,946.86 which was used to close the shortfall of R 359,043.84 and the closing cash book balance is reported at R 4,651,903.02.
- 6.2.2 CTU-ATU appreciate and noted the cash book as presented.

Decision 5:

Parties noted the cash book as presented.

6.3. Finance Sub-Committee Charter

- 6.3.1. The Chairperson indicated that the Charter was circulated to all members through the portal and members of the committee will have to raise questions or comments on the Charter.
- 6.3.2. The General Secretary indicated that the contents of the Charter have been taken out the roles and responsibilities from the Constitution before it was reviewed.
- 6.3.3. The General Secretary indicated that if members have anything to raise, the Internal Auditor is available for clarity.
- 6.3.4. CTU-ATU appreciated the work done by the Secretariat on the Charter and move for the Charter to be recommended to EXCO for approval.
- 6.3.5. The Employer seconded the recommendation of the Charter to EXCO for approval.

Decision 6:

The Finance Sub-Committee Charter was recommended to EXCO for approval.

7 CONFIRMATION OF THE DATE OF THE NEXT MEETING

7.1 The Secretariat would inform parties on the date of the next meeting.

8 CLOSURE

8.1 The meeting closed at 11h37 with a vote of thanks from the Chairperson.

Chairperson

General Secretary

Date