



## MINUTES OF MEETING

Meeting: FINANCE SUB COMMITTEE  
Date: 08 NOVEMBER 2018  
Time: 09H00  
Venue: ELRC BUILDING  
261 WEST AVENUE  
CENTURION

### 1. OPENING AND WELCOME

1.1 The meeting commenced at 09H00 with a word of welcome from Ms N. Foca, the Acting Chairperson in the absence of Mr Cele.

### 2. ATTENDANCE AND APOLOGIES

#### 2.1 Present

Mr. G Rafapa	Employer
Mr. D Moreothata	Employer
Mr. S Ngubane	SADTU
Mr. M Moloji	CTU-ATU
Ms. N O Foca	ELRC-GS
Ms. N Shadung	ELRC
Ms. N Bongco	ELRC
Ms. B Loxton	ELRC
Ms. M Milne	ELRC
Mr. N Make	ELRC
Mr. S Moloisi	ELRC
Mr. M Moela	ELRC
Ms. O Makofane	ELRC

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## 2.2 Apologies

Mr. M Cele	Chairperson
Ms. M Mogale	Employer
Mr. S Mnguni	Employer
Mr. T Oliphant	SADTU
Mr. S Peter	SADTU
Mr. D Lerm	CTU- ATU

## 3. CONFIRMATION OF THE AGENDA

3.1. SADTU moved and the Employer seconded the adoption of the agenda.

### Decision 1

The agenda was unanimously adopted.

## 4. MINUTES OF THE PREVIOUS MEETING

### 4.1. 07 August 2018

4.1.1 The Employer moved, SADTU seconded the adoption of the minutes.

### Decision 2:

The minutes of Finance Sub Committee meeting held on 07<sup>th</sup> August 2018 were adopted.

## 5. MATTERS ARISING

5.1. There were no matters arising.

## 6. BUSINESS MATTERS

### 6.1 Second Quarter Report of the Accounting Officer

6.1.1 The General Secretary presented the second 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 86% performance achievement, a significant improvement in performance compare to 13% achieved in the second quarter of 2017/18 financial year.

6.1.1.2 That the Council achieved a number of noteworthy objectives during the period under review, chief amongst these were the three collective agreements

concluded, which was a major feat for the public education.

- 6.1.1.3 That the three agreements were:
- a) *Collective Agreement No. 2 of 2018: Amendments to paragraph B 8.5.2 of the Personnel Administrative Measures;*
  - b) *Collective Agreement No. 3 of 2018: Providing for compulsory inquiries by arbitrators in cases of disciplinary action against educators charged with sexual misconduct in respect of learners;*
  - c) *Collective Agreement No. 4 of 2018: The appointment and conversion of temporary educators to posts on the educator establishment.*
- 6.1.1.4 That the Council hosted the second Education Indaba on 28<sup>th</sup> and 29<sup>th</sup> August 2018, where a report was tabled on the strides made in the 2017/18 financial year to address the recommendations emanating from the 2017 Education Indaba.
- 6.1.1.5 That the Post Provisioning Norms (PPN) and Early Childhood Development (ECD)/Grade R work streams will continue with its work during the 2018/19 financial year.
- 6.1.1.6 That thirteen Council delegates attended 18<sup>th</sup> ILERA World Congress in Seoul, South Korea from 23<sup>rd</sup> to 27<sup>th</sup> July 2018.
- 6.1.1.7 That three provinces had achieved 100% compared to four provinces recorded 100% in the previous quarter, namely Gauteng, North West and Eastern Cape.
- 6.1.1.8 That the Limpopo Chamber performance recorded 89% achievement, an improvement compared to 78% achieved in the second quarter of the 2017/18 financial year.
- 6.1.1.9 That the Western Cape Chamber performance recorded 75% achievement, a decline compared to 100% achieved in the second quarter of the 2017/18 financial year.
- 6.1.1.10 That the decline in performance in Western Cape was mainly attributed to the Labour party that staged a walk-out on 27<sup>th</sup> September 2018.
- 6.1.1.11 That the Free State Chamber performance recorded 77% achievement, a decline compared to 91% achieved in the second quarter of the 2017/18 financial year.
- 6.1.1.12 That the decline was attributed to the fact that Free State Collective Agreement No. 1 of 2018 is yet to be approved by the Free State HOD and the lack of funding to conduct training on the amended Personnel Administrative Measures (PAM).
- 6.1.1.13 That the KwaZulu-Natal Chamber performance recorded 40% achievement, a vast decline compared

to 80% achieved in the second quarter of the 2017/18 financial year.

- 6.1.1.14 That the decline in performance in KZN was mostly attributed to the lack of quorum at the Consultation meeting scheduled for 25th September 2018 as organised Labour did not attend the meeting.
- 6.1.1.15 That the Northern Cape Chamber performance recorded 33% achievement, a significant decline compared to 100% achieved in the second quarter of the 2017/18 financial year
- 6.1.1.16 That the Chamber's underperformance in Northern Cape was as a result of the walk-out staged by SADTU in the first quarter of the 2018/19 financial year, which caused a backlog in meetings.
- 6.1.1.17 That the Mpumalanga Chamber performance recorded 18% achievement, an enormous decline in performance compared to 75% achieved in the second quarter of the 2017/18 financial year
- 6.1.1.18 That the underachievement was due to the fact that the scheduled Chamber meeting did not take place during the period under review.
- 6.1.1.19 That in so far as the Dispute Management Services is concerned: Council received 260 disputes for the quarter under review.
- 6.1.1.20 That a total of 510 processes were conducted, of which 144 were conciliations and 366 were arbitration processes.
- 6.1.1.21 That a total of 70 awards were rendered during the period under review.
- 6.1.1.22 That the Council finalised 162 matters in the period under review, there were also 40 postponements and 25 adjournments.
- 6.1.1.23 That the Council reports that 351 cases from previous financial years are to be carried over to the third quarter of the 2018/19 financial year.
- 6.1.1.24 That out of the 351 carried over cases, 216 cases were for the 2018/19 financial year, 94 cases were for 2017/18 financial year and 31 cases were from the previous financial years.
- 6.1.1.25 That the Council presented to Parliament on the work of the ELRC on 17th October 2018 and focussed particularly on the three collective agreements concluded in the period under review.
- 6.1.1.26 That the endeavours of the Council were also recognised and applauded to bring together the Employer and labour Parties to collaborate on important initiatives such as the Education Indaba.
- 6.1.1.27 That the Council collaborated with the Department of Justice and Correctional Services to establish a Memorandum of Understanding (MoU) with the

respective Magistrate Courts in order to protect the rights of children during special hearings.

- 6.1.1.28 That the collaboration was also to ensure specialised training for Commissioners and intermediaries in relation to sexual misconduct cases.
- 6.1.1.29 That the training of commissioners had been conducted for all nine provinces in the quarter under review. That the training of commissioners had been conducted for all nine provinces in the quarter under review.
- 6.1.1.30 That the training of intermediaries had been conducted for the in-land provinces in the quarter under review.
- 6.1.1.31 That in relation to Panellist Professional Development, two sessions for training and development of Panellists was conducted in the period under review in Gauteng and Western Cape.
- 6.1.1.32 That in relation to Risk Management: the Council continuously report on the activities as required in terms of Council Risk Management.
- 6.1.1.33 That in relation to HR, the Council had observed five important days during the period under review: Mandela Day, National Women's Day, Spring Day, Secretary's Day and Heritage Day.
- 6.1.1.34 That 31 employees were workshopped on Records Management Policy and 21 employees were workshopped Supply Chain Management Incident Form.
- 6.1.1.35 Furthermore, 2 employees were trained on Maintenance Planning and Asset Management.
- 6.1.1.36 That in relation to Research and Media, the Council held an exhibition at the NAPTOA's Free State Annual Conference from 7th to 8th September 2018.
- 6.1.1.37 That the Council's advertorial was placed in five community newspapers in North West, Northern Cape, Mpumalanga, Limpopo and Free State, in line with the recommendations from the ELRC Advertising Impact Analysis Report compiled in the first quarter.
- 6.1.1.38 Furthermore, a taxi branding campaign was also rolled out in the same areas to create awareness of the Council's services in these areas where visibility was limited.
- 6.1.1.39 That in relation to IT, the ICT unit successfully conducted disaster recovery testing and health server check during the period under review.
- 6.1.1.40 That the overall performance of the Council for the second quarter was satisfactory, with 69% recorded, a decline compared to the 76% achieved in the second quarter of the 2017/18 financial year.

- 6.1.2 Employer appreciated the report and enquired whether ELRC had set dates for Training of Parties on recently signed

Collective Agreements.

- 6.1.3 The General Secretary responded that training and advocacy would be rolled out in the month of November and early December.
- 6.1.4 The Finance Manager presented the financial report and financial statement and indicated the following:
- 6.1.4.1 That on assets, the total noncurrent assets capitalised year to date was R28.4 million compared to R30.4 of the comparable period.
  - 6.1.4.2 That total assets additions of R244 000 were made during the period under review, mainly due to computers and office equipments purchased to achieve administrative objectives.
  - 6.1.4.3 That cash and cash equivalents were reported at R115.4 million compare to R134.7 million last year.
  - 6.1.4.4 That on liabilities, trade and other payables was reported at R6.8 million compared to R30.1 million in the comparable period.
  - 6.1.4.5 That there was a significant increase in accrued leave pay due to salary increases which were effected in July 2018.
  - 6.1.4.6 That on income from levies the amount was reported at R36.8 million compared to R36.7 million in the comparable period.
  - 6.1.4.7 That the collection on levies was on par with that of the previous financial year.
  - 6.1.4.8 That the average income interest income received from the funds held with the reserve bank was 7.2%.
  - 6.1.4.9 That on expenditure, the total expenditure was reported at R36 million compared to R32.5 million of the previous financial year.
  - 6.1.4.10 That the year to date surplus was reported at R5.9 million.
- 6.1.5 On the financial highlights, the Finance Manager indicated the following:
- 6.1.5.1 That the actual income collected in the quarter was R 41.9 million, which was 10% below the allocated semi-annual budget.
  - 6.1.5.2 That the total income year to date was 45% of the annual budget allocation.
  - 6.1.5.3 That the actual utilisation by Dispute Management Services was reported at R31.4 million which translated to 29% below the allocated budget and 36% utilisation of the annual budget.
  - 6.1.5.4 That the overall actual expenditure for Collective Bargaining Services: Nationally was reported at R7.7

million which translated to 44% below the allocated budget and 28% utilisation of the annual budget.

- 6.1.5.5 That the research and development budget has been exceeded by 80% for the period under review, this was due to budget system configuration that was not aligned to planned activities.
- 6.1.5.6 Furthermore, it was reported that the annual budget was 90% utilised as the planned activities were fully achieved for the year.
- 6.1.5.7 That the overall expenditure of Collective Bargaining Services: Provinces was reported at R1.5 million which translated to 34% below the allocated budget and 33% utilisation of the annual budget.
- 6.1.5.8 That the Western Cape Provincial Chamber had exceeded the budget by 7%, due to budget system configuration that was not aligned to planned activities. The spending was however within the annual budget.
- 6.1.5.9 That on Administration, Executive Services: the actual expenditure was reported at R3 million which translated to 27% below the allocated budget and 37% utilisation of the annual budget.
- 6.1.5.10 That the deviation was due to the savings made as the CFO position remains vacant.
- 6.1.5.11 That on Administration, Corporate Services: the actual expenditure was reported at R2.7 million which translated to 47% below the allocated semi-annual budget and 27% utilisation of the annual budget.
- 6.1.5.12 That on Administration, the Office of the CFO: the actual expenditure was reported at R6.7 million which translated to 7% below the allocated quarterly budget and 47% utilisation of the annual budget.
- 6.1.5.13 The Finance Manager concluded the financial highlights by indicating that the Council was reporting a 19% under-utilisation of the allocated expense budget and 41% utilisation of the annual budget.

- 6.1.6 Employer moved, CTU – ATU and SADTU seconded the motion to recommend the report to the Executive Committee.

### **Decision 3:**

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

## **6.2 Cash Book**

- 6.2.1 The Financial Manager tabled in brief the cash book and highlighted the following:
  - 6.2.1.1 That the summary of total receipts for the three months ended on the 30 September 2018 was reported at R18, 653,318.13 against total payments of R18,

194,940.00.

6.2.1.2 That the closing cash book balance was reported at R20, 954,794.49.

6.2.2 The Chairperson indicated that the Council was spending almost all the amount collected from levies and the situation of working with fixed income would put the council in financial strains again.

6.2.3 Parties appreciated the cash book report.

**Decision 4:**

Parties noted the cash book as presented.

**7. CONFIRMATION OF THE DATE OF THE NEXT MEETING**

7.1. The Secretariat to advise parties on the date of the next meeting.

**8. CLOSURE**

8.1. The meeting was closed at 09h32 with a vote of thanks from the Chairperson.

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**Chairperson**

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**General Secretary**

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**Date**