



MINUTES OF MEETING

Meeting: FINANCE SUB COMMITTEE
Date: 24 APRIL 2018
Time: 10H30
Venue: ELRC BUILDING
261 WEST AVENUE
CENTURION

1. OPENING AND WELCOME

1.1 The meeting commenced at 10H30 with a word of welcome from Mr D Lerm, the Acting Chairperson in the absence of Mr Cele.

2. ATTENDANCE AND APOLOGIES

2.1 Present

Ms. M Mogale	Employer
Mr. G Rafapa	Employer
Mr. D Moreothata	Employer
Mr. T. Oliphant	SADTU
Mr. S. Ngubane	SADTU
Mr. S. Peter	SADTU
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 Molosi	ELRC
Mr. M Moela	ELRC
Ms O Makofane	ELRC

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2.2 Apologies

Mr. M Cele	Chairperson
Mr. H Ngwenya	Employer
Mr. M Moloi	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. 29January 2018

4.1.1 The Employer moved and SADTU seconded the adoption of the Minutes.

Decision 2:

The minutes of Finance Sub Committee meeting held on 29thJanuary 2018were adopted.

5. MATTERS ARISING

5.1. There were no matters arising.

6. BUSINESS MATTERS

6.1 FourthQuarter 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 33% performance achievement in the fourth quarter compare to 29% achieved in the previous quarter.

6.1.1.2 That notwithstanding the drop in performance in relation to set objectives as per the Bargaining Management Plan, the Council has recorded progress in terms of the work of the Post Provisioning Norms (PPN) and Early Childhood Development (ECD)/ Grade R workstreams.

- 6.1.1.3 That the Council and Heads of Education Committee (HEDCOM) embarked on an International Benchmark Study in Education to four countries during the period under review.
- 6.1.1.4 That a report on lessons learnt from the visits was presented at the HEDCOM meeting and it would be made available on ELRC website.
- 6.1.1.5 That the exceptional performance of the Provincial Chambers was maintained in the period under review
- 6.1.1.6 That six provinces had achieved 100%, compared to seven provinces recorded 100% in the previous quarter.
- 6.1.1.7 That the improvement in performance was credited to the Mpumalanga Chamber, which achieved 100% in the fourth quarter compare to 88% in the third quarter.
- 6.1.1.8 That the three provinces that achieved less than 100% in the period under review were Free State, North West and Northern Cape.
- 6.1.1.9 That the Free State Chamber performance decline from 100% achieved in the previous quarter to 90% in the quarter under review due to Employer's failure to present a report.
- 6.1.1.10 That the North West Chamber performance decline from 100% achieved in the previous quarter to 86% in the quarter under review due to Employer's failure to present a report.
- 6.1.1.11 That the Northern Cape Chamber declined marginally from 100% achieved in all three quarters of the 2017/18 financial year, to record 75% achievement in the fourth quarter.
- 6.1.1.12 That the decline in performance in Northern Cape province was due to SADTU collapsing Chamber deliberations during the period under review.
- 6.1.1.13 That in so far as the Dispute Management Services is concerned: Council received 248 disputes for the quarter under review.
- 6.1.1.14 That a total of 432 processes were conducted, of which 115 were conciliations and 317 were arbitration processes.
- 6.1.1.15 That a total of 57 awards were rendered during the period under review.
- 6.1.1.16 That the Council finalised 156 matters in the period under review, there were also 44 postponements and 13 adjournments.
- 6.1.1.17 That the Council reports 65 cases from previous financial year are to be carried over to the first quarter of the 2018/19 financial year.
- 6.1.1.18 That out of the 65 cases, 48 cases were for the 2016/17 financial year, and 17 were from the previous financial years.

- 6.1.1.19 That the Council conducted training for KwaZulu-Natal Commissioners on 27th January 2018.
- 6.1.1.20 That with regards to Facilitation: the Council provided facilitation in the Eastern Cape on implementation of the PPN 2018 Management Plan and the development of a Human Data Collection Tool.
- 6.1.1.21 That in relation to Risk Management: the Council continuously report on the activities as required in terms of Council risk management.
- 6.1.1.22 That in relation to HR, the Council had observed two wellness events.
- 6.1.1.23 That 18 employees were workshopped on Disciplinary Procedure and Policy.
- 6.1.1.24 Furthermore, 8 employees were trained on King IV Reporting.
- 6.1.1.25 That in relation to Research and Media, the Council had rolled out the final segment of Community Newspaper Advertising Campaign in four provinces during the period under review, namely: Gauteng (Alex News), KwaZulu-Natal (Eyethu Zulu and Rising sun Durban Central), Eastern Cape (Go & Express) and Western Cape (Cpress and Idinga).
- 6.1.1.26 That the campaign targeted areas where teachers were mostly located, in townships and rural areas.
- 6.1.1.27 That in relation to IT, the ICT unit configured the new access time and attendance system to ensure that access to the building is controlled and monitored.
- 6.1.1.28 That the overall performance of the Council for the fourth quarter was satisfactory, with 87% recorded, an improvement compared to the 82% achieved in the fourth quarter of the 2016/17 financial year.
- 6.1.1.29 That the overall performance of the Council for the 2017/18 financial year was satisfactory, recording 85% performance achievement.

- 6.1.2 SADTU appreciated the reported and enquired whether ELRC through the office of GS have intervened in Northern Cape to try and resolve the matter.

- 6.1.3 The General Secretary responded as follows:
 - 6.1.3.1 That the Council had engaged with the Employer first and the Council was assured by the Employer that there were bilateral meetings that took place between Employer and SADTU in that province.
 - 6.1.3.2 That Parties were likely to reach an amicable solution on the matter.
 - 6.1.3.3 That the Council would intervene if Parties failed to resolve the matter in bilateral meetings.

- 6.1.4 Employer enquired whether the Training of Panellists that was done in KZN would be rolled out to other provinces.

- 6.1.5 The GS responded that the Training of Panellists in other provinces was done in first three quarters of the 2017/18 financial; KZN was the last province. Therefore, the training had been rolled out throughout the country.
- 6.1.6 SADTU raised a concern about 44 postponements in one quarter because they believe as SADTU that the number was too high, especially if the committee consider cost involved in postponements.
- 6.1.7 The GS responded that the Council was also concerned about the postponements but however the Council try to manage postponements within the confines of the laws.
- 6.1.8 That the material conditions may be serious such that the Council have to grant the postponements, eg. The process cannot proceed if one party has submitted medical certificate and the person is sick.
- 6.1.9 That the Council would like to appeal for cooperation from all Parties as it was mainly Parties that request postponements.
- 6.1.10 The Finance Manager (FM) presented the financial report and financial statement and indicated the following:
- 6.1.10.1 That on assets, the total noncurrent assets capitalised year to date was R29,3 million compared to R31,7 million last year.
 - 6.1.10.2 That total assets additions of R751 000 were made during the period under review, mainly due to computers and office equipment purchased to achieve administrative objectives.
 - 6.1.10.3 That cash and cash equivalents was reported at R144,9 million compare to R120,7 million last year.
 - 6.1.10.4 That on liabilities, trade and other payables was reported at R5,2 million, made up of payables of R3,8 million and provisions of R1,4 million.
 - 6.1.10.5 That the accrual for FTSS was reported at R0.00 compare to R19,3 million reported in the comparative period. This was due to the fact that provinces were no longer claiming for the FTSS.
 - 6.1.10.6 That the Council was reporting a liability of R622 000 that would be recognised after year-end financial statements after EXCO's approval. This amount arises as a result of TVET's that paid additional amounts (including levies) to the Council between years 2009 - 2017.
 - 6.1.10.7 That this amount of R622 000 was affecting the audited financial years 2009 to 2017, and the break-down of the amount was as follows: (Maluti – R344 157.21, Northlink – R276 660 and Gert Sibande - R1579.50)
 - 6.1.10.8 That on income from levies the amount was reported at R55.2million which is 50% increase when compared with the collections made in the comparable period.

- 6.1.10.9 That on expenditure, the total expenditure was reported at R59.3 million compared to R59.7 million reported in 2016/17 financial year.
- 6.1.10.10 That due to expungement of the FTSS debt, the Council transferred R20,8 million to the statement comprehensive income in reversal of FTSS liability.
- 6.1.10.11 That the year to date surplus was reported at R44 million.
- 6.1.11 On the financial highlights, the FM indicated the following:
- 6.1.11.1 That the actual income collected in the quarter was R 20.2 million, which was on par with the allocated budget.
- 6.1.11.2 That the total income year to date was 2% above the annual allocation.
- 6.1.11.3 That the total operating expenditure for the quarter was reported at 38% below the quarterly budget which translates to 53% utilisation to the annual budget.
- 6.1.11.4 That the actual utilisation by Dispute Management Services was at 34% below the budget which translates to 55% utilisation to the annual budget.
- 6.1.11.5 That the overall actual expenditure for Collective Bargaining Services: Nationally was reported at 51% to the allocated budget which translates to 63% to the annual budget.
- 6.1.11.6 That overall expenditure of Collective Bargaining Services: Provinces was reported at 26% below to the allocated budget which translates to 16% underutilisation to the annual budget.
- 6.1.11.7 That on Administration, Executive Services actual expenditure was at 40% below to the allocated budget which translates to 40% underutilisation to the annual budget.
- 6.1.11.8 That on Administration, Corporate Services the actual expenditure was reported at 27% below which translates to 55% to the full annual allocation.
- 6.1.11.9 The FM concluded the financial highlights by indicating that the Council reports a 38% under-utilisation of the allocated budget which translates to 27% underutilisation to the annual budget.
- 6.1.12 SADTU enquired whether the Council have verified the claims of R622, 000 from TVET colleges, and whether the Council was expecting any further claims of this nature in future.
- 6.1.13 SADTU further enquired whether the Council have put measures in place to prevent this from happening again.
- 6.1.14 The FM responded that the Council have verified the claims and can confirm that the amounts were accurate.
- 6.1.15 On the issue of future claims, the FM responded that the Council was hoping that there would be no further claims

because the Council have communicated with other colleges to verify their list of educators who are paying levies.

- 6.1.16 That the Council have circulated Collective Agreement directly to TVET colleges as well as to the Department of Education in order for them to understand who should pay ELRC levies and who should not pay levies.
- 6.1.17 The GS added that the Council would have to embark on independent verification process of the information received from TVET's colleges regarding number of personnel on their system to avoid misrepresentation.
- 6.1.18 Employer enquired how the Council was planning to do the verification.
- 6.1.19 The GS responded that the Council would seek advice from external auditors on best wayforward; the Council may look at college's tax returns for those years and be able to verify how many educators were in the system during the period 2009 to 2017.

Decision 3:

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

6.2 Cash Book

- 6.2.1 The FM tabled in brief the cashbook and highlighted the following:
- 6.2.1.1 That the summary of total receipts for the three months ended on the 31 March 2018 was reported at R18,293,210.64 against total payments of R15,721,278.88.
- 6.2.1.2 That the closing cash book balance was reported at R17,367,910.19.
- 6.2.2 Employer 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 would inform parties on the date of the next meeting

8. CLOSURE

- 8.1. The meeting was closed at 15h10 with a vote of thanks from the Chairperson.

Chairperson

General Secretary

Date