



Companies Tribunal

2014/15 Annual Report and

2015/16 -1st Quarter Performance Report

Presented by: Adv S. Lebala SC



Companies Tribunal Delegation to Parliament for the presentation to the Portfolio Committee on 14 October 2015:

- Advocate S. Lebala ,SC (Chairperson: Companies Tribunal)
- Ms Agnes Tsele-Maseloanyane (Full-Time Member)
- Mrs Irene Mathatho (Chief Financial Officer)
- Ms Tebogo Mputle (Registry Manager)

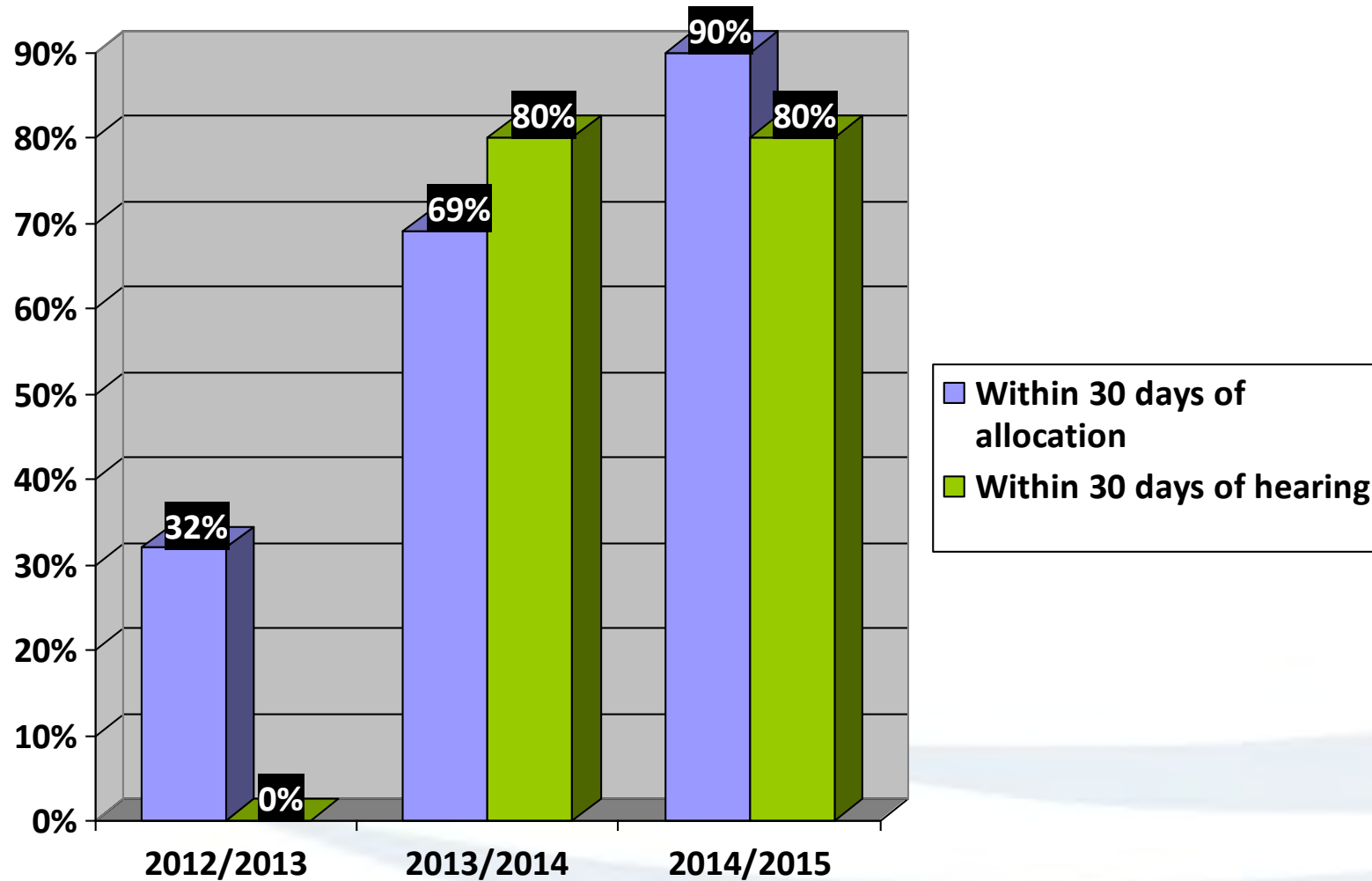
MANDATE CONTRIBUTION TO IPAP/ NDP

NDP/IPAP Requirements	Strategic outcome oriented Goals	Companies Tribunal Achievements
Reduce cost of regulatory compliance	Adjudicate and make orders in relation to any application	80% of decisions issued within 30 days from date of hearing and 90% issued within 30 days from date of allocation
	Resolution of disputes in terms of Alternative Dispute Resolution (ADR)	40% of cases finalised in terms of ADR after the date of hearing. All cases set down for hearing finalised
Broaden participation- more inclusive economic growth	Ensure operational effectiveness and efficiency of the Tribunal	78% of procurement with level 1, 2 and 3 contributors 97% of suppliers paid within 30 days
A capable and developmental state: institutional capability	Ensure operational effectiveness and efficiency of the Tribunal	CT received an unqualified audit opinion

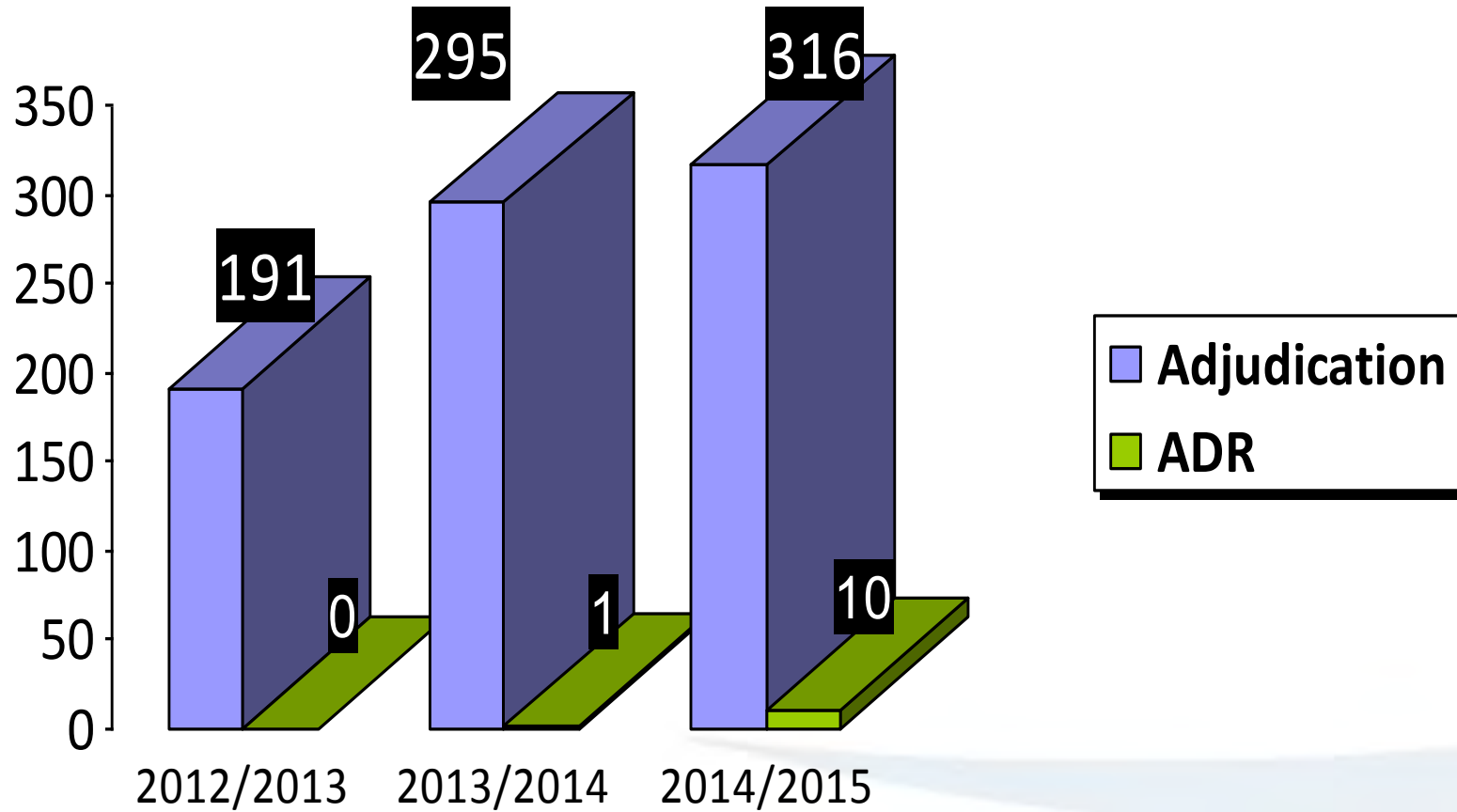
KEY HIGHLIGHTS 2014/15 ANNUAL REPORT

- 1) 90% of cases decided within 30 days from date of allocation compared with 69% in 2013/14
- 2) IN 2013/14 ADR there was 1 ADR case received the number has grown in 2014/15
- 3) Increase in the number of cases handled year on year in The past 3 years: 191; 296 and 326
- 4) Only 1 decision taken for review since inception
- 5) Unqualified audit opinion in 3 consecutive years
- 6) AGSA's dashboard report shows improvement in the Tribunal's AoPI performance
- 7) Reduction in irregular expenditure
- 8) 100% compliance with Cost Curtailment National Treasury Instruction
- 9) Appointment of internal auditors PWC
- 10) increase in the number of part time Tribunal Members
- 11) 53% increase in the number of personnel compared to previous financial year INCLUDING appointment of CFO
- 12) Appointed an intern Supply Chain Management- Part of Skilling the Youth.

TURN AROUND TIME IN ADJUDICATION OF CASES



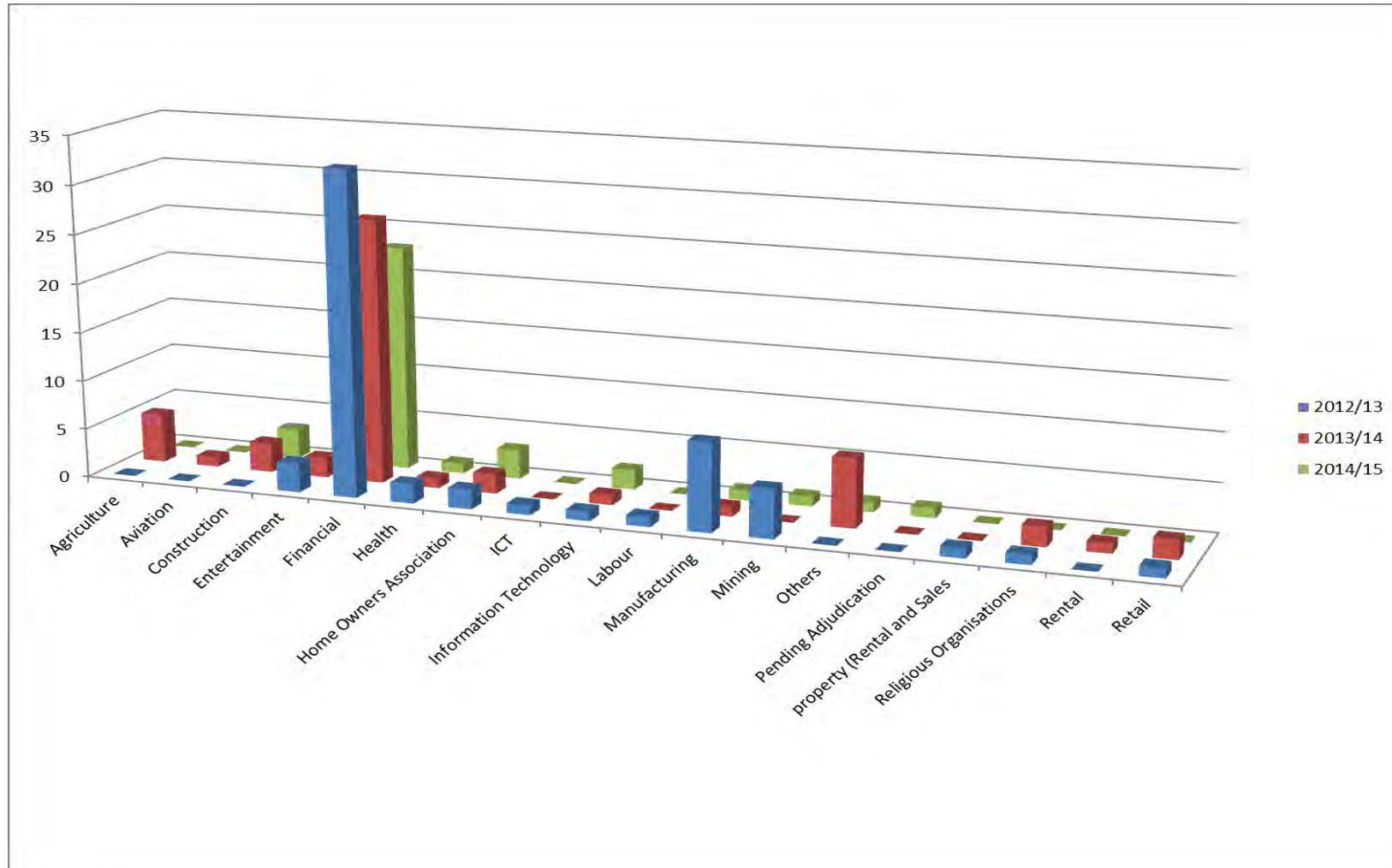
TOTAL NUMBER OF CASES HANDLED



NATURE OF CASES HANDLED

- Access to records
- ADR
- Change to financial year-end
- Company restoration
- Compliance notice
- Director's dispute
- Extension of time to prepared AFS
- Extension of time to convene the AGM
- Holding of and AGM
- Name disputes
- Outstanding information
- Review of CIPC decision
- SECs (s 72)(5)
- S 2(3) exemption
- S 6(2) exemption
- Substituted service
- Variation of an order.

TOTAL NUMBER OF SEC APPLICATIONS PER SECTOR



RESOURCES

Human Resources

- Approved Establishment: 28 posts
- Funded posts over 3 years: 15 posts
- Filled positions: 13 permanent
- Intern: 1 (SCM)
- Vacant: 2

BUDGET SPEND PER PROGRAMME 2014/15

2014-2015				2013-2014		
Programme	Budget	Actual Expenditure	(over)/ under Expenditure	Budget	Actual Expenditure	(Over)/ under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Adjudication	2 752	3 005	(253)	3 376	2 904	472
Administration	11 851	10 755	1 096	6 961	5 314	1 647
TOTAL	14 603	13 760	843	10 337	8 218	2 119

PROGRESS ON ISSUES RAISED BY THE PORTFOLIO COMMITTEE LAST MEETING

- PWC was appointed August 2014 as CT's internal auditors for 1 year.
- PWC developed a rolling three- year strategic internal audit plan for the year ending 31 March 2018 and a one year operational plan for the year ending 31 March 2016.
- New Auditors, Business Innovation Group, have been appointed for a period of 3years.

IA reviewed the following areas as part of the 2014/15 internal audit plan

- Supply Chain Management audit
- Petty Cash
- Information Technology Audit
- Human Resource Audit
- Risk Management Process reviewed
- Annual Performance Plan reviewed
- Audit of performance information
- Performance Audit
- IT Governance review Audit
- Annual Financial Statement review
- A follow up review of the areas mentioned above

PROGRESS ON ISSUES RAISED BY THE PORTFOLIO COMMITTEE LAST MEETING

Standard policies or procedures relevant to CT against existence or non-existence of such policies or procedures in CT.

In particular the following areas were considered:

- o Planning and Budgeting
- o Expenditure Management
- o Procurement Management
- o Assets Liability Management
- o Banking, Cash Management and investment
- o Accounting and reporting requirements
- o Corporate governance and related matters
- o Corporate Services
- o Unauthorised, irregular and fruitless and wasteful expenditure.

PROGRESS ON ISSUES RAISED BY THE PORTFOLIO COMMITTEE LAST MEETING

- Audit and Risk Committee (ARC) reviewed and monitored all the areas audited by internal audit as well as areas relating to the review performed by Grant Thornton pertaining to Tribunal members claim covering the period February 2012 to July 2013.
- Management developed action plans to address the findings raised by internal auditors and control weakness identified in the Grant Thornton report.
- 52% of internal audit findings addressed and 73% of Grant Thornton control weakness addressed.
- Reports on the plans and progress made in respect auditors' findings and the Grant Thornton were presented to ARC on a quarterly basis.

PROGRESS ON ISSUES RAISED BY THE PORTFOLIO COMMITTEE LAST MEETING

- Progress reports in relation to addressing the control weakness identified by Grant Thornton are also presented to **the dti** by the ARC Chairperson on a quarterly basis.
- The 2015/16 internal audit plan is designed to incorporate the review of the controls relating to the Grant Thornton report.
- In the 2014/15 Annual Report of the CT, the Internal Auditors provided assurance that internal controls in place are functioning effectively and efficiently as well as highlighted areas where mitigating controls should be implemented.

PROGRESS ON ISSUES RAISED BY THE AUDITOR GENERAL

AGSA Findings	Progress
Material misstatements identified in the annual financial statements – Cash Flow Statement	Completed addressed during audit process
Material misstatements identified in the annual financial statements – Assets – Computer Equipment	Completed addressed during the audit process
Tribunal member's fees not recorded in the correct period	Completed addressed during the audit process
Overpayment of employer pension fund contributions	Completed addressed during the audit process
No accounting policy for cash and cash equivalents in the financial statements	Completed addressed during the audit process
Audit Committee Charter not reviewed and approved	Completed. Audit and Risk Committee Charter has since been approved

PROGRESS ON ISSUES RAISED BY THE AUDITOR GENERAL

AGSA Finding	Progress
<p>Procurement process not followed in 2012/13 and 2013/14 in appointing Tribunal members as consultants</p>	<p>The procurement process only relates to transactions that happened prior to appointment of Full Time Tribunal member and CFO. No such transactions have been identified by AGSA since then which is evidenced of the tightening of internal controls. Management has undertaken to conduct an investigation to determine if indeed it agrees with the AGSA finding or not</p>
<p>Travel policy not updated to ensure alignment to National Treasury instruction note 1 of 2013/2014 – cost containment measures</p>	<p>No non-compliance has been identified by the AGSA with the National Treasury cost containment. These measures were communicated to staff and implemented across the organisation. The only issue was to formally incorporate them in the Travel Policy which did not occur due to capacity constraints.</p>

PROGRESS ON ISSUES RAISED BY THE AUDITOR GENERAL

AGSA Finding	Progress
No formal documented process for granting users access to the financial system	The Deputy Manager IT was only appointed in March 2015. Will be addressed in 3rd quarter
No formal documented process for system upgrades and updates	The Deputy Manager IT was only appointed in March 2015. Will be addressed in 3rd quarter
Late submission of first quarter MTEF report	First time the report was introduced by National Treasury due to capacity constraints it was submitted not later than 10 days after due date. Since then all MTEF reports were submitted timeously

TOTAL OF 54% OF AGSA AUDIT FINDINGS ADDRESSED



COMPANIES TRIBUNAL

2015/16

1st quarter Performance Report

APP PROJECTS/ ACTIVITIES FOR 2015/16

1. Piloting of Electronic Case management system
2. Achieving set target of issuing of decisions
3. Achieving set targets in the finalisation of disputes
4. Research
5. Advocacy service
6. Sound Financial Management.

1ST QUARTER ACHIEVEMENTS

- Issued 85% of decisions within 30 days from date of allocation
- Finalised 75% of ADR cases received
- Research report on Tribunal's benchmark of jurisdictions with similar mandate
- Media coverage: an article published in business day newspaper
- Outreach: Sedibeng and Wattville
- Developed Service Delivery Improvement Plan (SDIP) and Service Charter
- Introduced an ethics hotline- managed by Deloitte
- Compiled electronic quarterly bulletin and published in first month quarter 2.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

AREAS OF UNDER ACHIEVEMENT	PROPOSED SOLUTION
Turnaround time not met by 5% as regards adjudicated applications	Frequency of reminders to new members will be increased
Fruitless and Wasteful Expenditure incurred of R9 696.36	Consequences of non-adherence to be enforced and frequently communicated to staff
20% Under-spending	Finance staff appointed 01 June 2015; Corporate Services Manager to start 01 November 2015
Development of case management system delayed	Adjust timeline due to resource limitations

RESOURCES

Human Resources

- Approved Establishment: 28 posts
- Funded posts over 3 years: 16
- Filled: 15
- Intern: 1
- Vacant:1

Q1 FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE - 1ST QUARTER 2015/16

ITEM	ACTUAL	BUDGET	VARIANCE	VARIANCE %
Revenue	14,564,102	15,621,000	1,056,898	7
Transfer from the dti	14,221,000	14,221,000	-	-
Interest Received	343,102	800,000	456,898	57
Other Income	-	600,000	600,000	100
Expenditure	2,877,793	15,621,000	12,743,207	82
Employee related costs	2,069,378	11,044,391	8,975,013	81
Other Operating expenses	253,072	935,100	682,028	73
Administrative expenses	136,411	950,227	813,816	86
Tribunal member's fees	379,009	2,373,282	1,994,273	84
External Audit fees	4,973	303,000	298,027	98
Depreciation and Amortisation	34,950	15,000	(19,950)	(133)
Surplus for the year	11,686,309	-	(11,686,309)	

CHALLENGES

Challenges	Remedial Actions
HR Resource Limitations (Vacancies in Finance and Corporate Services)	3 Vacant positions be filled (2 Finance positions filled in June 2015)
CCMA challenge by transferred staff member	Employee withdrew matter at CCMA

Thank you!



Companies Tribunal

a member of **the dti** group