



Annual Report 2019/2020



Mandate

The National Consumer Tribunal (NCT or Tribunal) is an independent adjudicative entity. It derives its mandate from the National Credit Act (NCA), Act No. 34 of 2005. This mandate was expanded in 2008 to include matters arising from the Consumer Protection Act (CPA), Act No. 68 of 2008. On 13 March 2015, the National Credit Amendment Act, Act No. 19 of 2014 (NCAA) came into effect which further expanded the NCT's mandate.

Vision

"To be known as an impartial, professional and easily accessible adjudicative entity, contributing to sound commercial relationships based on certainty, trust and justice between consumers, service - and credit providers in South Africa".

Mission

"To be a highly efficient Tribunal providing timely access, professional adjudication and equitable redress to consumers, services and credit industries in South Africa".

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NCT TEAM



PART A: GENERAL INFORMATION

GENERAL INFORMATION

Registered name	National Consumer Tribunal (NCT or the Tribunal)
Physical address	Ground floor, East Wing, Building B, Lakefield Office Park, 272 West Avenue (Cnr West Ave and Lenchen Ave North) Centurion, 0157
Postal address	Private Bag X 110, Centurion, 0046
Telephone number/s	010 006 0484
Fax number	012 663 5693
Email address	registry@thenct.org.za
Website address	www.thenct.org.za
External Auditors Information	Rakoma & Associates Inc
Bankers Information	Nedbank Ltd Reserve Bank of South Africa

LIST OF ABBREVIATIONS/ACRONYMS

AD	African Dialogue
ADR	Alternative Dispute Resolution
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BASA	Banking Association South Africa
BIG	Business Innovation Group
CCMA	Commission for Conciliation, Mediation and Arbitration
CCRD	Consumer and Corporate Regulation Division
CFO	Chief Financial Officer
CIO	Chief Information Officer
CIPC	Companies and Intellectual Property Commission
CMS	Case Management System
COBIT	Control Objectives for Information and Related Technology
COO	Chief Operating Officer
CPA	Consumer Protection Act, Act No. 68 of 2008
CSE	Corporate Services Executive
CSI	Corporate Social Investment
CPI	Consumer Price Index
DCASA	Debt Counsellors Association of South Africa
DMA	Disaster Management Act
DRA	Debt Re-arrangement Application
EAF	Enterprise Architecture Framework
ENE	Estimates of National Expenditure
EXCO	Executive Committee
FTC	Fair Trading Commission (Seychelles)
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
ICT	Information and Communication Technology
IMF	International Monetary Fund
IoDSA	Institute of Directors of Southern Africa
King IV	King Code of Governance Principles and King Report on Governance
KPA	Key Performance Area
KPI	Key Performance Indicator
MoU	Memorandum of Understanding
MPC	Monetary Policy Committee (of the South African Reserve Bank)
MTEF	Medium-Term Expenditure Framework
NCA	National Credit Act, Act No. 34 of 2005
NCAA	National Credit Amendment Act, Act No. 7 of 2019
NCC	National Consumer Commission
NCR	National Credit Regulator
NCT	National Consumer Tribunal
NERSA	National Energy Regulator of South Africa
NNR	National Nuclear Regulator
OHS	Occupational Health and Safety
PAJA	Promotion of Administrative Justice Act, Act No. 3 of 2000
PC	Portfolio Committee

PEO	Public Entity Oversight
PFMA	Public Finance Management Act, Act No.1 of 1999
PMI	Purchasing Managers Index
SADC	Southern African Development Community
SAJEI	South African Judicial Education Institute
SAN	Storage Array Network
SARB	South African Reserve Bank
SLA	Service Level Agreement
the dti	the Department of Trade and Industry
the dtic	Department of Trade, Industry and Competition



Foreword by the Minister

Mr. Ebrahim Patel
Minister of Trade, Industry and Competition

This Annual Report provides an account of the National Consumer Tribunal (NCT) for the past financial year ending March 2020.

The sixth government administration took office following the national elections in May 2019, with a re-imagined industrial strategy for the country focused on localisation and a renewed promise, passion and urgency to address long standing socio-economic challenges.

The 2019 Presidential Investment Conference, held in November 2019 demonstrated sustained commitment and productive partnerships between the public and private sector in rebuilding the economy. Some R364 billion of further commitments were made (21% higher than at the inaugural Conference the previous year), with potential to create over 400 000 jobs over a five year period. This brings the total of investment commitments made at the two Conferences (2018 and 2019) to R664 billion, more than 50% of the five-year target set by the President in 2018.

The new **dtic** family accelerated the development and implementation of sector masterplans, completing these 'industry social pacts' in the automotive, poultry, sugar and clothing and textile sectors. These serve as a blueprint to harness energies amongst industry players for investment and increased output and jobs in sectors which together employ some 500 000 people. The Master Plans set out practical and reciprocal actions that each social partner at industry level would take to build more resilient businesses and industries.

We are now working on sector masterplans in the steel and furniture sectors, which we expect to complete in the coming year.

Significant progress was made with the finalisation of the modalities of the new African Continental Free Trade Area (AfCFTA), and with a trade agreement to address access to the United Kingdom in the event of a no-deal Brexit.

The work of the Tribunal (together with the National Consumer Commission) complements these interventions and are intended to provide consumers with a floor of basic protection.

The economic environment brought on by COVID-19 has dented growth both locally and globally. The pandemic and its economic fallout have been described by leading economists as unprecedented in our generation. Across the world, countries are reporting or forecasting their lowest growth in at least a generation.

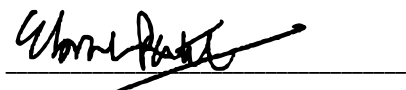
For public entities, the pandemic principally impacted on their work beyond the financial year, placing pressure on delivery platforms and in a number of cases, on their finances.

To repair the damage of COVID-19 and reconstruct the economy to create more jobs, bring more young people into entrepreneurship and increase economic inclusion, we need to think boldly and implement smartly.

To address the immediate and urgent challenges of the economy, government and its social partners have agreed to an Economic Reconstruction and Recovery Plan. The Plan includes structural reforms and a commitment to greater levels of localisation and infrastructure investment. These measures will impact and shape the work of **the dtic** and its agencies.

Every agency of **the dtic** will be required to play its role in ensuring a steady recovery from the pandemic, and to continue execution of the re-imagined industrial strategy, outlined by President Ramaphosa at the start of this administration. Consumer protection supports ordinary citizens but it can also contribute to ensuring competitive and strong service-oriented value-chains.

I congratulate the NCT for the clean audit it achieved for the financial year 2019/20 (its eighth consecutive one) and meeting all its goals for the past financial year. I wish to thank Prof Joseph Mandla Maseko, Executive Chairperson together with the Tribunal Members and staff, for their work this past year.



Mr. Ebrahim Patel
Minister of Trade, Industry and Competition
26 November 2020



Prof. Joseph Mandla Maseko
Executive Chairperson

Executive Chairperson's Overview

Introduction

It is a pleasure to present the Annual Report and Audited Financial Statements of the National Consumer Tribunal (NCT) for the reporting year that ended on 31 March 2020, a year that was characterised by positive results, not without its fair share of challenges, in the face of global economic uncertainty. The strong financial performance of the organisation will continue to provide future resilience, whilst economic growth in South Africa and elsewhere further attempt to stabilise. The NCT, for its part, continues to play a strategic role through the consistent implementation of its mandate and good performance which cumulatively add value to the Government's developmental priority of promoting and achieving sustainable livelihoods in our country.

This Annual Report encapsulates the performance of the NCT, in line with the goals and targets set out in the Annual Performance Plan and Five-Year Business Plan, and thus gives an account of the Tribunal's performance in line with its legislative mandate. It also provides a reflection on some of the key achievements and challenges experienced during the period under review.

Performance Highlights and Challenges – a Strategic Overview

From the outset, it is important to record that during the period under review, the NCT carried over 9 702 Debt Rearrangement Applications (DRAs) from the 2018/19 financial year and thus

received 28 292 in the period under review. In total, it finalised 25 709 cases carrying a balance of 12 915 into the 2020/21 financial year. The Tribunal also received 255 Non Debt re-arrangement cases in the financial year 2019/2020, with non-regulatory filers filing the majority of the applications.

It is with great pride that we are able to report on milestones in line with its mandate that were attained by the NCT during the period under review. Firstly, in the face of the global move towards the Fourth Industrial Revolution (4IR), the increasing caseloads at the NCT over the years and the shrinking budget, it has been clear that the only way to execute the NCT mandate successfully is through the strategic use of Information Technology. This will go a long way in optimising the limited resources while improving operational efficiencies. One of the milestones was the development and utilisation of an e-filing system, which allows debt counsellors to electronically file and receive online information on debt rearrangement matters from anywhere at any time.

The second milestone was in the development and implementation of an online adjudication facility, which enables the Tribunal members to adjudicate remotely and electronically issue orders on debt rearrangement cases to applicants without travelling to the office. The physical motion courts used in the past are no longer in existence. Linked to this achievement was the development and implementation of a Case Management reporting system, which enables the generation of case history reports on matters filed with the Tribunal, such as filing dates, adjudication status, order issued dates and age of the case. The NCT also managed to develop

an electronic diary facility whereby case records can have annotations and case management system which allows for the tracking on progress of cases.

Thirdly, the organisation introduced an electronic payment system for filers when filing DRA applications. This has greatly simplified the administrative processes of filing and submission of debt re-arrangement applications.

Fourthly, during the writing of this Annual Report, the whole world is going through a pandemic known as COVID-19, which has forced many countries in the world to implement Lockdowns to curb the spread of the virus. Many people thus have had to work from home using virtual platforms to hold meetings. Similarly, South Africa has been on Lockdown since the 27th of March 2020, just a few days before the end of this reporting period. We are happy to report that when the Lockdown was announced, the NCT was ready with the infrastructure to ensure that the systems in place to work remotely, were already created. When the Lockdown came, 90% of the NCT staff could easily work from home and the disruption was thus very minimal in terms of service delivery.

Fifthly, Human Resources are the lifeblood of any successful organisation, especially one that constantly wants to renew itself. The NCT managed to maintain a retention rate of about 90%. This meant stability in terms of expertise and institutional memory for the organisation. In addition, in order to support government to address the scourge of youth unemployment in South Africa, the NCT managed to appoint three youths into fixed-term contracts and appointed six interns. The NCT also automated some of its HR processes, especially leave management and implemented an electronic performance management system.

Finally, the NCT continued to engage with its wide range of local stakeholders during the period under review and its cross-border partnerships, including the ongoing partnership with Seychelles, and attending a UNICEF Conference in Zambia on Trade and Consumer Matters and the lecture I personally conducted in Botswana under the auspices of the Judicial Institute for Africa based at the University of Cape Town.

As part of its Access Strategy to spread awareness of the services of the NCT to all areas, including the most remote, the NCT entered into agreements with five Thusong centres located in municipalities. This was to encourage consumers from marginalised rural and township economies to access the Tribunal services. The memoranda of understanding are yet to be signed. The NCT also held provincial roadshows across the country.

The year under review was not without certain challenges. The main one was the budgetary constraints that the organisation faced around November of 2019 and could not pay Part-Time Tribunal members. This put a huge strain on the three fulltime

Tribunal members to take on much more work as well as on the rest of the staff within the NCT. The impact of this also was that some of the planned key activities, including training of Tribunal members, some of the scheduled governance committee meetings and some corporate social investment projects had to be deferred to the new financial year. The budget also saw a reduction in the budget earmarked for staff development. The good news is that notwithstanding such challenges, the NCT still managed to meet its obligations, particularly to its staff and its major creditors. The new financial year will also see the NCT catching up on the caseload backlog that could not be completed due to budgetary constraints and was carried over.

Fiscal Prudence and Good Governance

The Tribunal subscribes to the principles of a clean administration and to that effect maintains rigorous governance bodies, systems and processes. As indicated above, the NCT introduced various measures to reduce costs, particularly using technology for many of its key operations. It is in this way that fiscal prudence has been achieved.

Regarding fiscal management, details are provided in the Audited Financial Statements. The organisation maintained the three fulltime Tribunal members in addition to the Executive Chairperson.

The NCT has fully functioning governance committees, including the Audit and Risk Committee, HR Governance Committee and the ICT Governance Committee. They all met, although in some cases, meetings had to be postponed because of budgetary constraints. They were nevertheless able to carry out their responsibilities and their recommendations were either implemented or placed on an implementation plan.

The Tribunal received a clean audit during the period under review for the eighth consecutive time.

No instances of fraud were reported during the period under review.

In total, a set of 10 annual measurable objectives were set for the reporting period. All of them were achieved through setting high standards of our staff, strict performance management for both staff and Tribunal members, proactively identifying risks and addressing these with timeous implementation of appropriate action plans; and corrective measures.

Moreover, research continued to play a significant role in the execution of the mandate of the NCT.

Future Plans

The NCT has submitted a proposal to the Minister of Trade, Industry and Competition on handling the implementation of the National Credit Amendment Act No. 7 of 2019 (NCAA). This proposal will have huge financial and human resource implications but will go a long way in assisting the more than 700 000 people who qualify for debt relief as our research has shown. There will thus be a huge need to hire more Tribunal members as well as administrative support staff to do the screening of applications. The NCT is also awaiting the promulgation of Regulations to give effect to the implementation of the National Credit Amendment Act of 2019.

The NCT also plans to continue on an aggressive empowerment programme for its internal staff and external filers in terms of usage of its electronic systems as part of a change management programme. This is because the organisation continues with its digitisation strategy and enters into a new paperless environment. In addition, digitisation always has to be underpinned by a rigorous security system as the NCT works with confidential records of consumers, suppliers and credit providers.

The NCT will thence continue in future to adopt regular security penetration testing, firewalling, the configuring of anti-malware and anti-intrusion software. In this way, we will prevent security breaches as we have done in the period under review.

Events after the Reporting Date

Just before the end of the financial year, the country entered into a Lockdown as a result of the COVID-19 pandemic. The pandemic has forced all sectors across the world to review their business models and redefine the notion of work and embrace a 'new normal'. Indications are that even post COVID-19, the world of work will never be the same. The NCT will also be reviewing its business model, its staffing configuration and infrastructure needs. In a climate of economic hardships, this process will assist in reducing some of the overhead costs for the organisation. A Work from Home Policy has been developed for this purpose.

Acknowledgements

I acknowledge and appreciate the Honourable Minister of Trade, Industry and Competition, Mr. E. Patel, for his leadership and guidance to the NCT and providing the necessary resources, under depressed fiscal conditions, for the Tribunal to execute its mandate. The NCT is supported on an ongoing basis by the Director-General, Mr. Lionel October and his teams from Consumer and Corporate Regulation Division (CCRD) (led by Dr. Evelyn Masotja) and the Public Entity Oversight (PEO) of the dtic led by Ms. Jody Scholtz. Their support is greatly appreciated.

Our further appreciation for the guidance obtained, goes to the Parliamentary Portfolio Committee on Trade and Industry, the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour also guided our approaches, especially to access creation. We continue to incorporate their advice into our strategies and operational plans.

Finally, a special word of gratitude goes to all Tribunal members, members of governance committees, the management team, permanent staff, interns and contractors for their commitment and diligence in ensuring that we execute our mandate efficiently. It is worth mentioning that the fulltime Tribunal members found themselves under extreme workload pressure when the organisation experienced the budget constraints in the middle of the financial year as they had to shoulder much of the adjudication.

None of the achievements mentioned above would have been realised without the contribution of every person. The readiness with which the whole organisation embraced the effect of the Lockdown, is greatly appreciated as such a reality will be with us for some time to come.

Conclusion

While the NCT continues to play its role and to optimise its operational efficiencies, it is ready to face the post COVID-19 disruption in the world of work. It will be reviewing its business model and resource needs to align itself with the new reality.

The role of the NCT is becoming even more important with the economic impact of COVID-19 on consumers. Staff retrenchments resulting from loss of revenue by many businesses during the Lockdown, will, no doubt, increase the number of consumers seeking debt relief of one kind or another. It is our hope that this will be met with adequate resources from the national fiscus, which understandably, is also under immense pressure.



Prof. Joseph Mandla Maseko
Executive Chairperson
National Consumer Tribunal
30 September 2020

Strategic overview

Vision

"To be known as an impartial, professional and easily accessible adjudicative entity, contributing to sound commercial relationships based on certainty, trust and justice between consumers, service - and credit providers in South Africa".

Mission

"To be a highly efficient Tribunal providing timely access, professional adjudication and equitable redress to consumers, services and credit industries in South Africa".

Guiding Principles

The NCT's guiding principles define its approach to adjudication and are aligned and resonate closely with the NCT's values. These legislative provisions require that it conducts its hearings in a manner that is:

- Inquisitorial (within the cases of the parties);
- Expeditious (where non-compliance with procedures may be condoned);
- Informal (assistive to lay parties); and
- In accordance with the principles of natural justice (where no statutory or jurisprudential provisions already exist).

Values

The NCT's values define and shape its culture and guide how staff members interact, both internally and with external stakeholders. The NCT strives to meet the requirements of the Constitution of the Republic of South Africa (Act No. 108 of 1996), particularly Chapter 10 on Public Administration. This emphasises certain basic values and principles governing public administration and requires that public administration be governed by the democratic values and principles enshrined in the Constitution.

The NCT's values are:

- **Integrity:** Valuing justice, being ethical and truthful, acting impartially, without fear or favour, in all adjudications and interactions with our stakeholders;
- **Accessibility:** Being known and available to serve our mandate, digitally or face-to-face in all parts of our country; Responding to applications and requests for information appropriately, in a timely manner; Being open to new ideas, taking the time to listen and understand our stakeholders' needs and expectations; Communicating clearly in simple language;

- **Accountability:** Being open and transparent; Clearly communicating the basis upon which decisions are made; Accepting personal and collective responsibility for our actions and the consequences of our actions;
- **Respect:** Considering and valuing the diverse views of others as well as their important contribution as stakeholders. Treating others in ways that promote dignity and sense of self worth.
- **Reliability:** Delivering on our commitments and promises - doing what we say we will do, when we say we will do it!
- **Innovation:** Never being satisfied with the status quo; Utilising our intelligence and digital expertise to continuously deliver greater value, greater efficiency and more relevant services.

Key Value Drivers

The NCT's key value drivers are the specific performance areas in which it is assessed for performance, both internally and by all stakeholders.

The following key value drivers were determined for the 2019/20 financial year:

- (1) To be an ethical and people oriented organisation;
- (2) Be service oriented, expeditious and easily accessible;
- (3) Be bold pioneers and thought leaders;
- (4) Create a safe, secure and enabling working environment; and
- (5) Provide learning and future employment opportunities for our people, especially the youth.

Strategic Outcome-Orientated Goals

After carefully assessing its strategic and operating environments, the following strategic outcome-oriented goals were identified by the NCT:

- (1) Effectively, efficiently and intelligently manage and adjudicate on matters brought to the NCT;
- (2) Contribute to efficient, effective and accessible Consumer regulation and adjudication; and
- (3) Ensure effective and efficient Organisational Management.

These goals provide a clear direction to the NCT's work, and each goal is supported by specific objectives, which are, in turn, supported by projects and/or activities that are detailed in the operational plans of the organisation.

Legislative and Other Mandates

The NCT is an independent adjudicative entity which derives its mandate from the National Credit Act, Act No. 34 of 2005 (NCA) and the Consumer Protection Act, Act No. 68 of 2008 (CPA). It is classified as a Schedule 3A entity in terms of the Public Finance Management Act, Act No.1 of 1999 (PFMA).

The NCT, through its adjudicative mandate and its consideration of matters of prohibited conduct and fair business practice, plays a significant role in upholding and preserving the principles enshrined in the Bill of Rights. Specifically, the NCT has a direct impact on the following areas within the Constitution of the Republic of South Africa, under the Bill of Rights:

- **Sub-section 32: Access to information** – The NCT is accessible to all consumers and businesses, thereby playing a significant role in ensuring that parties have the right to access to information;
- **Sub-section 33: Just administrative action** – The NCT ensures that it hears both sides of a dispute and that it issues reasons for its decisions.
- **Sub-section 34: Access to Courts** – Through the adjudication process, the NCT ensures that all consumers have access to Courts



Organisational Structure

The organisational structure of the NCT as at 31 March 2020 was as follows:

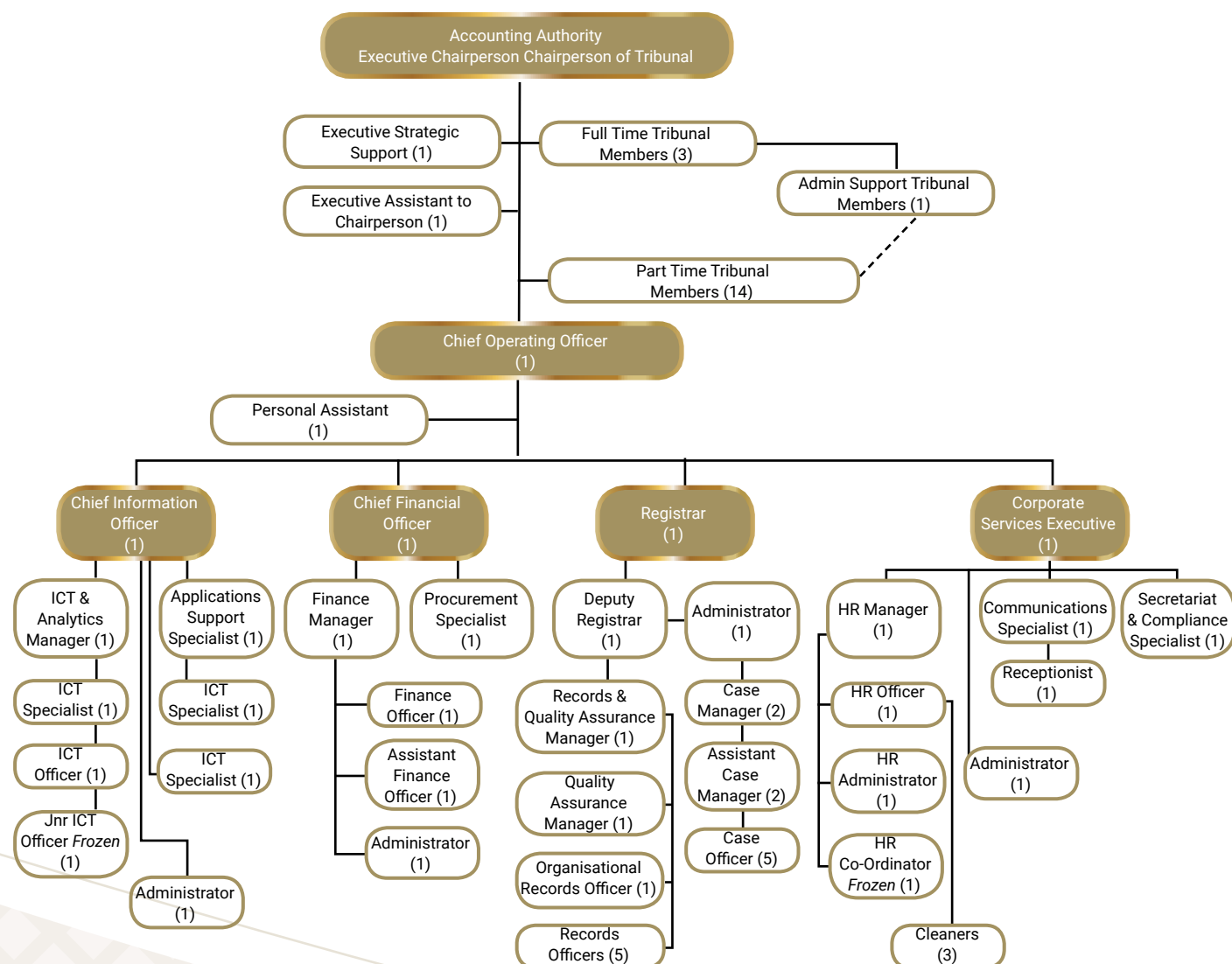


Fig 1. Organisational Structure

Vacancies as at 31 March 2020

Human Resources & Facilities Manager	Case Officer (x2)
Corporate Services Administrative Officer	Finance Officer
Assistant Case Manager	Junior ICT Officer (frozen)
HR Co-ordinator (frozen)	ICT Specialist (x2) (Frozen)
Corporate Services Executive	



PART B: PERFORMANCE INFORMATION

External Auditors Report: Predetermined Objectives

The External Auditors currently oversee the necessary audit procedures on the NCT's performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the Report to Management, with material findings reported on under the Report on the Audit of the Annual Performance Report section of the Auditor's Report.

Refer to page **76** to **79** of the External Auditors' Report, published under Part E: Financial Information.



Situational Analysis

Service Delivery Environment

The global economic environment over the past financial year 2019/20 was a mixture of positivity tempered with fears of a possible global economic meltdown. China continued to have very high quarterly economic growth rates of 6.4, 6.2, 6.0, and 6.0 percent, from the first quarter to the fourth quarter of 2019, respectively; their GDP economic growth rate for the first quarter of 2020 was a very disappointing economic contraction of 6.8 percent, primarily due to the COVID-19 coronavirus pandemic which started there. They were the very first epicentre of both COVID-19 infections and deaths until they were later replaced by the US in that unenviable position. In the US, they maintained their strong economic performance with quarterly economic growth rates of 3.2, 2.0, 1.9, and 2.1 percent, from the first quarter to the fourth quarter of 2019, respectively; their GDP economic growth rate for the first quarter of 2020 was a very disappointing economic contraction of 5 percent, primarily due to the COVID-19 coronavirus pandemic where the US is now the epicentre of both infections and deaths.

Meanwhile, the economic environment in South Africa was not as rosy as in some of the advanced economies already cited. The quarterly economic growth rates in South Africa were -3.2, -2.0, -0.8, and -1.4 percent, from the first quarter to the fourth quarter of 2019, respectively. South Africa's 2019 first quarter GDP economic growth rate showed a major contraction; shrinking by a very disappointing economic contraction of 2 percent (-2.0%), which means South Africa is now effectively in a recession. The annual economic growth rate in China was 6.1 in 2019, it was 2.3 percent in the US in the 2019, and was a mere 0.15 percent in South Africa in 2019.

The 2019/20 financial year in South Africa started on a negative note with a technical recession, as both the last quarter of 2018 and first quarter of 2019 had negative GDP economic growth rates.

	Rand/ US Dollar	Rand/ UK Pound	Rand / European Euro
1 April 2019	14.30	18.69	16.06
1 July 2019	14.03	17.83	15.92
1 October 2019	15.13	18.60	16.54
6 January 2020	14.30	18.71	15.97
25 March 2020	17.53	20.71	18.92

The positive political sentiment which came with the assumption of office of the new President was somehow dampened by the economic realities which saw the South African economy move into a third technical recession, in less than 24 months, in the second quarter of 2019, having had two consecutive quarterly negative growth rates, in the last quarter of 2018 and the first quarter of 2019 respectively. A technical recession is a term informally used when a country has had

The position of the South African Rand, remained stable almost throughout the financial year, from April 2019 to March 2020. The advantage of a stable Rand is that it minimised the imported inflation incidences; a weakening Rand results in higher import prices, which in turn results in cost push inflation in domestic markets. You will note, in the table below, that the Rand significantly weakened against the US dollar, the UK Pound Sterling, and the European Euro, later in March 2020.

This happened because of four interrelated reasons:

- South Africa registered its very first positive case of COVID-19 coronavirus on the 5th of March 2020.
- On the 15th of March 2020, the South African President Cyril Ramaphosa announced the imposition of National State of Disaster, under the Disaster Management Act, Act 57 of 2002, in order to control the spread of the COVID-19 coronavirus pandemic in South Africa.
- On the 22nd of March 2020, the South African President Cyril Ramaphosa further announced the imposition of the National Lockdown measures, under the Disaster Management Act, which effectively shut down most businesses in South Africa and forced the vast majority of South Africans to be confined at home. This was bound to seriously negatively affect the South African economy, and push up joblessness in South Africa. These National Lockdown measures were to come into effect on Friday the 27th of March 2020.
- Not by any strange coincidence, on the 27th of March 2020, Moody's international credit rating agency, which was the only international credit rating agency not to have downgraded South Africa to sub-investment grade (popularly known as junk status), downgraded South Africa to junk status.

The Rand foreign exchange levels against the three major foreign exchange were as follows, at random stratified intervals were:

two consecutive quarterly economic growth rates. South Africa had earlier fallen into two other technical recessions in 2017 and in 2018.

A closer scrutiny of all the quarterly economic growth levels, from 2017 to 2020 has exposed the South African economy as not having strong foundations. Looking at all the sectors, we notice that all of them have, at different times, contracted.

But it is clear that mining, manufacturing, retail sales (trade), construction, agriculture, energy (electricity, gas and water), and transport have usually been the major culprits over these past five years. These happen to be the sectors which should be creating more jobs, but they are instead shedding jobs. The implication is that most people who should be active consumers are forced to resort to credit facilities, where sooner or later they are forced to join the long queues of consumers with impaired credit records.

According to information available from last year in October 2019, from Consumer Watch, South Africa currently has about 25.1 million credit-active consumers, which can be analysed as follows:

- More than 40.8 percent of these have impaired records.
- About 23 percent of them are at least three or more instalment in arrears.
- About 12.7 percent have adverse listings against their names.
- About 5.1 percent have judgements and administration orders against them.

Another economic indicator which reflected badly on this 2019/20 financial year was the official unemployment rate, which moved from 26.92 percent in 2008 to 28.18 percent in 2019. The official unemployment rate had already climbed to 30 percent by the first quarter of 2020. What is worrying most about these unemployment figures is that they don't include the so-called "discouraged work-seekers"; there is a general consensus that if the number of discouraged work-seekers is added to the official unemployment rates, the real unemployment rates spiral well over 40 percent.

The levels of interest rates, especially the South African Reserve Bank's (SARB) repo rate have remained largely stable over this financial year 2019/20. There had been a highly debated repo rate increase from 6.5 percent to 6.75 percent in November 2018, which was finally reversed in July 2019 back to 6.5 percent. The repo rate was again reduced to 6.25 in January 2020. The austerity measures of the national budget, in February 2020, together with the outbreak of COVID-19 coronavirus pandemic at the beginning of March 2020 led the South African Reserve Bank to make an unprecedented move of reducing the repo rate by a full 100 basis points from 6.25 percent to 5.25 percent in March 2020. This helped in reducing the interest burden on most of the consumers and businesses who were about to be financially compromised by the Disaster Management Act measures and the National Lockdown measures which were announced in March 2020, in response to the COVID-19 coronavirus pandemic which broke out in South Africa during March 2020.

Regulation 42 of the National Credit Act partly uses the repo rate in calculating the prescribe the maximum interest rates for the various credit type categories. Therefore, the lower the repo

rate, the lower the applicable interest rates are, and vice versa, the higher the repo rate, the higher the permissible maximum interest rates are. South African consumers were thus helped a lot by the repo rate cuts that the SARB effected in January and March. For some consumers, this may have meant a difference between having a good credit record or having an impaired credit record.

The reason why the levels of South African interest rates have remained largely stable have been because, on the whole, the levels of the inflation, the consumer price index (CPI), have remained fully within the Treasury's target inflation range of 3-6 percent throughout this financial year. The actual average South African inflation rate between April 2019 and March 2020 was 4.9 percent. The reason why the SARB uses the target inflation range approach in determining the appropriate repo rate is because higher inflation rates undermine the consumers' buying power, which in turn have two unacceptable outcomes for the consumer markets, namely, it pushes up the demand for consumer credit which, due to normal forces of supply and demand, in turn leads to higher interest rates.

It is for that reason the SARB increases the repo rate in order to make credit expensive so as to discourage unnecessary rise in credit demand. The other monetary policy implication of higher credit demand is that it increases the total money supply, which is usually referred to as the M3 in financial markets. Higher money supply is usually inflationary. The SARB's mandate to maintain a low inflation environment has worked well in protecting the South African consumers' real buying power levels.

It is important that we briefly look at the history of quarterly GDP economic growth rates in South Africa. In the past, before 2015, South Africa experienced, say, one quarter of negative economic growth rate at least 20 percent of the time. In 2015, 2016, and 2017 the number of quarters with negative economic growth grew to once every four quarters. In the year 2018, the situation worsened to two quarters of economic contraction in the first and the second quarter. The third and the fourth quarters had positive economic growth rates.

The difficult economic picture painted above about the South African economic environment forms the basis for the increased numbers of "consumers in financial distress", that is, consumers who found themselves defaulting on their credit agreement obligations this past financial year 2019/20. This led to more debt rearrangement applications being lodged at the NCT, and being issued by the NCT, this past financial year 2019/20.

The economic outlook for the financial year 2020/21 does not look more promising either, as the SARB has by now already revised the 2020 predicted annual economic growth rates, saying the South African economy will contract by as much as 7.2 percent or more. The downgrading of the South

African sovereign debt rating to junk status, other economic challenges including the electricity load-shedding, and the COVID-19 coronavirus pandemic is bound to leave more South African consumers in financial distress, and make the NCT's task of protecting consumer rights more challenging.

Organisational Environment

During the period under review, the NCT carried over 9 702 Debt Rearrangement Applications (DRAs) from the 2018/19 financial year and thus received 28 292 (an increase of 12.63% from the previous financial year). In total, it finalised 25 709 cases carrying a balance of 12 915 into the 2020/21 financial year.

In order to manage the overwhelming increase and unpredictability of the caseload, the Tribunal engaged several strategies. These strategies included collaboration with various stakeholders for better coordination and to ensure that the Tribunal only dealt with cases within its purview. In addition, the Tribunal enhanced its digital strategy and ICT interventions. A screening process that was introduced during the 2017/18 financial year for non-debt re-arrangement applications continued yielding positive results. In terms of this process, only cases which meet the requirements of the Tribunal's rules were taken through the various steps to ensure that optimised utilisation of the Tribunal's resources, focused only on the work which falls in fact within the ambit of the Tribunal's mandate.

The Audit and Risk Governance Committee of the NCT was resourced with new members after the previous members completed their second terms. The Committees continued to operate effectively. The overall operations of the NCT were strengthened through the establishment of various operational committees.

Key Policy Developments and Legislative Changes

The National Credit Amendment Act

The NCAA, Act No. 7 of 2019 passed into law on 15 August 2020 and vests the Tribunal with an expanded mandate to provide adjudication on debt relief for over-indebted low and no income consumers as well as those who have no assets and have access to lawful state-funded insolvency processes as long as they meet specific, laid down criteria. The legislation creates a targeted debt intervention measure for over-indebted consumers who are not able to qualify for/ or afford existing debt relief measures. It seeks to address deficiencies around reckless lending, provide for possible compulsory credit life insurance which may be prescribed in certain instances.

The legislation further provides for measures to address actions that were rendered unlawful by the Act but which were not criminal so that enforcement was limited to civil actions; and correct deficiencies in the powers of Magistrate's Court related to debt relief measures.

Strategic Outcome-Oriented Goals

Each of the NCT's strategic goals is supported by specific objectives, which are, in turn, supported by projects and/or activities detailed in the operational plans of the organisation. The following strategic goals were identified for the reporting period:

- (1) To effectively, efficiently and intelligently manage and adjudicate on matters brought to the NCT;
- (2) To contribute to an efficient, effective and accessible Consumer regulation and adjudication; and
- (3) To ensure effective and efficient Organisational Management.

Strategic Objectives

The NCT bases its performance on its legislative mandate as set out in the NCA and CPA as well as its Annual Performance Plan (APP) 2019/20- 2021/22 and Business Plan 2019/20-2023/24. Performance targets and the budget for the year are based on these plans and are informed by the Business Plan.

The following strategic objectives were set for 2019/20:

- To expedite service delivery through the expeditious finalisation of complete debt re-arrangement applications;
- To expedite service delivery through the expeditious finalisation of non-DRA applications and referrals;
- To ensure that the NCT decisions are substantially and procedurally correct;
- To ensure cooperation and partnership amongst external stakeholders through ongoing engagement;
- To build Tribunal capacity through research papers or approved briefing papers on consumer protection and credit-related matters, added to the NCT knowledge database;
- To ensure that the NCT is increasingly accessible to the people of South Africa;
- To ensure that the Tribunal has adequate human resources to deliver in accordance with its mandate;
- To enhance operational efficiency by implementing an enabling ICT architecture;
- To effectively and efficiently manage the financial resources of the NCT; and
- To expand economic opportunities for historically excluded and vulnerable groups.

The NCT's performance against these objectives is set out on pages 25 to 48.

Performance Information by Programme

Programme 1: Adjudication

The purpose of this programme is to provide the necessary administrative and adjudicative and other related services to ensure that the NCT delivers successfully on its legislative mandate.

The following sub-programmes fall under this programme:

- Case management – provides services to ensure that all cases are timeously prepared, that filing parties and applicants are communicated with and that all pertinent information is recorded and disseminated; and
- Adjudication – adjudication deals with both substantive and interlocutory applications. It ensures that competent, professional, impartial adjudicators are available to attend to matters, that the procedures followed are fair and that adjudicators' decision-making is substantively sound, in accordance with legal precedents and requirements.

Strategic Objectives

The NCT's performance against three objectives is set out in the table below. The following strategic objectives were set for 2019/20 for this programme and its sub-programmes:

- To expedite service delivery through the expeditious finalisation of complete debt-rearrangement applications;
- To expedite service delivery through the expeditious finalisation of non-DRA applications and referrals; and
- To ensure that the NCT decisions are substantially and procedurally correct.

Table 1: Performance Against Predetermined Objectives (Adjudication)

Output	Performance Measure or Indicator	Annual Target	Actual Achievement	Reason for Variance	Corrective Action
Responsive, timeous service to stakeholders in line with mandate	Average number of days from date of filing of DRA to date of issuing order to filing parties	≤70 days	69,55 days	Over-achieved. The Tribunal closely monitors the case management process and tracks the life cycle of these matters from inception to finalisation without exclusions. In addition, various interventions resulted in efficiency gains.	N/A

Output	Performance Measure or Indicator	Annual Target	Actual Achievement	Reason for Variance	Corrective Action
Responsive, timeous service to stakeholders in line with mandate	Average number of days from date of close of pleadings of non-DRA to date of issuing a notice of set down to filing parties	≤ 20 days	15,03 days	Over-achieved. The Tribunal has actively managed cases and engaged in internal strategies and interventions to ensure that matters are heard in an expeditious manner.	N/A
	Average number of days from date of final adjudication of non-DRA to date of issuing a judgement to filing parties	≤ 20 days	12,41 days	Over-achieved. The Tribunal closely tracked its cases and ensured that matters are brought to finalisation as swiftly as possible.	N/A
Ensuring that NCT decisions are substantively and procedurally correct and creating jurisprudence in consumer and credit matters	Development, refinement and implementation of an Adjudication Quality model	Refinement of Adjudication Quality Mode (AQM)	The revised AQM was ready for utilisation on 31 March 2020	Achieved	N/A

CASE MANAGEMENT

Introduction

At present, there are approximately 35 different types of applications and 150 different types of prohibited conduct that may be brought to the NCT in terms of the NCA, CPA and Rules of the Tribunal. Applications may be brought by the NCR, the National Consumer Commission (NCC), consumers, credit bureaus, credit providers, debt counsellors, payment distribution agents, alternative dispute resolution agents and service providers.

Only the NCR, NCC and, in certain cases, complainants, may refer alleged prohibited conduct cases to the NCT for a determination. In some instances, the High Court may, on application by a party, confer jurisdiction upon the NCT to hear a matter not otherwise provided for.

Office of the Registrar

The operational function of the Registrar's Office is central to the Tribunal delivering on its mandate, particularly in relation to expeditious case and records management processes.

The Registrar's Office is responsible for:

- Case Management Support;

- Provision of legal support and advice to the Tribunal in respect of organisational legal issues;
- Representation and advisory function on behalf of the Tribunal during internal labour proceedings, at labour forums and during court proceedings; and
- Management of the records functions by ensuring the availability of complete and secure records.

Objectives for the Year

Three strategic objectives were set in the Registrar's Office for the year, aligned to the NCT's overall strategic objectives. These were:

To effectively and efficiently manage all the cases filed with the Tribunal including providing effective and efficient case management support to Tribunal members in respect of matters allocated to them for adjudication.

In order to achieve this goal, the Tribunal set three organisational measures with pre-defined targets. The Registrar's Office achieved all three targets and, in doing so, managed cases effectively and efficiently.

The Tribunal's operation has a configuration of two streams of case-flow processes. The first deals with debt reviews where consumers and their creditors have agreed on re-arranged terms and require the agreement to be reduced to an order

(Debt Re-arrangement application). The second category deals with all other matters that the Tribunal has jurisdiction to deal with (Non Debt re-arrangement application).

Debt Re-arrangement Applications

The filing of this type of application secures the consumers' assets from execution and this security remains in place until an order is granted with new re-arranged terms. The security lapses on the refusal of the application and is extended by the granting of the application. However, all security is lost if the consumer fails to meet its re-arranged obligations. The Tribunal has a duty to process these matters expeditiously so the interests of both the consumer and creditor are recognised.

In previous financial years, the Tribunal processing speed was heavily influenced by the choice of matters that the Debt Counsellors chose to put forward. The Tribunal availed itself in different provinces at great cost to ensure finalisation of matters. Whilst adjudication increased, the finalisation rate decreased as the filings of Debt Counsellors often led to a directive first then an order being issued with substantial increased adjudication cost. In this financial year, two critical decisions were made, firstly to only adjudicate on a matter once forcing Debt Counsellors to improve quality and secondly to reduce adjudication costs. The second decision has placed strong reliance on our case management system which provides the Debt Counsellor with instant transparency of the statuses of those cases.

The Tribunal, notwithstanding its changed environment and the learning curve complementing it, managed to finalise more matters in 2019/20 than it did in 2018/19.

Non-Debt Re-arrangement Applications

These are applications filed at the Tribunal that do not fall within the ambit of a debt re-arrangement nature. Non-debt re-arrangement matters are thus generally filed mostly by the Regulators (NCR and NCC), consumers in certain circumstances and other Registrants, in so far as the governing legislation allows.

The volume of this category of filing is substantially less than that of debt re-arrangement matters. However, these matters are substantively much more complex and resource intensive than the debt re-arrangement matters. During the 2019/20 financial year, the Tribunal received 245 applications accounting for less than one percent of the applications received. Although the volume is small, the decisions or findings of the Tribunal have far-reaching consequences, such as influencing changes to the consumer credit and consumer industry and providing clarity with the interpretation of fairly new legislation.

An application which falls into this category requires a hearing of evidence to be placed before the Tribunal. This generally consists of the application filed with all supporting documentation, an answering and a replying affidavit. At the hearing, oral evidence can be presented and the usual procedural laws and the laws of evidence remain applicable. In dealing with these matters, all applications are thoroughly screened before the case is accepted ensuring that parties are

able to provide applications that are clear and concise.

The Tribunal finalised 167 cases in the period under review and will carry over 215 cases into the 2020/21 financial year.

To ensure expeditious service delivery, the Tribunal measures its performance against how efficiently it sets down a matter for hearing as well as how efficiently it issues judgments. The Tribunal has issued judgments at a turnaround time of 12.41 days from the date of final adjudication and has set down new matters at a turnaround time of 15.03 days from the date of close of pleadings. This has far exceeded the pre-determined targets set.

To effectively and efficiently manage the case records and communications in respect of cases filed with the Tribunal.

Records have been safeguarded both electronically through digitisation and backed up electronically and physically using off-site storage facilities. The Tribunal has continued with its digitisation process during 2019/20 and digitised all applications received. These digitised records are easily retrievable via the CMS and other shared drives.

The Registrar's Office reviews its standard operating process annually to ensure that it continuously improves its management of records and to ensure that its processes are aligned to relevant legislative requirements.

All case records and/or communications are received electronically through email and electronically directly on the Tribunal's case management system both of which are managed by the Registrar. The usual modes of physical delivery, postage and fax still apply. All records received manually are captured on the case management system and digitised.

Subject to the provisions of Promotion of Access to Information Act (PAIA) and the Protection of Personal Information Act (POPIA), the Tribunal has mechanisms through which any person (natural or juristic) may request any case record. Moreover, the judgments of the Tribunal are published on a free public website of the Southern African Legal Information Institution (SAFLII) - www.saflii.org.

To provide services as legal advisor to the Tribunal in respect of its operations, industrial relations and service provider service level agreements and disputes.

The Registrar's Office supports the Tribunal in managing external legal service providers in instances where it is necessary to appoint lawyers to defend or represent the Tribunal in the High Court; should the need arise. The Registrar's Office further keeps a register of all external appeals to ensure that the outcomes of these matters are tracked.

Finally, the Registrar's Office supports the NCT operations in the management of service level agreements entered into by the Tribunal and provides support to other business units in instances of breach of contract and specific performance matters.

Table 2: Case statistics for all cases filed at the Tribunal

CATEGORY	TOTAL PER CATEGORY	OVERALL TOTAL
Total Cases C/O into 2019/2020		9,796
a. Debt re-arrangements	9,669	
b. Non Debt re-arrangements	127	
Total Cases filed 2019/2020		28,547
a. Debt re-arrangements	28,292	
b. Non Debt re-arrangements	255	
Less Total Cases finalised in 2019/20		25,246
a. Debt re-arrangements	25,079	
b. Non Debt re-arrangements	167	
Total Cases Pending as at year end		13,130
a. Debt re-arrangements	12,915	
b. Non Debt re-arrangements	215	

Since its inception, the NCT has experienced a continuous increase in the number of Debt re-arrangement cases filed, however, its limit appeared to be evident with the similar volume of cases received in 2017/18 and 2018/19. The reporting period under review 2019/20 reflects an increase of 12.63% in the number of debt re-arrangements filings received compared to the previous year which can be linked to struggle in the consumer credit market.



² Number of matters carried over adjusted to account for the filings that moved from the 2019/20 period to the 2018/2019 period, as reflected in the Quarterly reports

Debt Re-Arrangement Applications

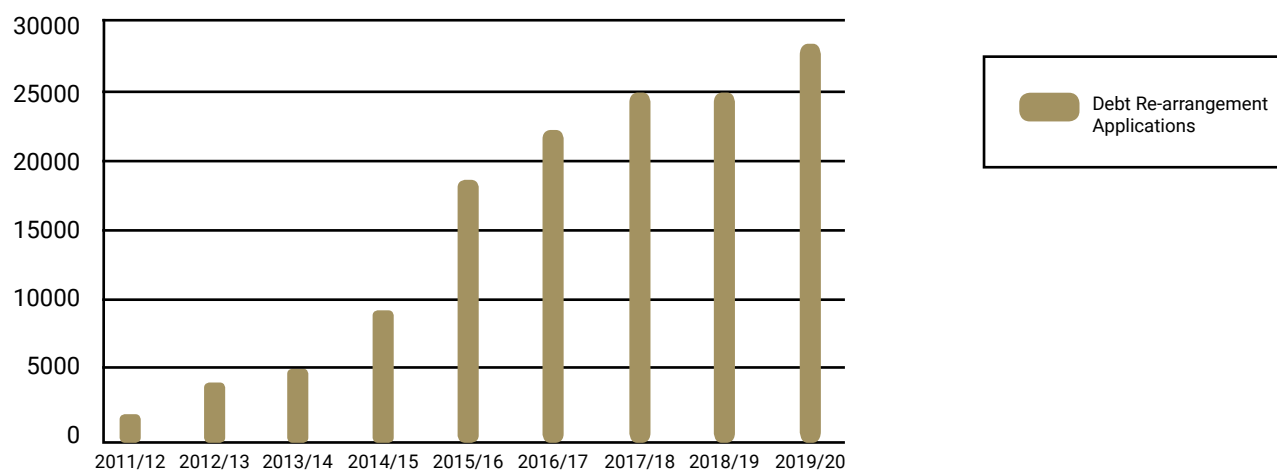


Fig. 2 Debt Re-arrangement Applications received per year from 2011/12 to 2019/20

Non-Debt re-arrangement matters decreased in the previous year largely as a result of the vigour within the screening process resulting in a low volume of cases passing through it. In 2019/20, filers showed stronger resilience by filing 255 cases that met minimum standards and included all relevant information for strong inquisitorial adjudication.

Non-Debt Re-Arrangement Applications

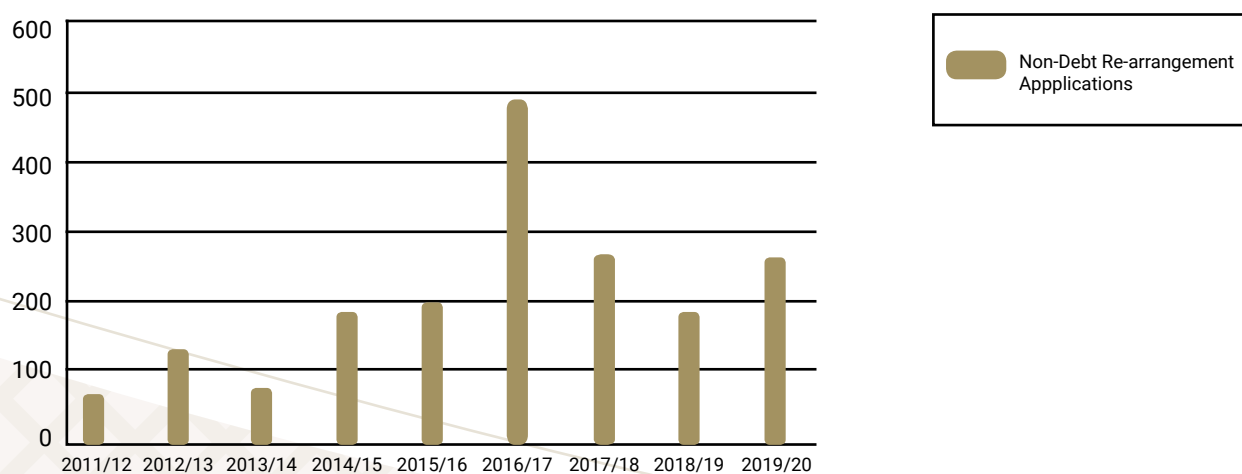


Fig. 3 Non-Debt Re-arrangement Applications received per year from 2011/12 to 2019/20

Non-Debt Re-arrangement Statistics

The Tribunal received 255 Non-Debt re-arrangement cases in financial year 2019/2020, with non-regulatory filers filing the majority of the applications. The regulatory bodies accounted for 40% (101) of the matters whilst the non-regulatory bodies amounted to 60% (154 matters) of the total number of Non-Debt re-arrangement cases filed which strongly supports the access consumer has to the Tribunal.

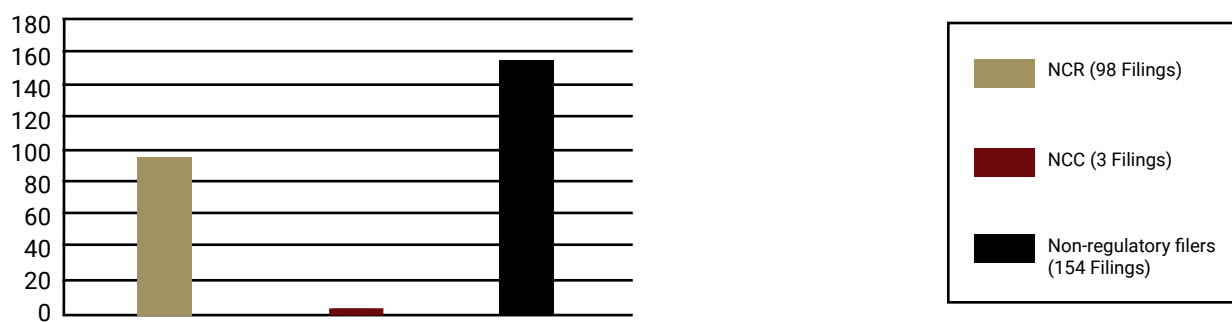


Fig. 4 Non-DRA cases received during 2019/20 categorised per other filers

In addition, 208 of the 255 cases received, constituting 81.57 % of the non-DRA filings, were NCA matters and 47 (18.43 %) of the cases received were filed in terms of the CPA.

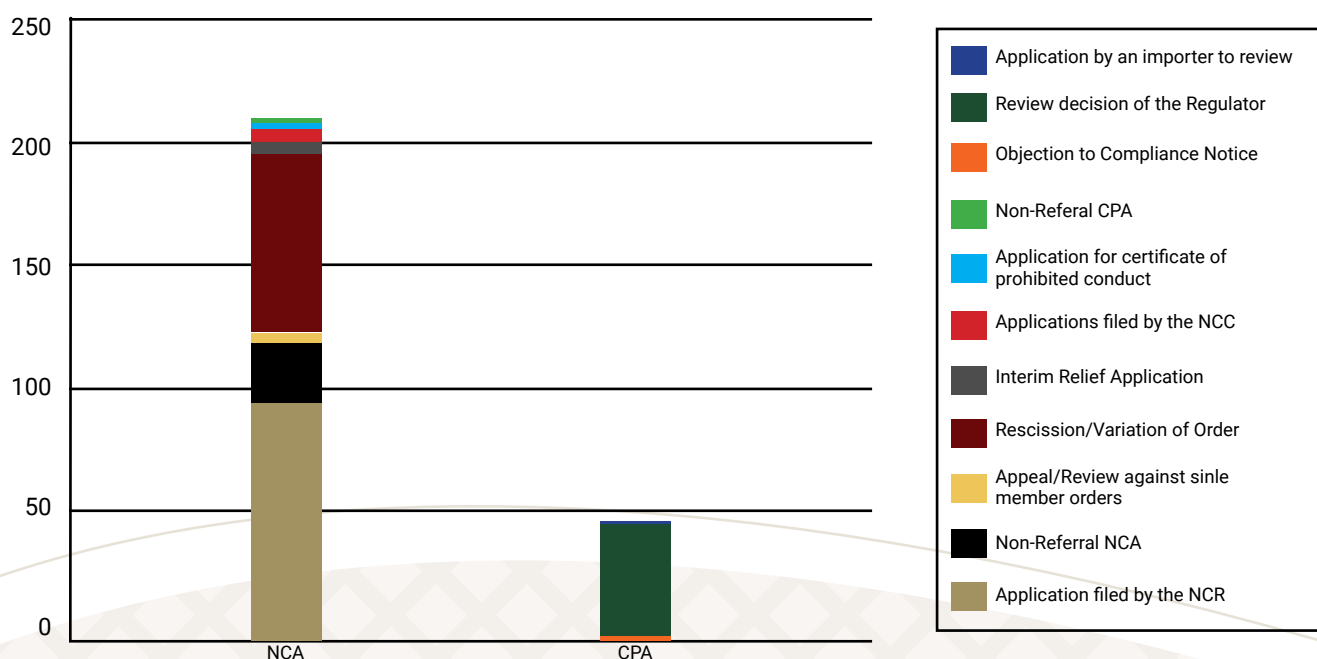


Fig. 5 NCA and CPA applications received

Table 3: Non-DRA Applications filed during the year

CPA Application break-down

Act Section	2014/15	2015/ 16	2016/17	2017/18	2018/19	2019/ 20	TOTAL
70(3)b Application for a consent order after dispute resolution by alternative dispute resolution agent	-	-	2	-	-	-	2
73(2)(b) NCC referrals	2	1	2	5	2	2	14
75(1)(b) Applications for leave to refer a non-referral directly	7	23	25	60	42	43	200
101 (1) Objection to a compliance notice	-	-	-	-	-	-	-
74(1) Application for consent order	-	-	-	-	2	1	3
Rule 4- Certification of Class Action	-	1	-	1	-	-	2
60(3) Application by producer or importer to review A Notice issued by Commission in terms of Sections 60(2)	-	-	1	-	-	1	2
Total CPA applications	9	25	30	66	46	47	223

NCA Application break-down

Act Section	2014/15	2015/ 16	2016/17	2017/18	2018/19	2019/ 20	TOTAL
165(1) Rescission of variation of NCT order	53	43	100	91	41	65	393
137(3) Application upon failure of alternative dispute resolution	35	12	2	2	-	-	51
140(1) NCR referrals	15	38	15	14	20	20	122
56(1) Objection to a compliance notice	4	1	-	2	4	1	12
57(1) Cancellation of registration of registrant	25	15	19	22	35	42	158
115(1) Disputed entry on a statement	5	1	1	-	-	-	7
128(1) Review of a sale of goods	1	3	2	2	-	-	8
148(1) Appeals and reviews	14	2	2	6	7	4	35
149(1) Interim relief	3	29	4	7	1	7	51
59(1) Review of a decision by the NCR	3	-	3	2	1	1	10
71(3) Application by a consumer to review a decision not to issue or failure to issue a clearance certificate	1	5	2	6	-	-	14
141(1) Applications for leave to refer a non-referral directly	6	12	18	13	5	29	83
138 read with 135(b) (ii) Application for consent order after alternative dispute resolution	1	2	3	-	2	33	41
55(6) Failure to comply with a compliance notice	2	2	1	-	-	2	7
114(1) Application by a consumer upon failure to produce a statement	-	2	272	2	-	-	276
164(3) Application to the NCT for a certificate declaring conduct to be prohibited or required in terms of the Act	-	-	1	5	3	4	13
99(2) Application by a consumer for compensation from a pawnbroker in lieu of property	-	1	-	5	1	-	7
142 Application to limit obligations in respect of frivolous, vexatious or unreasonable requests	-	-	1	-	-	-	1
Application by NCR for leave to refer without an investigation	-	-	-	-	1	-	1
Total NCA applications	168	168	446	179	121	208	1290

Debt Re-Arrangement Statistics

The Tribunal carried over 9,669 matters into 2019/2020 as adjusted and received 28,292 cases in 2019/2020. In total, it finalised 25,079 matters in 2019/20 carrying a balance of 12,915 in 2020/2021. The turnaround achieved from date of filing to finalisation is 69, 55 days, within the pre-determined target set.

Status	Subtotal	Total
Total Matters carried over into 2019/2020		9,669
Total Matters received in 2019/2020		28,292
Total Matters finalised in 2019/2020		25,079
(a) Orders	20,293	
(b) Withdrawals	345	
(c) Lapsed ³	4,441	
Total Pending Matters as at end 2019/2020		12,915
(a) Matters prior to 2019/2020	24	
(b) Matters 2019/2020	12,891	



³ Prior to the implementation of the screening process, a matter would be regarded as incomplete if it did not meet the filing requirements as set out in the Tribunal's Rules and its tables. In such an instance, the matter would be received as if it is an application and a filer provided with an opportunity to provide the documents which were outstanding in terms of the filing requirements. If the filing party is unable to provide the information required, the matter could not be considered as it does not contain all necessary documents and information. The matter would then be lapsed and as such finalised after a period of time.

Adjudication

Introduction

In accordance with section 27 of the NCA as amended, the core function of the Tribunal is adjudication. This section provides that the NCT's function is to adjudicate on applications and referrals of prohibited conduct filed with it in terms of the NCA and the CPA. Its mandate also includes reviewing decisions made by the NCR and NCC, hearing interim relief applications and hearing appeals from single-member judgements of the NCT.

In addition, the review of compliance notices and applications for the cancellation of registrants, referrals regarding prohibited conduct by registrants and service providers can also be filed with the NCT. The Tribunal can then make certain orders in terms of section 150 of the NCA in respect of matters it adjudicated on.

Tribunal members

Prof. Joseph M. Maseko - Executive Chairperson	Ms. Maleho Nkomo – Part-time Member
Dr. Laura Best - Part-time Member & Deputy Chairperson	Mr. Trevor Bailey – Part-time Member
Adv. John R. Simpson – Fulltime Member	Ms. Diane R. Terblanche – Part-time Member
Mr. Andisa Potwana – Fulltime Member	Ms. Penelope Beck - Part-time Member
Ms. Hazel V. Alwar – Fulltime Member	Ms. Xolela C. May - Part-time Member
Prof. Bonke C. Dumisa - Part-time Member	Mr. Fungai K. Sibanda - Part-time Member
Adv. Frans K. Manamela - Part-time Member	Ms. Nomfundo Maseti – Part-time Member
Adv. Neo H. Sephoti - Part-time Member	Prof. Kasturi Moodaliyar – Part-time Member
Prof. Tanya Woker - Part-time Member	Dr. Maria Peenze - Part-time Member

The Tribunal members responsible for the adjudication of cases are subject to the Constitution of the Republic of South Africa, the law and the NCT's performance management system. They also operate in terms of formal performance agreements guided by the Tribunal's core values, Code of Ethics and Conflict of Interest Policy.

Tribunal Members

The President of the Republic of South Africa appoints the Tribunal members to fulfil the Tribunal's adjudicative function. The composition of the Tribunal includes 18 members, i.e. three fulltime and 14 part-time Tribunal members, excluding the Executive Chairperson. Currently, once the selection and recommendation process has gone through Cabinet, the President then delegates this function to the Minister of Trade, Industry and Competition.

A review of the CVs of the Tribunal members (see Annexure A on page **116** of this Report) illustrates this group's wide range of qualifications and experience, which provides reason for the NCT's success in its adjudication of cases.

Tribunal Members



*Prof. Joseph M. Maseko
Executive Chairperson*



*Dr. Laura Best
Part-time Member &
Deputy Chairperson*



*Prof. Bonke C. Dumisa
Part-time Member*



*Adv. Frans K. Manamela
Part-time Member*



*Adv. Neo H. Sephoti
Part-time Member*



*Prof. Tanya Woker
Part-time Member*



*Adv. John R. Simpson
Fulltime Member*



*Ms. Maleho Nkomo
Part-time Member*



*Mr. Trevor Bailey
Part-time Member*



*Mr. Andisa Potwana
Fulltime Member*



*Ms. Diane R. Terblanche
Part-time Member*



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Part-time Member*



*Mr. Fungai K. Sibanda
Part-time Member*



*Ms. Hazel V. Alwar
Fulltime Member*



*Ms. Nomfundo Maseti
Part-time Member*



*Prof. Kasturi Moodaliyar
Part-time Member*



*Dr. Maria Peenze
Part-time Member*

The Adjudication Process

Table 4: Adjudication statistics

Total Non-DRA's finalised 2019/20		167
	Judgments issued	119
	Applications Withdrawn	30
	Applications Lapsed	0
	Matters Settled and Confirmed	9
	Condonation refused	5
	Certificate of Prohibited Conduct	4
Internal Appeals/Reviews filed 2019/20		4
	Appeals/Reviews Upheld	1
	Appeals/Reviews Dismissed	1
	Pending	2
External from 2007 to 31 March 2020		44⁴
	Appeals/Reviews Upheld	5
	Appeals/Reviews Dismissed	10
	Pending	24
	Settled	3
	Withdrawn	2

APPEALS AND REVIEWS

An internal appeal/review is where the decision of a single Tribunal member is taken on appeal or review and the application is considered by a three-member Tribunal panel. This panel will then either uphold the decision or uphold the appeal or review. If an external appeal or review is against the decision of a three-member Tribunal panel, the appeal or review is heard by the High Court and the High Court judge(s) will then either uphold the Tribunal decision or uphold the appeal or review.

Internal single member decisions are taken on appeal or review

In total, four decisions were taken on internal appeal or review in 2019/20. Two of the matters are pending, one has been dismissed and one upheld.

Table 5: Non-DRA decisions taken on appeal or review from 2007 to 31 March 2020

No.	NCT Application	Appeal Court case no.	Appeal Court decision	Date of judgment
1.	Southern African Fraud Prevention Service Ltd vs NCR NCT168/2009/54(1)	National Credit Regulator vs Southern African Fraud Prevention Service Ltd 58190/2010 (North Gauteng High Court)	Appeal upheld	May 2011
2.	NCR vs PM Ferreira NCT/166/2008/57(1)	NCR vs PM Ferreira North Gauteng High Court 51467/2010	Dismissed	2011, December
3.	NCR vs PM Ferreira NCT/166/2008/57(1)	NCR vs PM Ferreira North Gauteng High Court 51467/2010	Dismissed	2011, December
4.	NCR vs Christopher Bornman and others NCT/656/2010/57(1)(P)	Christopher Bornman and others vs NCR 798/2012 (Supreme Court of Appeal)	Dismissed (SCA)	March 2013
5.	Barko Financial Services (Pty) Ltd vs NCR NCT/743/2010/56(1)(P)	Barko Financial Services (Pty) Ltd vs NCR A499/2011 (North Gauteng High Court)	Dismissed (HC)	March 2013

⁴ Although table 4 only lists 43 appeals, line item 19 was a matter where two decisions were made by the Appeal Court. The Respondent appealed the Tribunal's finding that it contravened the National Credit Act and the Applicant cross appealed the Tribunal's finding of not imposing an administrative fine. The Appeal was upheld and the cross appeal dismissed. This is why there are 44 outcomes to 43 matters.

No.	NCT Application	Appeal Court case no.	Appeal Court decision	Date of judgment
6.	Barko Financial Services (Pty) Ltd vs NCR NCT/743/2010/56(1)(P)	Barko Financial Services (Pty) Ltd vs NCR 415/2013 (Supreme Court of Appeal)	Dismissed (SCA)	18 September 2014
7.	Telegenix Trading 340 CC vs NCC and Silas Phadagi NCT/8697/2013/101(1)	Telegenix Trading 340 CC vs NCT, NCC and Phadagi 726/2014 (North Gauteng High Court)	Dismissed	April 2014
8.	De Klerk vs NCR NCT/6210/2012/57(1)	De Klerk v NCT, NCR et al 33329/2013 (North Gauteng High Court)	Settled	June 2013
9.	JW van Zyl vs NCR NCT/3868/2012/57(1)	JW van Zyl vs NCR AR620/13 (KwaZulu-Natal High Court)	Withdrawn	1 September 2014
10.	MC Bouah Enterprises vs Dynacon Global Trading NCT/7936/2013/75(1)	MC Bouah Enterprises vs Dynacon Global Trading, NCT 35836/2014 (North Gauteng High Court)	Pending	Pending
11.	P Byleveld vs Execor Twelve (Pty) Ltd t/a Motor City & The NCC NCT/10686/2013/75(1)	Execor Twelve t/a Motor City vs P Byleveld A446/14 (North Gauteng High Court)	Pending	Pending
12.	NCR vs Capitec Bank Limited NCT/9152/2013/140(1)	NCR vs Capitec Bank Limited & The NCT A440/14 (North Gauteng High Court)	Dismissed	February 2016
13.	NCC vs Univision Services NPC & 11 others NCT/19486/2014/73(2)(b)	Univision NPC & Others vs NCC & NCT. 97574/2015 (North Gauteng High Court)	Dismissed	November 2016
14.	NCR vs Finbond Mutual Bank NCT/26629/2015/140(1)	NCR vs Finbond Mutual Bank North Gauteng High Court	Pending	Pending
15.	NCC vs Univision Services NPC & 11 others NCT/19486/2014/73(2)(b)	Univision NPC & Others vs NCC & NCT 618/2017 (SCA)	Appeal upheld	28 March 2018
16.	Moneyline Financial Services vs The National Credit Regulator NCT/17884/2014/57(1)	Moneyline Financial Services vs The National Credit Regulator A440/16 (North Gauteng High Court)	Pending	Pending
17.	Motswai vs House and home NCT/33263/2015/75(1)(B)	Shoprite Checkers (Pty) Ltd t/a House & Home vs Penny Beck – Paxton N.O & 4 Others 71787/16 (North Gauteng High Court)	Settled	November 2016
18.	NCR vs Lewis Stores & Monarch Insurance Ltd NCT/27651/2015/140	Lewis Stores (Pty) Ltd vs NCR & the National Consumer Tribunal A694/16 (North Gauteng High Court)	Settled	4 May 2018
19.	NCR vs South African Fraud Prevention Services NPCNCT/23181/2015/140(1)	South African Fraud Prevention Service vs The National Credit Regulator	Cross Appeal Dismissed and Appeal upheld	17 November 2017
20.	NCR vs EZ Trade	Micro Finance South Africa & Banking Association SA NPC vs NCR and 2 Others	Pending	Pending
21.	NCR vs Lewis Stores (Pty) Ltd	NCR vs Lewis Stores (Pty) Ltd & the National Consumer Tribunal A333/2017(North Gauteng High Court)	Dismissed.	30 April 2018
22.	NCR vs Lewis Stores (Pty) Ltd	NCR vs Lewis Stores (Pty) Ltd & the National Consumer Tribunal (SCA)	Pending	Pending
23.	NCR vs Edcon Limited	Holding vs The National Consumer Tribunal & The National Credit Regulator Case Number: A237/17	Appeal upheld	2 May 2018
24.	NCR vs Edcon Limited	The National Credit Regulator vs Edcon Holding and the National Consumer Tribunal (SCA)	Pending	Pending

No.	NCT Application	Appeal Court case no.	Appeal Court decision	Date of judgment
25.	NCR vs Shoprite Investments Limited	Shoprite Investments Limited vs NCR Case Number: A509/17	Pending	Pending
26.	NCR vs Hua Xiang Cash Loans CC	Hua Xiang Cash Loans CC vs National Consumer Tribunal and 2 Others	Pending	Pending
27.	Makete Judah Letsoalo vs Wesbank a division of Firststrand Bank limited	Makete Judah Letsoalo vs NCT and 2 Others Case number: 77923/17	Pending	Pending
28.	Ian Eugene Romer Wason Coretta Makhaza vs Absa Bank Limited & 16 Others	Coretta Makhaza vs Ian Eugene Romer Wason and 16 Others Case number: 23967/18	Pending	Pending
29.	Pfumedzo Ramakumba vs Debt matters (Pty) Ltd and 5 others	Pfumedzo Ramakumba vs Debt matters (Pty) Ltd and 5 others 5364/2018 (HC)	Pending	Pending
30.	Marese Fourie vs African Bank and 4 others	Marese Fourie vs African Bank and 4 others 50756/2018	Pending	Pending
31.	Preyesh Balgobind vs Benay Sager and 8 others	Preyesh Balgobind vs Benay Sager and 8 others (HC) 19321/2017	Withdrawn	3 December 2018
32.	National Credit Regulator vs Deborah Anne Solomon	National Credit Regulator vs Deborah Anne Solomon A397/2017 (HC)	Appeal upheld	19 October 2018
33.	Lewis Stores (Pty) Ltd vs Summit Financial Partners (Pty) Ltd and 2 others.	Lewis Stores (Pty) Ltd vs Summit Financial Partners (Pty) Ltd and 2 others. A355/2018 (HC)	Pending	Pending
34.	Information technology Consultants (PTY) LTD T/A Intecon and 2 Others vs National Credit Regulator and Another	Information technology Consultants (PTY) LTD T/A Intecon and 2 Others vs National Credit Regulator and Another 38994/2018 (HC)	Pending	Pending
35.	Legobela John Maahe vs Diesel Performance Truck & Bus (Pty) Ltd	Legobela John Maahe vs Diesel Performance Truck & Bus (Pty) Ltd 85199/2018 (HC)	Pending	Pending
36.	Volkswagen Financial Services SA vs National Consumer Tribunal and National Credit Regulator	Volkswagen Financial Services SA vs National Consumer Tribunal and National Credit Regulator A104/19 (HC)	Pending	Pending
37.	NCR vs Dacquip Finances CC t.a ABC Financial Services Pinetown NCT/127619/2019/57(1)	Dacquip Finances CC t.a ABC Financial Services Pinetown vs NCR North Gauteng High Court A333/2019	Pending	Pending
38.	National Credit Regulator vs Elavation Trading CC t/a Xcelsior Financial Services And Xcelsior Financial Services (Pty) Ltd NCT/111201/2018/57(1)	Elavation Trading CC t/a Xcelsior Financial Services And Xcelsior Financial Services (Pty) Ltd vs National Credit Regulator High Court, Gauteng Division 4350/2020	Pending	Pending
39.	National Credit Regulator vs CMR Group (Pty) Ltd NCT/119696/2018/57(1)	Jacolien Barnard N.O & Beatrice Linda Mills N.O (In their capacities as joint provisional liquidators of CMR Group (Pty) Ltd) vs NCR High Court, Pretoria Division A351/2019	Pending	Pending
40.	Monica van der Heyde vs A to Z Motors CC NCT-119741-2018-75(1)	A to Z Motors CC vs Monica van der Heyde High Court, Gauteng Division 16051/20	Pending	Pending
41.	National Credit Regulator vs JDG Trading (Pty) Limited NCT-29052-2015-140(1)	National Credit Regulator vs JDG Trading (Pty) Limited High Court, Gauteng Local Division, Johannesburg A3086/19	Pending	Pending
42.	National Credit Regulator vs National Consumer Tribunal and Tshilidzi Swuhana	National Credit Regulator vs National Consumer Tribunal and Tshilidzi Swuhana A114/19	Pending	Pending
43.	Lewis Stores (Pty) Ltd vs Summit Financial Partners (Pty) Ltd and 2 others. NCT/99345/2018/141(1)(b)	Lewis Stores (Pty) Ltd vs Summit Financial Partners (Pty) Ltd and 2 others. North Gauteng High Court A355/2018	Pending	Pending

Notable Judgements

NCC VS FORD MOTOR COMPANY SOUTHERN AFRICA MANUFACTURING PTY LTD 149111/2019 (SEC 74 CONSENT ORDER)

The Applicant is the National Consumer Commission ("NCC"). The Respondent is Ford Motor Company Southern Africa (Manufacturing) (Pty) Ltd ("Ford"). The NCC received approximately 160 complaints from consumers in relation to the Ford Kuga motor vehicles. After conducting its investigation and engaging with the Respondent, the NCC filed a settlement agreement with the Tribunal where it was agreed that the Respondent contravened the CPA by distributing certain "Kuga" model vehicles to consumers with faulty cooling systems and it was further agreed that an administrative fine of R35 million be levied against the Respondent. The settlement further provided for processes that consumers can use to claim damages they may have suffered. The Tribunal confirmed this settlement as an order of the Tribunal.

Impact of the Judgment on the consumer-credit market

This judgment has far reaching implications for all consumers in respect of the motor industry. It emphasises the strength of the CPA in ensuring high quality and safer products are sold within the South African market. By not alienating the consumer from the settlement, it improves consumer confidence in the consumer regulatory authorities.

CAPITEC BANK LTD VS SEBASTIEN ALARIK ALEXANDERSON & LUTHANDO LUKHWE NCT/142395/2019/165

This was an application in terms of section 165(a) of the NCA for the rescission of an order by the Tribunal. The application was against an order granted by a single member of the Tribunal in accordance with section 138 (1) of the National Credit Act, read with section 86 (8) (a) of the Act.

The Applicant submitted that the order was applied for erroneously by the debt counsellor because the Applicant had terminated the debt review process before the consent order was granted. The application to rescind the order was granted by the Tribunal.

Impact of the judgment on the consumer-credit market

The judgment promotes the consumer welfare in the debt review process which is currently an industry wide concern.

NCR VS FAHEEM SOLOMONS (NCRDC2822) NCT/140669/2019/138(1) (b)

The Applicant is the NCR and the Respondent is Faheem Solomons, a registered Debt Counsellor. This was an application

brought in terms of section 138(1) (b) of the National Credit Act for the Tribunal to confirm a settlement agreement as a consent order.

The application arises out of a complaint lodged by a consumer to the NCR. It was alleged that the Respondent failed and/or neglected to timeously issue a debt re-arrangement proposal to the Magistrate's Court thus contravening the NCA and financially harming the consumer. This settlement was made an order of the Tribunal.

Impact of the judgment on the consumer-credit market

The settlement imposes a duty on a Debt Counsellor to not only provide a quality service but also efficient within the required time frames guided by the NCA.

NCR VS NGOZA FINANCIAL SERVICES CC - NCT/128378/2019/57(1)

The Applicant is the NCR and the Respondent is Ngoza Financial Services CC. This was an application to the Tribunal to cancel the registration of the Respondent for repeatedly contravening the Act, the Regulations and the General Conditions of Registration, specifically in relation to affordability assessments, reckless credit agreements, cost of credit interest, pre-agreement disclosures and record keeping. The Applicant had reasonable suspicion that the Respondent may have been conducting business as a credit provider in a manner that was contravening the Act. The Applicant had a reasonable suspicion.

The Respondent's conduct was declared as prohibited conduct in terms of Section 150(a) of the Act and the Respondent's registration as a credit provider was cancelled with immediate effect. The Respondent was also ordered to pay an administrative fine of R50 000.

Impact of the Judgment on the consumer-credit market

This judgment continues to cement the rights of consumers when it comes to the lending practices of micro-lenders. In this instance, the Tribunal prevented the credit provider from operating its business.

NCR VS RUDOWYN ROBERTO ABRAHAMS - NCT/132322/2019/57(1)

In this application, the Tribunal had to determine whether the Debt Counsellor engaged in prohibited conduct by having repeatedly contravened the provisions of the National Credit Act and Regulations. It was alleged that the Respondent failed to distribute payments to credit providers and failed to obtain court orders which resulted in some of the credit providers terminating the debt review process. The Respondent was found to have repeatedly contravened the provisions of the National Credit Act and Regulations and as such, the

registration of the Debt Counsellor was cancelled and an administrative fine of R250 000 was imposed. Auditors were appointed to identify all files wherein the Respondent failed to adhere to the timeframes, identify all consumers who were not competently dealt with, identify all matters which were not referred to a court or a Tribunal within the required time and to identify the list of all consumers who had been overcharged in respect of fees including legal fees or charged fees without receiving any such services.

Impact of the Judgment on the consumer-credit market

This judgment seeks to promote the best interests of consumers and highlight the consequence if the Debt Counsellor fails to observe those interests.

**NCR VS ARISTO CC T/A JMK CASH LOANS
- NCT/128380/2019/140(1)**

This was an application brought by the NCR, after initiating an investigation into the conduct of JMK Cash Loans, the Respondent. The investigation was triggered by information obtained from the South African Social Security Agency (SASSA) regarding the retention of consumer instruments and the charging of excessive interest rates. The NCR established that the Respondent charged 30% interest per month on credit agreements and that the Respondent was in possession of consumers' identity documents. The Tribunal held that the Respondent did indeed engage in prohibited conduct. The Respondent was ordered to pay an administrative fine of R 800 000.

Impact of the Judgment on the consumer-credit market

This judgment confirms the consequences facing credit providers if there is a failure to comply with the NCA. The retention of original consumer instruments is a prohibited action and consumers are not obliged to comply with such requests from credit providers. They specifically have powers to refer matters such as these to the NCR for investigation.

**NCR VS QUATTRO PAWN (Pty) Ltd
-NCT/128390/2019/140(1)**

In this application, the Tribunal had to decide whether or not the contracts entered into by Quattro Pawn, the Respondent and consumers, were simulated transactions by advancing loans to consumers as a credit provider. Instead of constituting sale and lease agreements, as contended by the Respondent, they were in essence secured loans which are credit agreements. The Respondent would need to have been registered as a credit provider with the NCR to operate in the manner it did. The Respondent filed for liquidation after this application was brought before the Tribunal, subsequently the provisional liquidation was granted but a liquidator had not yet been appointed by the time the hearing took place. The Tribunal held that the Respondent engaged in prohibited conduct.

Impact of the judgment on the consumer-credit market

The judgment is significant in echoing the Tribunal's jurisdiction regarding the liquidation process. More importantly, it provided a precedent for all businesses operating in the same manner as the Respondent in an unregulated environment.

**JEREMIAH DAVID DANIELS VS MOTOR
FINANCE CORPORATION, A DIVISION OF
NEDBANK LIMITED
- NCT/131640/2019/141**

The Applicant in this matter was Jeremiah David Daniels, who brought this application to the Tribunal after the NCR decided not to refer his complaint to the Tribunal. The Applicant sought leave from the Tribunal to refer the complaint in accordance with section 141(1) of the National Credit Act.

The leave was considered; however the complaint was in relation to the purchase of the vehicle. He sought an order declaring reckless credit and misrepresentation and if the order was granted for the Respondent to refund monies paid for the vehicle. The Applicant alleged that he became over-indebted due to the seller providing the Respondent with misleading information in order for the bank to approve the vehicle finance.

The Respondent issued summons against the Applicant in the High Court and, after seeking summary judgement, the parties entered into a settlement agreement which was made an order of the High Court, but the Applicant later surrendered the vehicle back to the Respondent. The Respondent argued that by signing the sale agreement, the Applicant accepted the terms and conditions stated therein and admitted that he was indebted to the Respondent in the amount agreed.

After careful consideration, the Tribunal found that the Applicant had not satisfied the requirements for the granting of leave and as such, the leave to refer was refused.

Impact of the Judgment on the consumer-credit market

Although not successful on the part of the Applicant, this judgment is an example of the implications that come with not reading the terms of an agreement before signing and that settlement orders are binding on the parties and cannot later be revoked by the Tribunal. This principle, therefore, protects the rights of both parties.



Programme 2: Administration

The purpose of this programme is to provide strategic leadership to the Tribunal to ensure the successful implementation of its legislative mandate through flexible, efficient and sustainable resource solutions and supporting services.

The following sub-programmes fall under Administration.

- **Office of the Executive Chairperson** – provides strategic direction and oversight to the operations of the NCT.
- **Office of the Chief Operating Officer** – provides operational direction and manages the operations of the NCT.
- **Financial Management** – provides support to the NCT with respect to forecasting, budgeting, financial resource allocation, oversight and management.
- **Corporate Services** – collaborates across departments to gain both the synergies of utilising diverse skills and expertise to develop integrated, holistic solutions to business needs as well as to reduce costs through the leveraging of efficiencies in administration, systems and people.
- **Human Resources and Facilities Management** – The HR Unit provides support to the NCT to ensure that the right people are available at the right time with the right competencies to ensure that the NCT is able to execute its mandate while simultaneously ensuring the safety, development and wellness of its employees.
- **Communication** – The Communications Unit facilitates greater awareness of the NCT's role, mandate and adjudicative outcomes and ensures that there are regular, structured opportunities for engagement with key stakeholders. This ensures that all internal and external stakeholders are well

informed about the mandate and functioning of the NCT, inclusive of the adjudication decisions that have been made. This allows the regulatory activities of other stakeholders to be effectively aligned to those of the NCT. A change in approach has encouraged a broader focus on Communications where all senior managers, not just the Executive Chairperson, are encouraged to contribute to the communications process.

- **Compliance and Risk Management** – manages compliance, good governance and effective risk management through oversight and a focus on behavioural change.
- **Information and Communication Technology** – provides support to the NCT to ensure that appropriate technology architecture, electronic communication channels and other associated information resources and services are available to ensure that the NCT is able to operate efficiently and in a secure manner.

Strategic Objectives

The following strategic objectives were set for 2019/20:

- To ensure cooperation and partnership amongst external stakeholders through ongoing engagement.
- To ensure that the Tribunal has adequate human resources to deliver in accordance with its mandate.
- To enhance operational efficiency by implementing an enabling ICT architecture.
- To effectively and efficiently manage the financial resources of the NCT.
- To expand economic opportunities for historically excluded and vulnerable groups.

Table 6: Performance Against Predetermined Objectes (Administration)

Output	Performance Measure or Indicator	Annual Target	Actual Achievement	Reason for Variance	Corrective Action
Co-operation and partnership between stakeholders	Number of structured interactions and engagements with external stakeholders including events, structured meetings and joint forums at which presentations were delivered.	18 engagements	27 Engagements	Over achieved. The rollout of the CMS required more structured engagements with debt counsellors to promote easier access to Tribunal services.	N/A

Output	Performance Measure or Indicator	Annual Target	Actual Achievement	Reason for Variance	Corrective Action
Access	Development, refinement and implementation of an Access strategy and plan	Implementation of Access strategy and plan	The implementation of the Access strategy and plan was placed on hold due to budget constraints and austerity measures put in place until the end of the 2019/20 financial year	Due to budget constraints and strict austerity measures put in place to ensure that the NCT meets their financial responsibilities until the end of the 2019/20 financial year, the Access strategy and plan could not be completed by the end of the reporting period.	The implementation of the Access strategy will be re-evaluated at the onset of the 2020/21 financial year.
Adequate Human Resources to fulfil NCT mandate	Percentage positions filled on approved organisational structure	85%	93.83%	Over achieved. The Tribunal filled vacant positions.	N/A
An ICT Enterprise Architecture that supports, enables and meets NCTs requirements	Percentage of identified CMS Mission Critical ICT system and user guide components and functions documented.	100% of identified CMS Mission Critical ICT system and user guide components and functions documented.	CMS automated user acceptance / regression testing processes & program code documented and approved	Achieved. The Tribunal carefully monitored its ICT business applications and ensured that the systems were available to users and the functions documented.	N/A
A finance unit that is a business partner that strategically supports the NCT business	The development, refinement and implementation of a budget and forecasting module to determine a budget for each unit as approved by the Executive Chairperson	The budget and forecasting module to determine a budget for each unit developed	Achieved. The budget and forecasting module was developed and tested.	N/A	N/A
Youth with employable skills and experience	Number of youths employed through structured opportunities created for youth development	7	3 Youth Appointed.	Due to COVID-19 and the lockdown regulations, 5 interns, were unable to commence their internship during the last week of March 2020 as planned.	N/A

The Office of the Executive Chairperson

The Executive Chairperson provides strategic direction and oversight regarding the operations of the NCT and is appointed by the President of the Republic of South Africa on the recommendation by the Minister of Trade, Industry and Competition. As a Tribunal member, the Chairperson also fulfils an adjudicative function. He is responsible for managing the adjudication process in terms of the NCA, CPA and other applicable legislation. All substantive and interlocutory judgements and rulings are automatically internally perused by the Executive Chairperson's Office to promote consistency and high quality judgements.

The Executive Chairperson's role as the Accounting Authority is discussed on page 50 and 67 and in this role, he is responsible for ensuring that sound governance is maintained at the NCT. He is further responsible for providing requisite strategic leadership in establishing policies, systems and operating procedures and oversight over all aspects of the Tribunal, whether it is adjudication, governance or operations.

The Office of the Chief Operating Officer (COO)

The COO provides overall operational direction and management over operations and ensures that the NCT remains compliant with its objectives and meets the deliverables as set out in its Strategic, Annual Performance and Business Plans. The COO is further responsible for planning and monitoring the NCT's operations with all applicable legislation and obligations as set out in various Acts, policies and standard operating procedures as well as establishing relevant internal controls. During the year under review, the NCT met all its obligations in this regard. In addition, the COO provides leadership and guidance to the Tribunal's executive team in execution of their respective functions and responsibilities.

The COO is the main spokesperson of the Tribunal and plays a leading role in the Tribunal's communications, supported by the Corporate Services team. The focus of the NCT's communication is to facilitate greater awareness of its role, mandate and to ensure regular and structured opportunities for engagement with key stakeholders. This ensures that the NCT operates in an environment where stakeholders are well-informed and in which the regulatory activities of other stakeholders may be effectively aligned.

The Office of the Chief Financial Officer (CFO)

The financial management of the NCT is the responsibility of the Finance Unit under the management of the Chief Financial Officer.

The vision of the Finance Unit is 'to be a respected business partner that contributes to financial sustainability and the sound reputation of the NCT'. The mission of the Finance Unit is 'to optimise financial performance and good governance at the NCT by providing insightful guidance, excellent service and ensuring sound internal financial controls'.

In order to achieve its strategic objectives and to contribute towards the organisational goals and objectives of the NCT, the Finance Unit's strategic goals have been formulated to ensure the effective and efficient use of financial resources. Sound financial management is imperative in sustaining the NCT. The goals of the Finance Unit were accordingly set out in the Strategic Plan of the NCT as follows:

To provide sound strategic financial advice and guidance

Through monthly monitoring of the NCT's budget and the compilation of quarterly spending trend reports and forecasts for the remainder of the financial year, the Finance Unit was able to advise the Executive Chairperson and Executive Committee (EXCO) on an on-going and pro-active basis on the financial health of the NCT. This enabled the NCT to re-evaluate its financial position and resource availability on a regular basis and to shift its focus to pressure areas and to reprioritise its spending and the implementation of projects in order to stay within its financial means and still achieve its strategic objectives.

To optimise the value for money received by the Tribunal from vendors of goods and services

Through sound financial discipline and the implementation of cost and efficiency savings in conjunction with other units, the Finance Unit ensured that the NCT obtained value for money from its suppliers and that more funds were available for adjudication. The CFO pro-actively monitors expenses to advise on any abnormal or unexpected increases. In addition, the Finance Unit ensures that payments are only made to suppliers after confirmation of the correct quantity and quality of goods and services rendered to the NCT. Payments will accordingly only be processed on sign-off by the relevant Manager confirming the above.

To enhance the Tribunal's budget model, ensuring more accurate forecasting and budgeting

Due to the financial constraints of the South African Government, it is crucial that the NCT ensures that budgets are prepared accurately and that forecasts used in the allocation of financial resources are reliable as additional funding will not be available should the NCT not manage to stay within its allocated budget.

To enhance the accounting system thereby ensuring effective and efficient planning, improved management and reporting on the finances of the Tribunal as well as reducing manual interventions required to capture case-related transactions

Management Accounts were prepared on a monthly basis and submitted to **the dtic** once approved by the Chief Operating Officer and the Executive Chairperson. The monthly management accounts included a trends analysis in which spending trends were analysed and recommendations made, where necessary, as to future resource allocations and potential areas where cost-saving initiatives can be implemented or efficiency gains are achieved.

To maintain effective and efficient financial processes, systems, controls and policies to manage financial resources and risks

Through the updating of the policies and standing operating procedures within the Finance Unit, the NCT was able to operate within a sound control environment that has reduced the risk of financial loss to the NCT and the risks of internal and/or the external auditors identifying control deficiencies.

The Office of the Chief Information Officer (CIO)

The ICT Unit is responsible for providing the NCT with systems and services which will enable business processes to operate in an efficient and effective manner, as well as facilitate electronic access to NCT resources for all authorised stakeholders (internal and external) in a fast and secure manner from any geographic location. This enables the NCT to achieve its mandate in an innovative, secure and automated manner. During the FY19-20 reporting period, the ICT network, infrastructure and business applications experienced no significant outages and accordingly supported the NCT in the execution of its mandate and attainment of its strategic objectives.

As an enabling support unit for the organisation, the ICT set five strategic goals for the FY19-20 period aimed at ensuring that it effectively supports the NCT to meet its goals and objectives as set out by the FY19-20 annual performance plan (APP) and the organisation wide Business Plan. Each of these goals is outlined below accompanied by an evaluation of the extent to which organisational goals and objectives were achieved during the period under review.

Ensuring that the ICT Enterprise Architecture supports, enables and meets the NCT's business requirements

In order to meet this goal, the NCT ICT Unit, in conjunction with Business, identified nine key business applications for this period, which are used enterprise-wide and are intended to ensure that the NCT users have the electronic tools to meet their business needs. Because of the criticality of operations,

the ICT Unit has a measurement to ensure that the availability and functionality of these systems is $\geq 98\%$ during business hours. These include:

- The mail exchange server, which is the central hub allowing the organisation's users to send/receive emails internally and externally at all times. The configuration of the NCT mail sub-system has been set up in such a manner as to allow for rapid recovery without loss of emails from unforeseen circumstances given the critical nature of this tool as a communications medium. The rapid recovery is achieved through the mail archiving component which forms part of electronic mail configuration.
- The Case Management System, which allows for the electronic handling of the processes adopted for managing NCT cases. This includes capturing and registering of cases onto the system, updating/tracking of case status, online adjudication of cases and reporting. This system is made available both to internal and external users. It underpins the core mandate of the NCT in terms of the National Credit Act.
- The Exclaim system, which enables the organisation to track and report on its compliance in line with applicable legislation and NCT defined processes and procedures identified in the approved policies. It is a key enabler in ensuring good governance is practiced at all times.
- The SharePoint system, which provides a centrally controlled information repository for organisational business documents and information. It also allows users to track changes made to documents for control purposes and, as such, is used within the NCT as a central electronic library for coordinated management of information. It also serves as an effective platform from which to further develop an organisation wide intranet.
- The VIP Employee Self-Service system, which is an electronic workflow tool used for managing the requesting, approvals, reporting, and tracking of employees' leave types on an ongoing base.
- The VIP HR system, which is the records management system for all employee related activities and overall reporting of HR statistics, including employment equity figures.
- The Pastel system, which is the Payroll and Supply Chain Management system for the NCT.
- The Incident Management system, which is used as an electronic help desk tool for users to log problems and get them resolved through ICT. The system provides for the opening of a ticket, logging the fault, tracking the fault to a conclusion and closing the ticket.

- The Remote Desktop Services system, which allows for users from any remote location to sign on to their user profile and have the same availability, access and experience to services on the NCT ICT systems infrastructure as if they were accessing systems locally in the NCT offices.

For the FY19-20 period, the above applications had an average availability well over the 98% threshold with no catastrophic outages being experienced.

Ensuring controlled access for Tribunal Members, employees and other relevant stakeholders to automated business processes, information and services

On-going emphasis was placed in the FY19-20 period to refine key components of the Case Management System in production. The key focus points for continuous improvement included:

- The CMS web service that allows external filers who already have a system to be able to send applications using an application programming interface (API). This facility means a filer can send through a large number of applications without the need to capture the information in the conventional e-filing forms provided on the system. This capability is aimed at those filers with systems that do not wish to have to recapture application information which may already be on their own platforms a second time into the NCT e-filing system.
- An automated online adjudication system which allows for the Tribunal Members to access the Case Management System online from anywhere and adjudicate on Debt Rearrangement (DRA) cases. The cases which are already filed electronically are then allocated online to Tribunal Members who then sign on and view the application and supporting documents electronically and make a decision to grant/refuse and issue an order to the filing parties via the system. This capability leads to improved throughput and turnaround times for the Tribunal Members in terms of processing Debt Re-arrangement applications as they can perform these tasks from anywhere at any time. The subsystem is in full production and is being used extensively for the processing of filed applications.
- Continuous training and support for external filing parties to submit Debt Re-arrangement applications electronically via the case management system. This involves several processes on behalf of the filer which include:
 - Registering on the system;
 - The setting up of a user account which the filers signs on to;
 - The e-purse payments for submission of applications;
 - Reporting for the filer to track application submissions, payments and status; and

- Publicity and change management initiatives are being continuously undertaken with debt counsellors on a frequent basis to get them comfortable in using this online e-filing capability to submit applications.

During the FY19-20 period, there has been a significant increase in filers using this electronic platform to file their applications, and there is continuous improvement initiatives being undertaken by the ICT team to improve the user experience in utilising the system.

Ensuring that the ICT Enterprise Architecture is secure and that its users are protected against hacking and viruses

The continued management of the segmented network infrastructure of the NCT ICT was enacted during this period, thus ensuring NCT systems and applications were protected against intrusions. Stringent security vetting of external in-bound traffic from the wide area network continues to be handled by our firewall and proxy server, which has ensured that no significant security breaches took place and the integrity of sensitive data was maintained.

Through the continued effective maintenance of our Microsoft windows based active directory database configuration, the Trend Micro anti-virus software and our firewall policy rules, we experienced no security breaches during the reporting period. In addition, on a weekly basis, we ran a best practice vulnerability assessment tool on the NCT ICT infrastructure and interrogate reports produced which highlight where the potential vulnerabilities are located, after which we institute a regular patching process to address these shortcomings.

Increasing the adoption and utilisation of implemented ICT applications, systems and processes

The change management goal focus in the 2019/20 financial year continued in terms of delivering awareness programmes to assist debt counsellors to migrate from manually filing applications to the NCT Case Management e-filing system. During this period, more and more debt counsellors have registered on the e-filing system and are submitting applications electronically via this method. In addition, the Tribunal Members have now been trained and extensively use the online adjudication facility to process applications. The organisation actively discouraged filers submitting applications manually in favour of moving to the online platform by highlighting the benefits of such a migration.

Ensuring that all ICT applications, systems and processes are secure and available to authorised stakeholders

The three key structures that addressed this goal during the reporting period included the NCT's EXCO, NCT's Manco, and the ICT Governance Committee. ICT continued to monitor and address where needed on risks which have been pro-actively identified, reviewed, acted upon, and reported on utilising the

NCT's Risk Management process and combined assurance register supplied by our shareholder **the dtic**.

Through the appointed disaster recovery service provider, the ICT Unit conducted a detailed data recovery exercise in Quarter 2 and 4 of the 2019/20 financial year. User acceptance tests were successfully conducted in all the respective business units and the service provider subsequently issued a certificate to that effect.

With the continued threat of load shedding over and above having a disaster recovery capability, the installed back-up generator which powers all servers, power over Ethernet points, the firewall, a reduced number of switches, routers and printers has worked well. This has now been extended to cover office plug points and limited lighting within the building. This continues to ensure resilience and adequate systems availability during the times that power outages have been experienced.

Once the grid fails, the generator "kicks" in within an eight-second timeframe, which is well within the threshold to provide continuous power to the systems infrastructure as the UPS system has an operational window of up to 1 hour. The failover for the systems and users during these times was seamless.

The Office of the Corporate Services Executive (CSE)

Corporate Services Unit incorporates the departments of the Secretariat and Compliance Specialist, Human Resources and Communications. The CSE is responsible for compliance of the NCT with all applicable legislation and obligations as set out in the various Acts, policies and standard operating procedures, as well as establishing relevant internal controls. In addition, the CSE is responsible for HR management, overseeing communications activities, logistics and administrative support, as supported by the various departments within this unit. During the year under review, the NCT met all its obligations in this regard. Audit management, risk management and fraud management also form part of the CSE's responsibilities and these items are discussed on page 52 of this report.

Human Resources and Facilities Management

The NCT is a transforming organisation that embraces the full potential of ICT to enable intelligent, efficient and effective work. The reality, however, is that ICT enabled processes still rely on the competence, passion and commitment of people to ensure an efficient and effective service delivery.

It is for this reason that the NCT has a Human Resources Strategy and Plan to ensure that the "right people are in the right place at the right time" to successfully execute its strategy. The Mission of the NCT's Human Resources Department (HR) is to provide the advice, collaborative solutions and support required to ensure that the NCT has the appropriate people and management systems and practices in place to meet its

organisational needs and to fulfill its mandate.

The Vision of the NCT's Human Resources Department (HR) is to be a valued Business Partner, contributing to the evolution of a resilient, dynamic and successful NCT, ably supported by fully engaged teams of talented people.

In order to effectively deliver on its HR services amidst the current NCT organisational changes, The Human Resources Department has adopted Dr. Sullivan's model on the Five Levels of HR contribution.

Level 1: Information management and basic transactions.

Level 2: Providing functional services, such as staffing, compensation amongst others.

Level 3: Coordination of efforts to improve workforce productivity.

Level 4: Development of competitive advantage through talent

Level 5: Development of solutions to strategic business problems and opportunities.

The Human Resources Department has adopted five key strategic goals upon review of its service delivery assessment.

To attract, develop and retain the right people to ensure the right skills are available in the right place at the right time to deliver on the NCT's mandate (Level 2)

In order to attain this goal, the Human Resources Department achieved a 93.83% recruitment rate for the 2019/20 financial year, conducted an on-boarding and induction programme for all new recruits, ensured data integrity of all physical and electronic records, effectively implemented performance management and assessments, continuously provided line management coaching and supported in managing their team's performance. Competency development has been harnessed through training interventions as personal development plans including formal studies. The retention rate has been significant as the turnover rate was less than two percent per month.

To develop an enabling framework and working environment that optimises the potential for employee engagement and wellness (Level 4)

As part of the Corporate Services Unit, the Human Resources Department constantly provided over the shoulder support to line management and staff with the high output demand in terms of the workload through one on one engagements and use of the employee wellness programme. Line management were consistently encouraged to fully utilise their teams' capabilities.

To anticipate future business and environmental demands on the NCT and to provide Human Resource capacity to satisfy those demands and fulfill the NCT's mandate (Level 3)

The implementation of a workforce plan was enforced through proper and timeous resourcing of each unit's requirements. People resource capacity was also enhanced through the use of the contingency pool resources and temporary staff. Skills and work role requirements were constantly reviewed to ascertain functional gaps and structural reviews. Critical roles were also evaluated in terms of the required job grades as per line management requests.

To shape a values-based culture that champions high performance and service excellence (Level 5)

The performance of all NCT Tribunal members and staff continued to be managed through the use of the NCT's performance management system throughout the period under review. In the same light, working hours for NCT staff members were closely monitored and overtime was closely managed. Management and staff were continuously encouraged and observed in terms of living up to NCT's values.

To establish effective and efficient HR Administration to facilitate and inform accurate HR data and reporting (Level 1)

The Human Resources Department has obtained approval to source an efficient HR system that will provide an enhanced and seamless interaction on HR processes and transactions.

The system will assist in accurate and effective people management in relation to leave management, performance management, job management, recruitment, employee self-service, manager self-service and HR administration.

Communications

Stakeholder Relations

Stakeholder engagement is pivotal in ensuring that the NCT effectively monitors and improves its efficiency. Key stakeholders include **the dtic**, Tribunal Members and staff, committee members, as well as other regulatory entities and the public. During the reporting period, the NCT had 27 engagements with external stakeholders.

Regulatory Entities

The engagement initiatives were intended to increase awareness and access to Tribunal services through various mediums, including Thusong Service Centers as well as empowering debt counsellors to lodge their applications electronically from remote areas around the country. The objective of these engagements was to provide access for those in marginalised rural and township communities.

The NCT engaged with various international bodies, such as the United Nations Conference on Trade and Development (UNCTAD) on the development of best practices on competition and consumer policies and the African Dialogue (AD) on cross-border consumer protection collaboration as well as with a range of local national and provincial regulators. The Tribunal further engaged with credit provider associations, particularly the Banking Association of South Africa (BASA) and the Micro Finance Regulatory Council of South Africa (MFRCSA), as these are two primary industry oversight institutions for credit providers, to promote the online filing of applications and the impact of Tribunal orders on the credit market in the country.

Filing Parties

To promote access, the Tribunal conducted 17 engagements with Debt Counselling Firms and with the industry oversight body, the Debt Counsellors Association of South Africa (DCASA). The meetings entailed training them on the process of automated electronic filing through the CMS and operations of Motion Courts for DRA matters. The engagements were very successful in that the number of debt counsellors now lodging their applications electronically from remote locations, has increased. The Tribunal further engaged five Thusong Centers in Gauteng, Limpopo, Mpumalanga, Northern Cape, Western Cape to encourage consumers from marginalized rural and townships economies to access the Tribunal services.

Media Houses

In an endeavour to increase awareness and access to Tribunal services, the Tribunal had two engagements through print media with national media houses. After these, the media coverage of the Tribunal has been continuously improving from a quality and accuracy perspective.

Other Engagements

The Tribunal participated in **the dtic** Collective Bargaining engagements to continually improve the labour conditions as well as establishing engagement channels to facilitate dialogues among employers and employees as well as **the dtic** entities.

Strategy to Overcome Areas of Underperformance

There were no areas of under-performance during the reporting period.

Changes to Planned Targets

The NCT's Strategic Plan for 2019/20- 2023/24 and Annual Performance Plan (APP) for 2019/20-2020/21 were approved by the Minister of Trade and Industry without any changes.

Linking Performance with Budgets

Table 7: Linking performance with budgets

Programme	2019/20			2018/19		
	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	25 397	26 232	(835)	32 179	32 095	84
Administration	40 818	31 805	9 013	35 962	33 089	2 873
Total	66 215	58 037	8 178	68 141	65 184	2 957

The decrease in adjudication expenditure by 18.3% can be attributed to several factors. Firstly, due to budget constraints cases were not sat down as adequate funds were not available to pay the part-time tribunal members for the adjudication services rendered. Secondly, the discontinuation of motion courts in different locations throughout South Africa as well as the use of Gauteng based part-time Tribunal members resulted in substantial savings in travelling and subsistence allowances related to adjudication costs. Finally, the increase in the number of debt re-arrangement matters from 32 to 40 that part-time Tribunal members are allocated and paid for per day, also contributed to the decrease in the adjudication costs.

The decrease in administration expenditure by 3.8% can also be attributed to budget constraints which necessitated the implementation of austerity measures. In this manner, only expenditure that was considered necessary was incurred. This was to ensure that the NCT does not run out of funds

before the end of the financial year. Some expenditure line items decreased year on year or had minimal increases due to intentional measures to contain costs.

At an overall level expenditure came in under budget to the amount of R8.2 million. The intention was to contain costs due to the NCT not carrying over the anticipated surplus of R7.2 million from the 2018/19 financial year into the 2019/20 financial year. Consequently, the NCT had to implement measures to contain costs and realise savings in areas which could be controlled as was already explained above. By adjusting its processes, the NCT was still able to achieve all the targets as set out in the APP.

Revenue Collection

Table 8: Revenue collection

Revenue source	2019/20			2018/19		
	Estimate	Actual amount collected	(Over)/ under collection	Estimate	Actual amount collected	(Over)/ under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Grant income	52 239	56 639	(4 400)	49 988	52 688	(2 700)
Roll-over/additional funds	7 230	(6 216)	13 446	5 708	(165)	5 873
Filing fees	5 467	8 187	(2 720)	11 254	4 868	6 386
Service fees	-	24	(24)	-	4	(4)
Sundry Income	-	93	(93)	-	-	-
Insurance claims	-	66	(66)	-	-	-
Interest earned	1 279	1 452	(173)	1 191	1 088	103
Total	66 215	60 245	5 970	68 141	58 483	9 658

Income from filing fees comprises of fees received from filing parties for debt re-arrangement cases brought before the Tribunal. The over collection of filing fees compared to the budget can mainly be attributed to an increase in the filing fee from R200 per case to R300 per case effective from 1 May 2019. The actual number of cases filed with the Tribunal was also slightly higher than what was budgeted for.

As was mentioned earlier, at the time that the budget for 2019/20 was prepared, the NCT anticipated it would have R7.2 million of accumulated funds to be rolled over from 2018/19. On 31 March 2019, the NCT had a cash deficit of R6.2 million. This has effectively resulted in a negative revenue variance of R13.4 million that the 2019/20 financial year began with. As was already mentioned earlier, this has put tremendous pressure on the NCT's ability to adjudicate on cases brought before the Tribunal.

During January 2020 additional funding of R4.4 million was received from **the dtic** for the implementation of the NCAA. These funds were not spent by 31 March 2020 and the

amount has been ring-fenced for expenditure related to the implementation of the NCAA in future years.

Capital Investment

The NCT does not have infrastructure projects and, as such, has no need for a Capital Investment Plan. It does, however, the NCT have property, plant, equipment and intangible assets that are accounted for in a detailed asset register, which is reconciled with the general ledger on a monthly basis.

The assessment of the entity's assets is conducted on an annual basis to determine if any changes should be made in the useful lives or the residual values of the assets. The general condition of the assets is good, hence the costs of maintaining these assets are very low. As such, there is no backlog in any maintenance programmes. The movement of the NCT's property, plant, equipment and intangible assets during the 2019/20 financial year is summarised in the following table:

Movement of NCT Property, Plant, Equipment and Intangible Assets

Table 9: Movement of NCT property, plant, equipment and intangible assets

Property, plant and equipment	Opening balance	Additions	Assets written off / Impaired	Assets sold	Depreciation / Amortisation	Closing balance
Furniture and fittings	1 191 233	-	-	-	(101 921)	1 089 312
Office equipment	66 968	19 750	-	-	(20 510)	66 208
Computer equipment	1 569 198	217 891	(48 746)	-	(528 217)	1 210 126
Leasehold improvements	1 304 493	-	-	-	(920 818)	383 675
Books	21 783	-	-	-	(9 761)	12 022
Signage	-	-	-	-	-	-
Office equipment – leased	373 317	-	-	-	(253 544)	119 773
Intangible assets	1 813 182	208 471	-	-	(523 958)	1 497 695
Total	6 340 174	446 112	(48 746)	-	(2 358 729)	4 378 811

Expenditure on capital assets (including intangible assets) amounted to R446 112. The low spending can mainly be attributed to budget constraints as was already mentioned above. Only essential computer equipment and computer software were procured for the NCT to manage its caseload in an effective and efficient manner.

Also refer to Note 2, Note 3 and Note 18.8 of the Annual Financial Statements.



PART C: GOVERNANCE

INTRODUCTION

Corporate governance embodies processes and systems by which an entity is directed, controlled and held to account. In addition to legislative requirements based on its enabling legislation and the Companies Act, Act No. 71 of 2008. Corporate governance with regard to public entities is applied through the precepts of the PFMA and run in tandem with the principles contained in the King Code of Governance Principles and King Report on Governance (King IV).

Parliament, the Executive Authority and the Accounting Authority of the NCT are responsible for corporate governance.

PORTFOLIO COMMITTEE

The Parliamentary Portfolio Committee (PC) on Trade and Industry provides oversight over the service delivery of the Department and its entities.

During 2019/20, no briefing session was scheduled for the NCT to present its Strategic Plan 2019/20 – 2023/24 and the Annual Performance Plan 2019/20 – 2021/22, as well as progress on its cases. In addition, should Parliamentary questions be posed to **the dtic** entities, the NCT responds in writing to these questions.

EXECUTIVE AUTHORITY

The NCT, as a public entity within the sphere of **the dtic**, reports, through the Department's Consumer and Corporate Regulation Division (CCRD) and the Public Entity Oversight (PEO) Unit to the Honourable Minister of Trade and Industry, Mr. Ebrahim Patel.

The NCT complied with its obligations in terms of its Shareholder Compact by submitting quarterly reports to **the dtic** on or before the end of each respective quarter. The Honourable Minister, as Executive Authority, approved these reports.

ACCOUNTING AUTHORITY

Introduction

The Executive Chairperson is the Accounting Authority of the NCT and holds absolute responsibility and accountability for its performance. He provides strategic direction to the NCT and, in his role as Accounting Authority, monitors operational performance and management, determines policy processes to ensure the integrity of risk management and internal controls, and ensures compliance with applicable laws, regulations and government policy.

Governance Committees

The following governance committees are in place to support and advise the Executive Chairperson in his duties:

- Audit and Risk Committee;
- ICT Governance Committee; and
- Human Resource Governance Committee. This committee also constitutes itself as a Performance Management Committee.

Since the Executive Chairperson is also a fulltime member of staff and therefore affected by NCT policies and procedures, any matters pertaining thereto are first put before the Executive Committee (EXCO) for comment. Such matters are then brought before the relevant governance committee for consideration and formal recommendations are made to the Executive Chairperson.

The Executive Chairperson fully considers each recommendation from the governance committees and formally responds to each recommendation. When approving a recommendation, he issues an instruction to Management through the Office of the COO to action the recommendation with specific timeframes for implementation. If a recommendation is not accepted, the Chairperson provides full reasons for not accepting the recommendation for consideration by the relevant committee. The recommendations made by the NCT Audit and Risk Committee and the outcomes and progress thereof are reported to **the dtic** in the Tribunal's quarterly report.

Audit and Risk Committee

The role of the Audit and Risk Committee is discussed on page **53** and the Audit and Risk Committee Report can be viewed on page **69** to **71**.



Audit and Risk Committee

ICT Governance Committee



ICT Governance Committee

The ICT Governance Committee continued to effectively operate by providing ICT Governance oversight over the ongoing operations of the NCT's ICT Unit. The ICT Governance Committee is comprised of three (3) members. Two of the members are independent external IT Specialists with the third member being the Tribunal's CIO. The externally appointed members all have in-depth ICT skills which positively contribute to the ongoing decision-making processes.

Within the COBIT framework, which the NCT has adopted as its governance model, there is a strong emphasis for the organisation to implement effective measures and control mechanisms to govern its ICT programmes. The ICT Governance Committee is one such instrument used to achieve this goal. Two Committee meetings were held during which the Chief Information Officer (CIO) reported back on progress made with ICT governance including projects implementation.

Table 10: Membership and attendance

Member	Capacity	No. of meetings attended
Mr. Pritish Dala (Appointed as Committee Chairperson from September 2017)	Independent ICT Specialist	2 of 2
Ms. Vuyokazi Menye (Appointed as Member from September 2017)	Independent ICT Specialist	2 of 2
Mr. Bax Nomvete (Appointed as Member since September 2017, attended all prior meetings ex officio)	CIO	2 of 2

Key areas of Responsibility

The Committee operates in accordance with an approved charter that sets out its duties and responsibilities. Among others, it is responsible for:

- Reviewing and providing guidance on Strategic Alignment, Risk Management, and Value management on NCT identified initiatives;
- Ensuring that the scope of product and project development initiatives aligns with the requirements of the NCT;
- Reconciling differences in opinion and approach, and resolving disputes arising from product and projects development;
- Reporting on ICT governance and related matters to the Audit and Risk Committee; and
- Providing advice and guidance on performance related matters in terms of the NCT ICT adopted governance frameworks.

The Committee operates in a consultative fashion by reviewing how the NCT is managing its operations from a strategic alignment, value management, risk management

and performance management perspective and providing advice and guidance on the direction to follow to ensure these dimensions are managed effectively.

Main Activities During the Reporting Period

The ICT Governance Committee's main duties during the reporting period were the following:

- Reviewed items/documents prepared by the Chief Information Officer and approved by EXCO;
- Reviewed ICT risks and made recommendations on the internal controls and mitigating risk plans;
- Made recommendations on the level of compliance with policies;
- Provided strategic inputs on ICT matters to the NCT;
- Reviewed reports, plans, strategies, policies and proposals and made recommendations thereto in relation to the entire ICT functions as detailed in the ICT Strategy of the NCT;

- Reviewed and provided inputs on the ICT Governance Framework;
- Made recommendations for resourcing the ICT function and related ICT investments in line with the ICT Strategy and Plan; and
- Reviewed and make recommendations on the effectiveness of SLA management.

The CVs of the members of the ICT Governance Committee are attached to this report in Annexure B.

HR Governance Committee

The HR Governance Committee is comprised of two (2) independent HR Specialists and the Corporate Services Executive. The COO as well as the HR & Facilities Manager also attend meetings in their official capacities. During the reporting period, two ordinary and one Special HR Governance Committee Meeting were held.



HR Governance Committee

Table 11: Membership and attendance

Member	Capacity	No. of meetings attended
Mr. Enoch Motswaledi (Committee Chairperson since 27 November 2017)	Independent HR Specialist	3 of 3
Ms. Nomkhitha Mona (Committee Member since 27 November 2017)	Independent HR Specialist	3 of 3
Adv. Nelson Lolwane (Committee Member since 27 November 2017)	Corporate Services Executive	3 of 3

Main Activities During the Reporting Period

The Committee deliberated on and made recommendations on the following main areas during the 2019/20 reporting period:

- The Committee considered the impact of the positions of the Corporate Services Executive being vacant and suggested that, as an interim measure, the position being filled by temporary placements until the recruitment process is finalised.
- The Committee recommended that alternative methods should be considered to attract a larger pool of suitable candidates who are differently abled to ensure that the NCT complies with employing differently abled persons.
- The Committee also considered amendments to the various HR policies and recommended the policies for approval.
- The Committee finalised the performance reviews and also provided guidance to management on how to handle issues pertaining to performance improvement and the review of performance information.
- During this financial period, the Committee recognised that the HR Strategy and Plan took on a more strategic direction and greater alignment to the organisational strategy and was pleased that Management put in a

lot of work to take on this strategic direction. Even though a few positions were not filled by permanent employees by the end of the reporting period, Management has ensured that despite this challenge, that it achieved 93,83% of the Plan. The hard work and dedication by Management in achieving the goals of the HR Plan have resulted in creating a more stable and nurturing working environment at the NCT.

The CVs of the members of the HR Governance Committee are attached to this report in Annexures B.

RISK MANAGEMENT

Effective risk management entails continuous and proactive identification and assessment of risk factors affecting its mandate. As at 31 March 2020, the NCT had 12 strategic risks on the Risk Register. The Tribunal Management is responsible for implementing risk action plans and for ensuring that controls are effective and continuously enhanced. At each EXCO Meeting, each of the 'risk owners' reports on the status of the particular risk they manage as well as outline the mitigating actions taken. Progress against risk action plans is monitored and reported on a quarterly basis to **the dtic** in the quarterly reports.

During the reporting period, the risks associated with insufficient funding to meet operational requirements due to the increasing caseload, were prioritised. Risks pertaining to cybersecurity further received a significant amount of attention during the reporting period. At the end of the reporting period, the NCT implemented 100% of the risk action plans that were due for implementation.

INTERNAL CONTROL

The NCT provides a stringent and focused approach to ensuring effective internal controls. Under the leadership of the Executive Chairperson, the COO and Executive Managers are responsible for ensuring that internal controls are implemented, maintained and monitored by the respective business units. In order to ensure that internal controls are effectively implemented and monitored, written Standard Operating Procedures were developed and approved for implementation. Compliance with these Standard Operating Procedures are monitored. These Procedures will be reviewed and revised from time to time to ensure the continuous strengthening of internal controls as and when deficiencies are identified and to ensure continued effectiveness and efficiency within a controlled environment.

INTERNAL AUDIT

Key Activities and Objectives of the Internal Audit Function

Internal Audit provides Management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the NCT. It assists the organisation in accomplishing its objectives through a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes. The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the NCT's objectives;
- Evaluate the adequacy and effectiveness of the risk management process and contribute to the improvement thereof; and
- Assist the Accounting Authority in maintaining efficient and effective controls by evaluating those controls and making recommendations for enhancement or improvement.

The Internal Audit function is outsourced to an external service provider, Nexia SAB&T, and is overseen administratively by the COO. Nexia SAB&T audits all areas of business in terms of the approved three-year, risk-based Internal Audit Plan.

In addition, the Internal Audit Unit of **the dtic** also monitors compliance and engages with the NCT from time to time. This unit also monitors the NCT's reports on the status of implementation of Management's commitments on audit findings raised by either internal audit or external auditors.

Summary of internal audit work done

During the reporting period, Internal Audit conducted the following audits and reviews:

- Audit of Financial Management;
- Audit of Predetermined Objectives review;
- Human Resources review;
- Case and Records Management Audit;
- IT Security review;
- Governance and Compliance Management;
- Payroll Review; and
- Follow Up review.

AUDIT AND RISK COMMITTEE

Key Activities and Objectives of the Audit And Risk Committee

The Audit and Risk Committee provides independent oversight over governance, risk management and control processes at the NCT, which include oversight and responsibilities relating to:

- Internal audit;
- External audit;
- Accounting and Financial reporting;
- Accounting policies;
- Review of Management and Audit Reports;
- Review of In-year Monitoring Reports;
- Risk Management;
- Internal control;
- Pre-determined objectives;
- Ethics and forensic investigations;
- Combined Assurance;
- ICT Governance; and
- **the dtic** management.

The NCT's independent fraud hotline service provider is mandated to provide fraud reports as and when reported directly to the ARC. The NCT specifically budgets annually for the conducting of forensic investigations should instances of fraud or corruption be reported. During the year under review, no incidents of fraud were reported.

Table 12: Attendance of Audit and Risk Committee meetings

Name	Qualifications	Internal/ external	If internal, position	Date appointed	Date resigned	No. of meetings attended
Mr. Thomas Kgokolo (Chairperson)	MBA, BCompt Hons (CTA), CA(SA)	External	N/A	September 2017	N/A	5 of 5
Mr. Tshepo Mofokeng	B Com, B Acc, CA(SA), CIA, CRMA	External	N/A	September 2017	N/A	5 of 5
Mr. Suleman Badat	B Acc, CA (SA)	External	N/A	01 April 2019	N/A	3 of 5
Ms. Rudzani Rasikhinya	B Com, CA(SA)	External	N/A	01 April 2019	N/A	5 of 5

During the reporting period, two additional committee members were appointed.

The COO, CFO and CIO attend the meetings of the ARC in their official capacities.

The CVs of the members of the Audit and Risk Committee are summarised in Annexure B.

COMPLIANCE WITH LAWS AND REGULATIONS

The NCT reviews its regulatory environment on a regular basis and has incorporated all applicable laws, regulations and policies into its automated compliance monitoring system, Exclaim. Compliance checklists are completed by the relevant policy owners on Exclaim, which allows for the generation of quarterly compliance reports for Audit and Risk Committee meetings as well as the EXCO meetings. During the period under review, the NCT complied with all laws and regulations impacting on its business.

ANTI-FRAUD AND ANTI-CORRUPTION

As a regulatory entity, adequate fraud prevention processes are essential to the NCT. Its Fraud Hotline is managed by an independent service provider, which is mandated to report any instances of fraud directly to the Chairperson of the Audit and Risk Committee. A panel of fraud investigation service providers is in place to investigate any instances of fraud reported through the Fraud Hotline.

The NCT has processes in place to determine whether any of the Tribunal members or staff have any vested interests in matters adjudicated by the Tribunal or in the procurement, governance and operational aspects of the Tribunal.

Annually, Tribunal members and staff declare their specific current interests, whether financial or otherwise, which may result in a conflict of interest. In addition, the Tribunal conducts Companies and Intellectual Property Commission (CIPC) searches to determine whether any of the Tribunal members or staff are directors or shareholders in companies which might cause conflicts of interest in respect of service level agreements and /or adjudication.

Conflict of interest forms are completed during the adjudication of each case and before all governance, operational, procurement and recruitment interactions. Any conflict is immediately reported and assessed before the case proceeds. Any possible conflict with regard to the adjudication of matters is referred to the Executive Chairperson for a decision.

Matters of conflict pertaining to a committee or meeting are referred to the Chairperson of that committee/meeting. In the event of a conflict, the conflicted party is recused during a discussion of the item on which they are conflicted.

CODE OF CONDUCT

NCT staff and Tribunal Members adhere to a formal Code of Conduct and Conflict of Interest Policy. Through the Code of Conduct, Tribunal and staff members are expected to align their behavior with the values of the NCT. The Code also addresses disclosures relating to conflict of interest, financial disclosures as well as gifts received. In the event of a breach, the internal disciplinary process is followed.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

As required by legislation in terms of the Occupational Health and Safety (OHS) Act, Act No. 85 of 1993, the NCT strives to provide and maintain, as far as reasonably possible, a safe and risk-free environment for its employees and stakeholders accessing the premises.

The NCT is registered with the Compensation Commissioner in terms of the Compensation for Occupational Injuries and Diseases Act, Act No. 130 of 1993, and makes an annual contribution towards the Compensation Fund to ensure compliance with legal instruments.

OHS forms a key part of the role of the HR and Facilities Manager who guides and advises the Tribunal on OHS matters. The NCT further has an Occupational Health and Safety Committee which meet at least once a month to ensure that the NCT adheres to the OHS Act and applicable regulations.

AUDIT AND RISK COMMITTEE REPORT

The report of the Audit and Risk Committee is provided from page 69 to 71.





PART D: HUMAN RESOURCES MANAGEMENT

INTRODUCTION

Overview of HR Matters

During the reporting period, the Human Resources Department, as part of the Corporate Services Unit of the NCT, faced many challenges due to the persistent and dynamic work requirements in terms of case load. The effects of work pressure also overstretched staff and Tribunal members to continue to achieve all the applicable targets as set out in the NCT's Business Plan without additional staff and financial resources.

The NCT continued to appoint and train young South Africans through its Internship Programme and contingent employee pool during this performance period. Both these programmes run over a period of one year, the difference being that the Internship is for qualified graduates and requires fulltime participation for that period. The Contingency Pool programme, on the other hand, also allows for those who are still studying towards their qualifications in tertiary institutions to provide ad hoc assistance during peak periods as and when the need arises. In both programmes, participants receive on-the-job training and capacity development to equip them with marketable skills and experience to utilise in future employment prospects. The NCT, furthermore, serves as a reputable contactable reference for participants. During the reporting period, a total of three Interns were appointed for various departments, such as the ICT Department, the Registrar's Unit, Corporate Services and Finance.

The NCT became formally unionised during December 2018. The NCT implemented an Employment Equity Plan in line with the Gauteng Regional Active Population Statistics, as published by Statistics South Africa (Stats SA).

HR Priorities for the Year and its Impact

The HR priorities were set based on the strategic goals identified for HR in line with the NCT's strategic priorities. The achievement of these goals is discussed on page 45 of this report under **"Human Resources and Facilities Management"**

Workforce Planning Framework

The Human Resources Department continuously engages with all the NCT units to establish workforce requirements within the confines of the approved budget. To assist with spikes in the caseload, which requires capacity beyond that of its permanent staff, the NCT employs a pool of contingent employees on one-year contracts. It also manages an Internship Programme which is a mutually beneficial arrangement, in that the young people who participate in the Internship Programme and the Contingency Employee pool obtain valuable on-the-job experience and a valuable reference to utilise for future employment opportunities. Similarly, the NCT benefits, as these young people assist its permanent staff members in dealing with the demands and spikes of its caseload. In the 2019/20 financial year, one intern was appointed on a permanent basis after completion of the internship programme.



Employee Performance Management Framework

The NCT's performance management process can be illustrated as follows:



1

Planning

Manager and employee discuss, agree and record objectives by concluding a Performance Contract with clear key outputs and KPIs. Development Plans are identified in line with performance outcomes and skills gap.



2

Monitoring Progress

Manager and employee actively review progress and supportive action needed throughout the year.



3

Reviewing Performance

Performance reviews are conducted bi-annually to discuss performance achievements and identify development needs. The performance Assessment Committee assesses the final performance reviews to ensure consistency, non-discrimination, substantiation and quality.



4

Rewarding Good Performance

Depending on budget availability, good performance achieved during the year is recognised and rewarded in the form of an annual performance bonus.



5

Managing Weak Performance

When an employee's performance is deemed to be unsatisfactory, the employee is given a documented Performance Improvement Plan by his/her manager and an opportunity to demonstrate satisfactory performance. If after this opportunity there is still no improvement, the disciplinary procedure is followed.

Performance management of Tribunal Members and staff is vital to the success of the NCT. Both staff members and Tribunal Members operate in terms of performance agreements and accordingly have a clear understanding of their individual key performance areas (KPA's) and key performance indicators (KPI's). In this way, the NCT ensures that the risk of not meeting its performance targets is minimised.

The performance of Tribunal Members and staff is measured in accordance with the Performance Management Policy and Procedures and is linked with the Strategy, APP and Business Plan.

The NCT follows a risk-sharing model in terms of which 30% of an employee's final performance rating is determined based on overall organisational performance and 70% is determined based on the employee's individual performance. This model ensures that the organisation as a whole is accountable for achieving the performance targets set for the year. During the performance assessment process, each staff member conducts a self-assessment and rating and submits this, with supporting performance information, to their relevant line manager. The information is then reviewed and performance discussions are held with individual staff members in finalising the scores.

The Executive Committee conducts an independent valuation of the performance assessments and performance information on a sample basis to ensure that it is reliable, valid and accurate and supports each KPI. Managers are then required to consider the issues raised in the reports, and to adjust the assessments accordingly, in consultation with the relevant staff member, before submission to the HR Governance Committee as the external moderator. The NCT has an appeal process in place should any staff member feel aggrieved by a performance rating by a line manager. This rigorous process is followed to ensure that there is evidence to support the scores that are put forward and to ensure scoring is non-discriminatory and consistent across the NCT.

Employee Wellness Programmes

Due to the continued increase in the Tribunal's caseload experienced during the past financial year, it became critical to focus on employee wellness. The Employee Health and Wellness Programme was implemented during the first quarter of the financial year to assist staff and managers to deal with employee health and wellness related concerns, which the staff members greatly benefitted from. Several wellness events discussed below took place during the year.

- Induction sessions with NCT staff and Management to ensure that NCT employees are appropriately inducted and to assist with quicker settling into the NCT culture;
- Staff meetings to address any concerns raised by staff members;

- An Organisational Culture and Engagement survey, to obtain additional information confidentially, was conducted;
- Drafted a Change Management Framework in order to guide managers through the change management process; and
- Drafted an internal Communications Plan to ensure that staff members have the necessary information impacting the NCT environment.

It was therefore identified that the following be addressed in 2020/21:

- To continue with regular Shop Steward meetings, which is a safe internal structure for collective engagement and the building of sound and productive workplace relationships;
- Improved internal communication inclusive of the development of a year plan focused on segmented internal audiences and an internal handbook to guide such communication;
- Implementing action plans to address developmental areas as identified during the Organisational Culture and Engagement survey.

Policy Development

All HR policies and procedures were reviewed during the last quarter of the financial year, which included the following policies:

- Code of Conduct and Conflict of Interest Policy;
- Disciplinary Policy;
- Occupational Health and Safety Policy;
- Performance Management and Performance Information Reporting Policy;
- Total Awards Policy;
- Grievance Policy;
- HIV and Aids Policy;
- Leave Policy;
- Succession Policy;
- Skills Development Policy
- Recruitment, Selection, Onboarding and Retention Policy; and
- Sexual Harassment Policy.

Particular attention was paid to the relevance of these policies within the current operating environment, legislative framework and provisions relating to fairness and consistency. Inputs were also solicited from the HR Governance Committee and their recommendations have been considered and incorporated.

Achievements and Challenges

Two key performance indicators were set for the HR Department on the organisational scorecard, namely to ensure that the NCT has adequate human resources to fulfil its mandate and to contribute to youth employment. The HR Department met these targets set for both these objectives as well as the overall HR Business Plan. The Organisational Culture and Engagement Survey indicated that the NCT has a healthy organisational culture and that staff members are engaged and continue to be highly productive.

The increasing caseload resulted in the continued utilisation of contingent employees whilst the pool of professionals assisted the Tribunal to deal with its caseload. Legislative changes on Debt Relief will require additional resources in order for Tribunal adjudicate on referred matters in this regard.

The COVID-19 epidemic has posed a real threat to employee well being though the NCT has put in-place various measures to ensure continued business operations such as working remotely, limiting the number of people at hearings to no more than ten and providing the required PPE.

Future HR Plans/Goals

During the reported period, the NCT's staff complement remained within and below the approved organisational structure. The HR goals are as follows for the 2020/21 financial period:

- To attract, develop and retain the right people to ensure the right skills in the right place at the right time to deliver on the NCT's mandate;
- To develop an enabling framework and working environment that optimises the potential for employee engagement and wellness;
- To anticipate future business and environmental demands on the NCT and to provide Human Resource capacity to satisfy those demands and fulfil the NCT's mandate;
- To shape a values-based culture that champions high performance and service excellence; and
- To establish effective and efficient HR Administration to facilitate and inform accurate HR data and reporting.

In order to achieve the above goals, the HR Department will focus on the following projects during 2020/21:

- Implementing an efficient and effective HR System that support all HR transactions;
- Continued engagement of management and staff;
- Effective project management;
- Improved internal communication;
- Change enablement management;
- Effectively managing the COVID-19 epidemic challenges to sustain productivity;
- Workforce planning and strategic sourcing, staff retention; and
- Compliance with the prescripts of the B-BBEE legislation.

HUMAN RESOURCE OVERSIGHT STATISTICS

Table 13: Personnel Cost by Programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure (R'000)	No. of employees	Average personnel cost per employee (R'000)
Adjudication	26 232	21 150	81%	39	542
Administration	33 134	19 760	60%	35	565
Total	59 366	40 910	69%	74	553

* Note: Weighted average utilised as some personnel have both an adjudicative as well as an administrative function. In addition, interns, temporary staff and contingent employees included in figures are provided for on a pro-rated basis.

Table 14: Personnel Cost by Salary Band

Level	Personnel expenditure (R'000)	% of personnel expenditure to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top management	2 610	6%	1	2 610
Senior management	13 563	33%	7	1 938
Professional qualified	12 871	31%	15	858
Skilled	4 916	12%	9	546
Semi-skilled	3 199	8%	11	291
Unskilled	548	1%	3	183
Temporary staff	3 205	8%	28	114
Total	40 910	100%	74	553

Table 15: Performance Rewards

Programme	Performance rewards	Personnel expenditure (R'000)	% of performance rewards to total personnel costs (R'000)
Top management	418	2 610	1%
Senior management	2 215	13 563	5%
Professional qualified	1 553	12 871	4%
Skilled	657	4 916	2%
Semi-skilled	423	3 199	1%
Unskilled	77	548	0%
Temporary staff	-	3 205	0%
Total	5 343	40 910	13%

Table 16: Training Costs

Directorate/ business unit	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as % of personnel cost	No. of employees trained	Average training cost per employee
Adjudication	21 150	365	2%	14	26
Administration	19 760	125	1%	11	11
Total	40 910	490	1%	25	20

Table 17: Employment and Vacancies

Programme	2018/19 no. of employees	2019/20 approved posts	2019/20 no. of employees	2019/20 Vacancies	% of vacancies
Adjudication	26	26	24	2	8%
Administration	23	24	21	3	13%
Total	49	50	45	5	10%

* Note: This information pertains only to permanent employees as at 31 March of each year. Interns, who join the NCT through the one-year Internship Programme, as well as temporary employees, are excluded from the information provided above. The vacancies for 2019/20 and the % of vacancies are indicated as at 31 March 2020 while the % of vacancies indicated in the section on Performance Against Predetermined Objective is as an average over the full 2019/20 financial year.

Table 18: Employment and Vacancies by Employment Category

Salary band	2018/19 no. of employees	2019/2020 approved posts	2019/20 no. of employees	2019/20 vacancies	% of vacancies
Top management	1	1	1	-	-
Senior management	8	8	7	1	13%
Professional qualified	15	18	15	3	17%
Skilled	10	9	9	-	-
Semi-skilled	12	11	10	1	9%
Unskilled	3	3	3	-	-
Total	49	50	45	5	10%

* Note: This information pertains only to permanent employees as at 31 March of each year. Interns, who join the NCT through the one-year Internship Programme, as well as temporary employees, are excluded from the information provided above. The vacancies for 2019/20 and the % of vacancies are indicated as at 31 March 2020 while the % of vacancies indicated in the section on Performance Against Predetermined Objective is as an average over the full 2019/20 financial year.

Table 19: Employment Changes

Salary band	Employment at beginning of the period	Appointments	Terminations	Internal transfer out of band	Employment at end of the period
Top management	1	-	-	-	1
Senior management	8	-	1	-	7
Professional qualified	15	3	3	-	15
Skilled	10	-	1	-	9
Semi-skilled	12	1	3	-	10
Unskilled	3	-	-	-	3
Total	49	4	8	-	45

Table 20: Reasons for Staff Leaving

Reason	Number	% of total no. of staff leaving
Death	-	-
Resignation	6	75%
Dismissal	2	25%
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
Total	8	100%

Table 21: Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary action	Number
Verbal warning	-
Written warning	3
Final written warning	-
Dismissal	2

Equity target and employment equity status

Although the NCT is not required to report in terms of the Employment Equity Act, Act No. 55 of 1998, it supports and is committed to the principles of employment equity. The NCT also employs a workforce with a 59% female and 41% male ratio.

Table 22.1: Employment Equity Status

Levels	Male			
	African	Coloured	Indian	White
	Current	Current	Current	Current
Top management	1	-	-	-
Senior management	4	-	1	1
Professional qualified	5	-	1	-
Skilled	1	-	-	-
Semi-skilled	4	-	-	-
Unskilled	1	-	-	-
Total	16	-	2	1

Table 22.2: Employment Equity Status

Levels	Female			
	African	Coloured	Indian	White
	Current	Current	Current	Current
Top management	-	-	-	-
Senior management	-	-	1	-
Professional qualified	5	1	1	1
Skilled	8	1	-	-
Semi-skilled	6	-	-	-
Unskilled	2	-	-	-
Total	21	2	2	1

Table 22.3: Disabled Staff Report

Levels	Disabled staff	
	Male	Female
	Current	Current
Top management	-	-
Senior management	-	-
Professional qualified	-	-
Skilled	-	-
Semi-skilled	-	-
Unskilled	-	-
Total	-	-



PART E: ANNUAL FINANCIAL STATEMENTS

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

General Information for the year ended 31 March 2020

Nature of business and principal activities	The National Consumer Tribunal (NCT) was established in terms of the National Credit Act (Act 34 of 2005). From 1 April 2011 its mandate was expanded to also include adjudication on matters in terms of the Consumer Protection Act (Act 68 of 2008). The NCT is an independent body that is responsible for hearing and deciding on cases involving consumers, credit providers, debt counsellors and credit bureaux as well as providers of goods and services. The NCT is also responsible for reviewing decisions made by the National Credit Regulator and the National Consumer Commission. The NCT is listed in the Public Finance Management Act (PFMA), Act No. 1 of 1999, as a Schedule 3A Public Entity.
Accounting Authority	JM Maseko (Executive Chairperson of the Tribunal)
Part-time Tribunal members for 2019/20	L Best (Deputy Chairperson) BC Dumisa PA Beck FK Manamela X May HFN Sephoti FK Sibanda DR Terblanche T Woker M Peenze MMD Nkomo N Maseti TA Bailey K Moodaliyar
Fulltime Tribunal members for 2019/20	HV Alwar JR Simpson LA Potwana
Key management for 2019/20	M Bosch (Chief Operating Officer till 18 June 2019) NKD Lolwane (Chief Operating Officer from 1 September 2019) NKD Lolwane (Acting Chief Operating Officer from 18 May 2019 till 31 August 2019) NKD Lolwane (Corporate Services Executive till 31 August 2019) L Rabotapi (Registrar) BX Nomvete (Chief Information Officer) A Moolla (Chief Financial Officer)
Registered office	Block B, Ground Floor Lakefield Office Park 272 West Avenue Centurion 0157

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

General Information for the year ended 31 March 2020 (continued)

Business address	Block B, Ground Floor Lakefield Office Park 272 West Avenue Centurion 0157
Postal address	Private Bag X110 Centurion 0046
Bankers	Nedbank Ltd South African Reserve Bank
Auditors	Rakoma and Associates Incorporated

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Statement of Responsibility for the year ended 31 March 2020

STATEMENT OF RESPONSIBILITY

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is its responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the NCT as at the end of the financial year and the results of its operations and cash-flows for the period then ended, in conformity with South African Statements of Generally Recognised Accounting Practices (GRAP). The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements have been prepared in accordance with GRAP and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

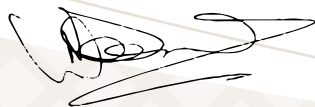
The Accounting Authority acknowledges that it is ultimately responsible for the system of internal control established by the NCT and places considerable importance on maintaining a strong control environment. To enable the NCT to meet these responsibilities, the Accounting Authority sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These internal control standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These internal controls are monitored throughout the NCT and all employees are required to maintain the highest ethical standards in ensuring the NCT's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the NCT is on identifying, assessing, managing and monitoring all known forms of risk across the NCT. While operational risk cannot be fully eliminated, the NCT endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by Management, the Accounting Authority is of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal control can provide only reasonable and not absolute assurance against material misstatement or loss.

The Annual Financial Statements, which have been prepared on the going concern basis, were approved and signed on its behalf:



JM Maseko
Executive Chairperson
and Accounting Authority
31 July 2020



NKD Lolwane
Chief Operating Officer
31 July 2020



*WP Strauss
Acting Chief Financial Officer
31 July 2020

**Mr. Ahmed Moolla , the incumbent Chief Financial Officer, is currently seconded to the Tshwane Automotive Hub Special Economic Zone (PTY) Ltd and Mr. Willem Strauss was appointed as the Acting Chief Financial Officer from 28 June 2020.*

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Statement of Responsibility and Confirmation Accuracy of the annual report for the year ended 31 March 2020

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the Annual Report for 2019/20 is consistent with the Annual Financial Statements audited by the External Auditors in consultation with Auditor-General of South Africa;
- The Annual Report is complete, accurate and is free from any omissions;
- The Annual Report has been prepared in accordance with the Annual Report Guide for Schedule 3A and 3C Public Entities as issued by National Treasury;
- The Annual Financial Statements (Part E) have been prepared in accordance with the accounting standards applicable to the NCT;
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information;
- The Accounting Authority is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements; and
- The External Auditors are engaged under the tutelage of the Auditor-General of South Africa to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the NCT for the financial year ended 31 March 2020.

Yours faithfully



Prof. Joseph M. Maseko
Executive Chairperson

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Audit and Risk Committee Report for the year ended 31 March 2020

Audit and Risk Committee Report

We are pleased to present our report for the financial year ended 31 March 2020.

Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51(1) (a) (ii) of the Public Finance Management Act (PFMA) and National Treasury Regulations 27.1.

The Audit and Risk Committee also reports that it has adopted appropriate formal Terms of Reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control Systems

The system of controls within the NCT is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance for public entities. This is achieved by means of the risk management processes, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From our review of the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the External Auditors, we can conclude that the system of internal control as applied over financial and non-financial matters and enterprise risk management at the NCT is effective, efficient and transparent.

This was underscored by the clean audit report of the External Auditors with some minor audit findings of an administrative nature. A few non-material control deficiencies were identified by the Internal Auditors in the system of internal control. The Committee has noted Management's commitment to address these non-material control inadequacies and will be monitoring Management's progress in resolving these issues on a regular basis, as required in terms of the Audit and Risk Committee Charter.

Enterprise Risk Management

It is the Committee's view that enterprise risk management at the NCT continues to be adequate and effective. However there are certain areas requiring management attention and the committee is satisfied that they are being addressed. We are satisfied that the enterprise risk management processes undertaken during the year to address high-risk areas within the NCT continue to work effectively.

There is an Enterprise Risk Management Framework in place, which includes the Enterprise Risk Management Strategy, Fraud Prevention Plan and Policy and the Fraud Hotline. An updated formal risk assessment was also undertaken and risk-based internal audit plans were then developed, approved by the Committee and fully implemented. Key strategic and operational risks that were highlighted in the risk register were continuously monitored and discussed at the EXCO and Audit and Risk Committee meetings as part of the Enterprise Risk Management Strategy. The Audit and Risk Committee is satisfied that these risks are being managed to an acceptable level.

Internal Audit

We are satisfied that the internal audit function has operated effectively, that it has addressed the risks pertinent to the NCT in its audits and has assisted the entity with value-adding services to ensure that both financial and operational objectives were achieved.

Corporate Governance

We are not aware of any issues of non-compliance with corporate governance. In our view, the NCT continues to strive towards complying with the sound principles of corporate governance.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Audit and Risk Committee Report for the year ended 31 March 2020 (continued)

Monthly and Quarterly Reporting

The Accounting Authority has tabled monthly and quarterly reports to the Minister and to the Committee, as required by the Treasury Regulations. The Committee is satisfied with the content and quality of these reports. As per our regular discussion with the NCT Management, Management has confirmed that these reports were properly formulated in compliance with the PFMA and Treasury Regulations.

Evaluation of Financial Statements

The Audit and Risk Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the External Auditors and the Accounting Authority;
- reviewed the External Auditors Management Report and its audit findings;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the NCT's processes for compliance with legal and regulatory provisions; and
- reviewed the information on predetermined objectives as reported in the Annual Report.

Going concern

A documented assessment has been reviewed by the Committee, including key assumptions prepared by management of the going-concern status of the entity and the committee is satisfied that the adoption of the going concern basis for the preparation of the annual financial statements is appropriate.

Impact of COVID-19

A nationwide lockdown came into effect from 27 March as a result of the COVID-19 crisis. The effect of the lockdown and the ongoing crisis means that the economy will experience a significant down turn, which might lead to reduced future funding for the NCT. The ARC is satisfied with measures put in place by management to mitigate risks from COVID-19.

Evaluation of the Chief Financial Officer

The Committee is satisfied that the CFO has the appropriate qualifications and experience. Moreover, the Committee is satisfied with the overall skills and competence within the finance function.

External Auditors Report

We have, on a quarterly basis, reviewed the NCT's implementation plan for audit issues raised in the prior year. The Audit and Risk Committee has met with the External Auditors to ensure that there are no unresolved issues that emanated from the regulatory audit.

The Audit and Risk Committee concurs and accepts the External Auditors opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the External Auditors.


NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Audit and Risk Committee Report for the year ended 31 March 2020 (continued)

Appreciation

The Committee wishes to acknowledge the dedication and hard work performed by the Accounting Authority, other Governance Structures, the NCT Management and Officials. The Audit and Risk Committee wishes to express its appreciation to the Management of the NCT, the External Auditors and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.

On behalf of the Audit and Risk Committee:



Mr. Suleman Badat CA (SA)
Interim Chairperson
Audit & Risk Committee
30 September 2020

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Report of the Accounting Authority for the year ended 31 March 2020

REPORT OF THE ACCOUNTING AUTHORITY

Purpose of this Report

This report is presented in terms of Treasury Regulation 28.1.1 as was issued in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999 as amended. The Executive Chairperson of the National Consumer Tribunal (NCT) as appointed by the President of the Republic of South Africa, through delegated authority to the Minister of Trade, Industry and Competition, is the Accounting Authority of the NCT.

Nature of Business

The NCT is an independent adjudicative entity. It derives its mandate from the National Credit Act (NCA), Act No. 34 of 2005. This mandate was expanded in 2008 to include adjudication on matters arising from the Consumer Protection Act (CPA), Act No. 68 of 2008.

Financial Overview

The NCT is confident that it has fulfilled its mandate and has used its funding in an efficient and cost-effective manner. The full Annual Financial Statements for the year ended 31 March 2020 are presented on page 80 to 115, of the Annual Report for the period ended 31 March 2020 and are summarised as follows:

	2019/2020	2018/2019
Total revenue	R66 460 762	R58 647 445
Total expenditure	R59 315 874	R65 707 782
Finance costs	R49 873	R93 449
Net surplus / (deficit)	R7 095 015	(R7 153 766)
Total assets	R11 387 300	R10 006 146
Total liabilities	R4 524 278	R10 238 139
Net assets / (liabilities)	R6 863 022	(R231 993)

The NCT's operations are substantially funded by government through the Department of Trade, Industry and Competition (**the dtic**) and have since its inception and for a time, received increases in the baseline grant allocation at the rate of inflation. Although the caseload increased significantly between the period 2013-14 and 2016-17, the grant only increased annually based on the inflation rate. Through innovative means and strict budgetary controls, the NCT has always been able to achieve its objectives within the allocated budget.

During the 2019-20 financial year, the NCT had a surplus amounting to R7.1 million. This surplus is mainly due to additional funding of R4.4 million that was received from **the dtic** for the specific purpose of the initial phase of the implementation of the National Credit Amendment Act (NCAA). This amount has been ring-fenced for expenditure related to the implementation of the NCAA only. A procurement process was initiated but was not completed by 31 March 2020 and these funds will therefore be rolled over to the next financial year for the part implementation of the NCAA.

In the period under review, the NCT received a grant of R52 239 000 (excluding the R4.4 million mentioned above) from **the dtic**, which represents an increase of 4.5% from the previous year's grant of R49 988 000 (excluding additional funding of R2.7 million). This ensured that the NCT was able to fulfil its mandate, as the grant makes up 85% of its total revenue (2018/19: 90%).

Income from filing fees included in total revenue increased by 68%. Revenue from filing fees increased from R4.9 million to R8.2 million. The number of debt re-arrangement (DRA) cases received alone increased from 24 717 to 28 292, an increase of 14.5%. Effective from 1 May 2020, the filing fee received for DRA cases increased from R200 to R300 per case. The amount received from filing fees does not offset all the adjudication costs as this filing fee is only a nominal amount of R300 per DRA matter filed with the

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Report of the Accounting Authority for the year ended 31 March 2020 (continued)

NCT and does not contribute towards the more expensive and time consuming non-debt rearrangement matters. Please refer to Note 18.3 in the Annual Financial Statements for more detail. The latter are the more expensive cases, which though fewer in number, are highly contested by attorneys and counsel and are a source of most interlocutory and substantive applications and postponements, at the request of the litigants.

The NCT's income from interest earned increased by 34% from R1.1 million to R1.5 million. This is due to a higher average balance in the investment account which positively affected the funds available for investment. The NCT invests its surplus funds with the Corporation for Public Deposits in terms of its Investment and Grant Management Policy. Details hereof are contained in Note 18.4 of the Annual Financial Statements for more detail.

Due to the NCT not receiving additional funding for operational purposes as was the case in the previous year, the NCT had to closely monitor expenditure and thus total expenses decreased by 10% as compared to a 1% increase from 2017/18 to 2018/19. Year on year, total expenditure decreased from R65.7 million to R59.3 million.

Administrative expenses decreased by R1.8 million (28%) from R6.5 million to R4.7 million. This can be attributed to the decrease in printing, stationery, training, bursaries, conferences, hiring of venues, and facilities. Most of the decreases are as a result of rigorous cost cutting measures while the decrease in the hiring of venues and facilities was due to the hearings of motion courts that were no longer held outside the NCT premises. These were discontinued from August 2018 in order to contain costs. In the previous years, these motion courts were held throughout the country. Despite this cost cutting measure being implemented, the NCT still achieved the targets and turnaround times with regards to the caseload by utilising other innovative processes. Details hereof are contained in Note 11 of the Annual Financial Statements for more detail.

Other operating expenses decreased by R1.9 million (15%) from R12.7 million to R10.8 million. This can be attributed to decreased travel and accommodation costs. These costs decreased as motion courts were no longer held outside the NCT premises as was mentioned above. As indicated above, the NCT still achieved the targets and turnaround times with regards to the caseload by utilising other innovative processes. Details hereof are contained in Note 12 of the Annual Financial Statements for more detail.

Employee-related costs decreased by R1.4 million (4%) from R38.5 million to R37.1 million. This can be attributed to vacancies and the filling of some positions being put on hold. Some of the vacancies arose at an executive and middle management level. In the previous financial year these positions were filled throughout the financial year.

Tribunal members' fees decreased by R1.0 million (15%) from R7.1 million to R6.1 million. This can be attributed to fulltime Tribunal members being allocated more matters and the discontinuance of the motion courts as indicated above. Please refer to Note 14 in the Annual Financial Statements for more detail.

The costs relating to part-time Tribunal members for adjudication and other support services, together with employee related costs for support to the Tribunal and adjudication services, provided by the Executive Chairperson and the fulltime Tribunal members, comprise 73% of the total expenses of the NCT. As a professional service organisation that fulfils an adjudicative function, it is expected for this ratio to be high. It also means that other costs incurred to support the employees and the Tribunal members; comprise less than 30% of total expenditure.

Supply Chain Management

The NCT's procurement policies are in line with the PFMA, the Treasury Regulations and the Preferential Procurement Policy Framework Act, Act No. 5 of 2000.

Losses Written off

There were no losses written off during the 2019/20 financial year.

Fruitless and Wasteful Expenditure

There was no fruitless and wasteful expenditure during the year under review.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Report of the Accounting Authority for the year ended 31 March 2020 (continued)

Irregular Expenditure

There was no irregular expenditure during the year under review.

Material Losses Through Criminal Conduct

There were no material losses through criminal conduct.

Criminal and Disciplinary Action Taken Against Offenders

Disciplinary action was taken against an employee for failing to provide proper guidance with the prescripts of the regulatory requirements. A written warning was issued to the affected employee who has since resigned from the NCT.

Audit Report Matters in the Previous Year

No audit matters were raised during the audit of the previous financial year that the NCT had to address during the current financial year.

Correction of Prior Period Errors

During the process of preparing the annual financial statements for 2019/20, management detected that internally generated computer software was put into use from 1 April 2018 already, but no amortisation charge was recognised in the Statement of Financial Performance. In addition to this, management also detected that annual software licences were capitalised and amortised instead of them being recognised in the Statement of Financial Performance. The correction of these errors has resulted in the restatement of some of the prior year figures as set out in more detail in Note 23 in the Annual Financial Statements.

Materiality Framework

Material facts of a quantitative nature are facts that exceed the materiality framework and are disclosed if discovered. The Tribunal's materiality level remains unchanged at 0.60% of its budgeted operational expenditure (excluding capital expenditure).

Financial Assistance from the State

The Tribunal received no financial assistance from the state, other than its grant as mentioned previously. The state also made no commitments on behalf of the NCT.

Going Concern Outlook

Subsequent to year end and as a result of the COVID-19 pandemic, the grant allocation of the NCT for the 2020/21 financial year was reduced by R6.2 million. This has resulted in the NCT revising its expenditure for cost saving opportunities and efficiency gains to ensure that it will be able to fund the caseload and to meet its operational costs. In addition, the Minister of the dtic, by Regulation, increased the filing fee for a debt rearrangement matter from R300 to R400 effective from 1 April 2020 as published in the Government Gazette and would further increase from R400 to R500 effective from 1 April 2021. This will have a positive impact on the revenue derived from filing fees. The Accounting Authority is therefore confident that the NCT will continue to function and operate as a going concern for the next financial year despite the reduction in the grant allocation for 2020/21. Based on the revised cash flow projections for the next 12 months, the NCT will have adequate cash resources to cover all operational expenses, having re-prioritised its objectives and operational plans.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Report of the Accounting Authority for the year ended 31 March 2020 (continued)

Events subsequent to the Reporting Date

Management is not aware of any matter or circumstances as at the end of the financial year, not otherwise dealt with in the annual financial statements, that significantly affects the financial position of the National Consumer Tribunal or the results of its operations.



Prof. Joseph M. Maseko
Executive Chairperson
National Consumer Tribunal
31 July 2020

Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of the National Consumer Tribunal set out on page **80** to **115** which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the National Consumer Tribunal as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act (Act 1 of 1999) (PFMA).

Basis for Opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of this auditor's report.
4. We are independent of the public entity in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of professional conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) respectively.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Accounting Authority for the Financial Statements

6. The accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Independent Auditor's Report to the Parliament on the National Consumer Tribunal (continued)

9. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the Audit of the Annual Performance Report

Introduction and Scope

10. In accordance with the Public Audit Act of South Africa of 2004 (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.
11. Our procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the public entity. We have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. Our procedures do not examine whether the actions taken by the public entity enabled service delivery. Our procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.
12. We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the public entity for the year ended 31 March 2020:

Programmes	Pages in the annual performance report
Programme 1 – Adjudication	25 – 39

13. We performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. We did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

Achievement of Planned Targets

15. Refer to the annual performance report on pages 25 to 26 and 40 to 41 for information on the achievement of planned targets for the year and explanations provided for the under/over-achievement of a number of targets.

Report on the Audit of Compliance with Legislation

Introduction and Scope

16. In accordance with the PAA and the general notice issued in terms thereof, we have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.
17. We did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Independent Auditor's Report to the Parliament on the National Consumer Tribunal (continued)

Other Information

18. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
19. Our opinion on the financial statements and our findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.
20. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
21. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Internal Control Deficiencies

22. We considered internal control relevant to our audit of the financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance on it. We did not identify any significant deficiencies in internal control.

Auditor Tenure

23. In terms of the IRBA rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Rakoma and Associates Incorporated has been the auditor of the National Consumer Tribunal for 2 years.



Rakoma and Associates Incorporated
Collins Malunga CA (SA)
Engagement Partner
Registered Auditor
30 September 2020

Ground Floor Building B
Monte Circle Office Park
178 Monte Casino Boulevard
Fourways
Johannesburg
2191

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Independent Auditor's Report to the Parliament on the National Consumer Tribunal (continued)

Annexure – Auditor's Responsibility for the Audit

1. As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements, and the procedures performed on reported performance information for selected programme and on the public entity's compliance with respect to the selected subject matters.

Financial Statements

2. In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
 - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the National Consumer Tribunal to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. Our conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with Governance

3. We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
4. We also confirm to the accounting authority that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 R	Restated 31 March 2019 R
ASSETS			
Non-current assets		4 378 811	6 340 174
Property, plant and equipment	2	2 881 116	4 526 992
Intangible assets	3	1 497 695	1 813 182
Current assets		7 008 489	3 665 972
Inventory	4	46 387	73 800
Trade and other receivables from exchange transactions	5	628 661	1 106 425
Cash and cash equivalents	6	6 333 441	2 485 747
Total assets		11 387 300	10 006 146
LIABILITIES			
Non-current liabilities		-	158 317
Long-term portion – Finance lease obligations	7	-	158 317
Current liabilities		4 524 278	10 079 822
Short-term portion – Finance lease obligation	7	158 317	271 464
Trade and other payables from exchange transactions	8	4 365 961	6 380 306
Employee benefits	9	-	3 428 052
Total liabilities		4 524 278	10 238 139
NET ASSETS / (LIABILITIES)		6 863 022	(231 993)
NET ASSETS			
Accumulated surplus / (deficit)	28	6 863 022	(231 993)

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Statement of Financial Performance for the year ended 31 March 2020

	Note	31 March 2020 R	Restated 31 March 2019 R
Revenue : Non-exchange transactions		56 639 000	52 688 000
Government grant	10	56 639 000	52 688 000
Revenue: Exchange transactions		9 821 762	5 959 445
Filing fees	10	8 186 500	4 867 800
Service fees	10	23 629	4 129
Sundry income	10	93 177	-
Other income - Proceeds from insurance	10	66 092	-
Interest earned	10	1 452 364	1 087 516
Total Revenue		66 460 762	58 647 445
Total expenditure		59 315 874	65 707 782
Administrative expenses	11	4 704 465	6 532 835
Other operating expenses	12	10 793 789	12 686 489
Audit fees	13	606 934	823 727
Part-time Tribunal Members' fees	14	6 090 177	7 134 372
Employee related costs	15	37 120 509	38 530 359
Operating surplus / (deficit) for the year		7 144 888	(7 060 337)
Finance costs	16	49 873	93 449
Net surplus/(deficit) for the year		7 095 015	(7 153 786)

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Statement of Changes in Net Assets for the year ended 31 March 2020

	Note	Accumulated surplus R	Total net assets R
Balance as at 1 April 2018		6 921 793	6 921 793
Net (deficit) for the year - Restated		(7 153 786)	(7 153 786)
Net (deficit) for the year - Previously reported		(6 630 486)	(6 630 486)
Correction of prior period errors	22	(523 300)	(523 300)
Balance as at 31 March 2019 - Restated		(231 993)	(231 993)
Net surplus for the year		7 095 015	7 095 015
Balance as at 31 March 2020		6 863 022	6 863 022

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Statement of Comparison of Budget and Actual Amounts as at 31 March 2020

	Note	Accrual-based approved budget (before transfers) R	Additional funds and transfers between budget line items R	Accrual-based final budget (after transfers) R	Actual amounts on comparable basis with final budget R	Difference between final budget and actual amounts R
REVENUE						
Income from non-exchange transactions	18.1	52 239 000	4 400 000	56 639 000	56 639 000	-
Roll-over	18.2	7 230 105	-	7 230 105	-	(7 230 105)
Income from exchange transactions	18.3	5 467 000	-	5 467 000	8 369 398	2 902 398
Interest received		1 278 506	-	1 278 506	1 452 364	173 858
Total revenue		66 214 611	4 400 000	70 614 611	66 460 762	(4 153 849)
EXPENSES						
Administrative expenses	18.4	7 113 009	-	7 113 009	4 704 465	2 408 544
Other operating expenses	18.5	10 788 511	-	10 788 511	8 386 314	2 402 197
Audit fees		984 555	-	984 555	606 934	377 621
Tribunal Members' costs	18.6	4 897 544	-	4 897 544	6 090 177	(1 192 633)
Employee-related costs	18.7	41 054 640	-	41 054 640	37 481 746	3 572 894
Finance lease payments		404 352	-	404 352	321 337	83 015
Capital expenditure	18.8	972 000	4 400 000	5 372 000	446 112	4 925 888
Total expenses		66 214 611	4 400 000	70 614 611	58 037 085	12 577 526
Surplus / (Deficit) for the period		-	-	-	8 423 677	8 423 677

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Statement of Comparison of Budget and Actual Amounts as at 31 March 2020 (continued)

RECONCILIATION OF SURPLUS FOR THE PERIOD WITH THE SURPLUS / DEFICIT IN THE STATEMENT OF FINANCIAL PERFORMANCE

		Adjustment of actual amounts to comparable basis with final budget R
Net surplus / (deficit) per the Statement of Financial Performance		7 095 015
Adjusted for:	Activity	
Intangible Assets impaired	Operating	-
Property Plant and Equipment written off	Operating	48 746
Amortisation	Operating	523 958
Depreciation	Operating	1 834 771
Finance costs on leases	Financing	49 873
Finance lease payments	Financing	(321 337)
Movement in accrual for leave pay – Employee related costs	Operating	(361 237)
Capital assets purchased	Investing	(446 112)
Difference between Final Budget and Actual Amounts		8 423 677

Note: All the adjustments relate to a difference in the basis of preparation. The budget for these items is prepared on the cash basis while the Statement of Financial Performance is prepared on the accrual basis. Also refer Note 17 for the reconciliation of net cash flows from operating activities with the surplus per the Statement of Financial Performance.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Cash Flow Statement for the year ended 31 March 2020

	Note	31 March 2020 R	Restated 31 March 2019 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		67 148 482	58 348 370
Government grants		56 639 000	52 688 000
Filing fees		8 874 220	4 568 725
Service fees		23 629	4 129
Sundry income		93 177	-
Other receipts – Insurance claims		66 092	-
Interest received		1 452 364	1 087 516
Payments		(62 533 339)	(62 762 657)
Tribunal Members' fees		(6 850 844)	(6 854 886)
Employee-related costs		(40 888 294)	(38 221 574)
Suppliers		(14 794 201)	(17 686 197)
Net cash flows from operating activities	17	4 615 143	(4 414 287)
CASH FLOWS FROM INVESTING ACTIVITIES			
		(446 112)	(1 259 280)
Additions to property, plant and equipment		(237 641)	(996 012)
Additions to intangible assets		(208 471)	(263 268)
CASH FLOWS FROM FINANCING ACTIVITIES			
		(321 337)	(353 109)
Finance lease payments		(321 337)	(353 109)
Net (decrease) / increase in cash and cash equivalents		3 847 694	(6 026 676)
Cash and cash equivalents at beginning of year		2 485 747	8 512 423
Cash and cash equivalents at end of year	6	6 333 441	2 485 747

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Accounting Policies for the year ended 31 March 2020

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these Annual Financial Statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise indicated.

1.1 Basis of Preparation

The Annual Financial Statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) and the Public Finance Management Act (PFMA), Act 1 of 1999, as amended, including any interpretations, guidelines and directives issued by the Accounting Standards Board. The Annual Financial Statements have been prepared on a historic cost basis and the accounting policies are consistent with prior years. The amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the NCT. Unless otherwise stated, financial figures are presented to the nearest R1.

The GRAP Standards relevant to the NCT and which were complied with in preparing the Annual Financial Statements are listed below:

GRAP 1: Presentation of Financial Statements
GRAP 2: Cash Flow Statements
GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 9: Revenue from Exchange Transactions
GRAP 12: Inventories
GRAP 13: Leases
GRAP 14: Events After the Reporting Date
GRAP 17: Property, Plant and Equipment
GRAP 19: Provisions, Contingent Liabilities and Contingent Assets
GRAP 20: Related Party Disclosures
GRAP 21: Impairment of Non-cash-generating Assets
GRAP 23: Revenue from Non-exchange Transactions
GRAP 24: Presentation of Budget Information in Financial Statements
GRAP 25: Employee Benefits
GRAP 31: Intangible Assets
GRAP 104: Financial Instruments
GRAP 108: Statutory Receivables

The Cash Flow Statement was prepared in accordance with the direct method.

1.2 Significant Judgements

In preparing the Annual Financial Statements, Management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgements include:

1.2.1 Provisions

Provisions are recognised when the NCT has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Accounting Policies for the year ended 31 March 2020 (continued)

1. ACCOUNTING POLICIES (continued)

1.2.2 Property, Plant and Equipment

In determining the useful life and residual value of each category of property, plant and equipment, Management took into consideration the nature and use of each asset. Leased office equipment and leasehold improvements are depreciated over the lease period with no residual value.

1.2.3 Intangible Assets

In determining the useful life of computer software, Management took into consideration that the software will have to be upgraded from time to time. The residual value of computer software is regarded as zero due to the fact that computer software is not re-saleable.

1.3 Going Concern

The Annual Financial Statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the year.

1.4 Statutory Receivables

Statutory receivables are receivables that arise from legislation, supporting regulations or similar means, and require settlement by another entity in cash or another financial asset. The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means. If the transaction is an exchange transaction, the NCT uses the policy on revenue from exchange transactions to recognise the statutory receivable. If the transaction is a non-exchange transaction, the NCT uses the policy on revenue from exchange transactions to recognise the statutory receivable. The NCT initially measures statutory receivables at their transaction amount.

The NCT measures statutory receivables after initial recognition using the cost method. The carrying amount is the amount at which an asset is recognised in the statement of financial position. The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

1.5 Revenue

1.5.1 Revenue from Exchange Transactions

Revenue is the gross inflow of economic benefits or service potential received and receivable by the NCT which results in an increase in net assets. An exchange transaction is one in which the NCT receives assets or services, or has liabilities extinguished, and directly gives equal value to the other party in exchange.

Filing Fees:

Filing fees are levied in terms of regulations promulgated under Section 171 of the NCA, Act No. 34 of 2005 on debt re-arrangement (DRA) matters filed with the Tribunal for adjudication. The filing fee (transaction amount per application) in respect of a DRA matter is determined by the Minister of Trade, Industry and Competition by Regulation in terms of Section 171 from time to time, and published in the Government Gazette. The filing fee is levied as revenue at the transaction amount as soon as a case number is issued to the applicant per application.

1. ACCOUNTING POLICIES (continued)

Service Fees:

Service fees are recognised as revenue when the right to the revenue has been established. This is when a payment is received for services to be rendered. The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Investment Income:

Investment income is recognised as it accrues using the effective interest rate method.

1.5.2 Revenue from Non-Exchange Transactions

Non-exchange revenue transactions comprise a grant from the Department of Trade, Industry and Competition. When the NCT receives resources as a result of a non-exchange transaction, it recognises an asset and revenue when it is probable that the NCT will receive economic benefits or service potential and it can make a reliable measure of the resources that are transferred. Where the resources transferred to the NCT are subject to the fulfilment of specific conditions, it recognizes an asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised. The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

1.6 Prepayments

The NCT may render payment for the delivery of goods or services in advance of the delivery of goods or the rendering of services when contractually obligated. In this instance such prepayment is recognised in the Statement of Financial Position as an asset when the payment is made, and is measured at the fair value of the consideration paid. The asset is expensed when delivery of the goods occurs or when the service is rendered.

1.7 Leasing

1.7.1 Operating Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease payments under an operating lease are recognised as expenses in the Statement of Financial Performance on a straight line basis over the lease period.

1.7.2 Finance Leases

Finance leases refer to a contract that transfers the risks, rewards, rights and obligations incidental to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases. Assets held under finance leases and the corresponding liability, are recognised at their present value of the minimum lease payments at the date of acquisition. Finance costs, which represent the difference between the total leasing commitments and the estimated present value of the assets acquired, are charged to the Statement of Financial Performance over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Accounting Policies for the year ended 31 March 2020 (continued)

1. ACCOUNTING POLICIES (continued)

1.8 Employee Benefits

The cost of short-term employee benefits (those payable within twelve months after the service is rendered, such as paid vacation leave and performance bonuses), are recognised in the period in which the service is rendered and are not discounted. A provision for performance bonuses is made at year-end when the achievement of the NCT's performance measures are known and when the affordability of performance bonuses can be determined. A provision is then made based on the average actual performance score of the previous year for all the permanent staff and fulltime Tribunal members who were employed for at least six months during the financial year.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement, or in the case of non-accumulating absences, when the absence occurs.

Provision is made for leave pay and as it is set at 100% of all outstanding accumulated leave at reporting date, it is disclosed as an accrual under trade and other payables.

1.9 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which it is incurred.

1.10 Inventories

Inventories are initially recognised at cost. The carrying amount of inventories is recognised as an expense in the period that the inventory was distributed or consumed.

Inventories, consisting of consumable stores, are measured at the lower of cost and current replacement cost.

1.11 Property, Plant and Equipment

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost.

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of fair value of the item can be measured reliably.

The NCT assesses the useful life and residual values of property, plant and equipment annually. The useful lives and residual values are estimated on an annual basis at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on the straight-line method to write off the cost of each asset over its estimated useful life as follows:

Property, plant and equipment	Average useful life
Furniture and fittings	15 years
Office equipment	5 years
Computer equipment	5 years
Books	5 years
Signage	5 years
Leasehold improvements	Period of lease
Leased equipment	Period of lease

1. ACCOUNTING POLICIES (continued)

1.12 Intangible Assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Expenditure on research is recognised as an expense when it is incurred.

An intangible asset from development is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale;
- There is an intention to use or sell it;
- There is an ability to use or sell it;
- It will generate probable future economic benefits; and
- The expenditure during the development phase can be measured reliably.

Intangible assets are carried at cost less accumulated amortisation and impairment losses. The amortisation period and method are reviewed every year-end.

Amortisation is provided to write down the intangible assets on a straight-line basis as follows:

Intangible assets	Average useful life
Computer software (Internally generated)	3 to 5 years
Computer software (Other)	2 to 3 years

1.13 Impairment of Property, Plant and Equipment and Intangible Assets

At each reporting date, the NCT reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. An asset is impaired when its recoverable amount is less than its carrying value. In this instance, the carrying value of the asset is reduced to its recoverable amount. This reduction is an impairment loss, which is recognised immediately in the Statement of Financial Performance. A reversal of an impairment loss of assets other than goodwill is recognised immediately in the Statement of Financial Performance.

1.14 Financial Instruments

The NCT classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are recognised on the Statement of Financial Position when the NCT becomes party to the contractual provisions of the instrument.

1.14.1 Financial Assets

Financial assets are initially measured at fair value plus transaction costs. The NCT's principal financial assets are trade receivables and cash and cash equivalents. Subsequently, items included in this category are measured at the amortised cost, calculated based on the effective interest method, and material interest is included in the surplus or the deficit for the year. Net gains or losses represent gains and losses on de-recognition and are included in "other income" or "other expenses".

Receivables with no stated rate are measured at the original invoice amount, if the effect of discounting is immaterial. Impairment losses are recognised on loans and receivables when there is objective evidence of impairment. An impairment loss is recognised in the surplus or the deficit when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate of the instrument.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Accounting Policies for the year ended 31 March 2020

1. ACCOUNTING POLICIES (continued)

1.14.2 Financial Liabilities

The NCT's principal financial liabilities are trade and other payables, such as employee benefits.

These financial liabilities are initially measured at fair value plus transaction costs. Subsequently, these items are measured at the amortised cost, using the effective interest rate method. Interest expenses on these items are measured at the amortised cost, using the effective interest rate method. Net gains or losses represent gains or losses on de-recognition and are included in "other income" or "other expenses".

1.15 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.16 Irregular Expenditure

Irregular expenditure as defined in Section 1 of the PFMA as expenditure other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with requirements of any applicable legislation, including National Treasury Practice Note 4 of 2008/2009 which was issued in terms of Sections 76(1) to 76(4) of the PFMA, which requires the following (effective from 1 April 2008):

- Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year-end and/or before finalisation of the financial statements, must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required, with the exception of updating the note to the financial statements.
- Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end, must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.
- Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.
- Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority, must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the Accounting Authority may write off the amount as bad debt and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable under law, the expenditure related thereto must remain against the relevant expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020

2. PROPERTY, PLANT AND EQUIPMENT

Furniture and fittings
Office equipment
Computer equipment
Leasehold improvements
Books
Signage
Office equipment – Leased
Total

31 March 2020			31 March 2019		
Cost/ Valuation	Accumulated depreciation	Carry value	Cost/ Valuation	Accumulated depreciation	Carry value
2 018 822	(929 510)	1 089 312	2 018 823	(827 590)	1 191 233
255 674	(189 466)	66 208	235 924	(168 956)	66 968
4 093 987	(2 883 861)	1 210 126	3 963 583	(2 394 385)	1 569 198
3 310 195	(2 926 520)	383 675	3 310 195	(2 005 702)	1 304 493
219 995	(207 973)	12 022	219 995	(198 212)	21 783
33 315	(33 315)	-	33 315	(33 315)	-
682 549	(562 776)	119 773	838 717	(465 400)	373 317
10 614 537	(7 733 421)	2 881 116	10 620 552	(6 093 560)	4 526 992

Reconciliation of property, plant and equipment – 2020

Furniture and fittings
Office equipment
Computer equipment
Leasehold improvements
Books
Signage
Office equipment – Leased (refer to Note 2.1)
Total

Opening balance	Additions	Assets written off	Assets sold	Depreciation	Closing balance
1 191 233	-	-	-	(101 921)	1 089 312
66 968	19 750	-	-	(20 510)	66 208
1 569 198	217 891	(48 746)	-	(528 217)	1 210 126
1 304 493	-	-	-	(920 818)	383 675
21 783	-	-	-	(9 761)	12 022
-	-	-	-	-	-
373 317	-	-	-	(253 544)	119 773
4 526 992	237 641	(48 746)	-	(1 834 771)	2 881 116

Reconciliation of property, plant and equipment – 2019

Furniture and fittings
Office equipment
Computer equipment
Leasehold improvements
Books
Signage
Office equipment – Leased (refer to Note 2.1)
Total

Opening balance	Additions	Assets Written Off	Assets sold	Depreciation	Closing balance
886 000	398 989	-	-	(93 756)	1 191 233
91 343	4 830	-	-	(29 205)	66 968
1 868 755	318 094	(7 047)	-	(610 604)	1 569 198
1 867 369	274 099	-	-	(836 975)	1 304 493
22 972	-	-	-	(1 189)	21 783
-	-	-	-	-	-
652 889	-	-	-	(279 572)	373 317
5 389 328	996 012	(7 047)	-	(1 851 301)	4 526 992

2.1 Office Equipment – Leased

Assets with a net carrying value of R119 773 (2019: R373 317) are subject to finance leases as set out in Note 7.

2.2 Re-Assessment of Useful Lives

The useful lives and residual values of all the property, plant and equipment were assessed during the year under review and the only change deemed necessary was the reduction in the residual value of Books from 10% to 5%. Also refer to Note 22.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

3. INTANGIBLE ASSETS

	31 March 2020			31 March 2019 (Restated)		
	Cost/ Valuation	Accumulated depreciation	Carry value	Cost/ Valuation	Accumulated depreciation	Carry value
Computer software – Internally generated	2 559 876	(1 157 139)	1 402 737	2 452 007	(714 033)	1 737 974
Computer software – Other	150 714	(55 756)	94 958	1 262 005	(1 186 797)	75 208
Total	2 710 590	(1 212 895)	1 497 695	3 714 012	(1 900 830)	1 813 182

Reconciliation of intangible assets – 2020

	Opening balance	Additions	Amortisation	Impairments	Closing balance
Computer software – Internally generated	1 737 974	107 869	(443 106)	-	1 402 737
Computer software – Other	75 208	100 602	(80 852)	-	94 958
Total	1 813 182	208 471	(523 958)	-	1 497 695

Reconciliation of intangible assets – 2019

	Opening balance	Additions	Amortisation	Impairments	Closing balance
Computer software – Internally generated	1 890 034	263 268	(415 328)	-	1 737 974
Computer software – Other	173 272	-	(98 064)	-	75 208
Total	2 063 306	263 268	(513 392)	-	1 813 182

3.1 Scrapping of Computer Software - Other

Other computer software fully amortised and no longer in use with a cost price of R1 211 894 (Accumulated amortisation: R1 211 894) were scrapped during the current financial year.

3.2 Re-Assessment of Useful Lives

The useful lives and residual values of all the intangible assets were assessed during the year under review and the only change deemed necessary was the amortisation period of other computer software to be 2 to 3 years instead of only 3 years. Also refer to Note 22.

4. INVENTORIES

Stationery and consumables

	31 March 2020 R	31 March 2019 R
Stationery and consumables	46 387	73 800
	46 387	73 800

5. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Debtors for filing fees - Statutory receivables (Refer note 5.1)

Sundry debtors (Payroll taxes and service fees)

Prepayments (refer Note 5.2) (Restated for 31 March 2019)

Debtors for filing fees - Statutory receivables (Refer note 5.1)	174 100	597 800
Sundry debtors (Payroll taxes and service fees)	267 944	-
Prepayments (refer Note 5.2) (Restated for 31 March 2019)	186 617	508 625
	628 661	1 106 425

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

31 March
2020

R

31 March
2019

R

5. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)

5.1 Debtors for Filing Fees - Statutory Receivables

Filing fees for debt re-arrangement matters are normally paid for before the Tribunal adjudicate on a case. The cases are normally filed by a debt counsellor who file the case on behalf of an applicant. When a debtor is raised as a result of a filing, the recoverability of the receivables are reviewed per debt counsellor, taking into account the payment history of the debt counsellor and the number of cases that are filled. The fact that the NCT has never impaired debtors for filing fees in the past is also a factor that the NCT has taken into account in determining the recoverability. No impairment losses or allowances for impairment losses were recognised in the current year (2019: RNil). Also refer to Note 10.1.

Statutory receivables past due but not impaired	0 to 30 Days	31 to 60 Days	Over 60 Days
Ageing of past due amounts not impaired			
- 2019/20	43 800	14 700	115 600

5.2 Prepayments

The prepayments are based on contractual obligations with suppliers of goods and services and include subscriptions for resource materials, insurance of assets, airline tickets, rental and the unused portion of annual software licences.

6. CASH AND CASH EQUIVALENTS

Bank account – Call account (SA Reserve Bank) (refer Note 6.1)	108 052	1 611 640
Bank account – Operational current account (Nedbank)	1 186 621	17 337
Bank account – Filing fees current account (Nedbank)	635 899	778 140
Bank account – Special projects current account (Nedbank)	4 399 909	-
Bank account – Prefunded Credit Card (Nedbank)	11	68 630
Cash on hand – Petty cash	2 949	10 000

6 333 441

2 485 747

6.1 Bank Account – Notice Deposit

In terms of the NCT's investment policy, surplus funds are invested with the South African Reserve Bank in the Corporation for Public Deposits (CPD) Account. Interest was earned at an average rate of 6.90% (2019: 7.21%). The total cash and cash equivalents balance that was available for investment has reduced year on year as there were no surplus funds rolled over from the previous financial year.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

7. FINANCE LEASES – OFFICE EQUIPMENT

Minimum lease payments due

Sasfin Bank Limited (Xerox Work Centres)

Canon Business Centre (PABX System and additions to the PABX System)

Summary of minimum lease payments due

Payable within one year

Payable after one year

Less: Future finance charges

Present value of minimum lease payments due

Current liabilities

Non-current liabilities

Present value of minimum lease payments due

31 March 2020	31 March 2019
R	R
83 918	280 754
85 294	209 794
169 212	490 548
169 212	321 300
-	169 248
169 212	490 548
(10 895)	(60 767)
158 317	429 781
158 317	271 464
-	158 317
158 317	429 781

Leased assets are initially measured at the lower of the fair value of the leased asset at the inception of the lease term and the present value of minimum lease payments at that date. The average lease term is 3 to 5 years and the average effective borrowing rate was 15,67% (2019: 15,26%).

8. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables

Income received in advance – Filing fees

Other payables – Permanent and temporary staff

Salary deductions – PAYE, UIF, Garnishees and Union membership fees

Accrued expenses – Tribunal members' costs

Accrued expenses – Governance Committee members' costs

Accrued leave pay – Senior management and fulltime Tribunal members

Accrued leave pay – Other staff

1 178 720	2 326 382
802 095	538 075
41 242	16 841
-	2 897
319 566	1 080 233
113 713	144 016
1 088 894	1 191 194
821 731	1 080 668
4 365 961	6 380 306

All the amounts owed to suppliers as disclosed under trade payables are within the normal payment terms. Accrued leave pay relates to the estimated liability as a result of services rendered by employees up to the reporting date. It is calculated by apportioning the annual salary to a daily cost which is multiplied by the number of leave days accumulated at the reporting date.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

9. EMPLOYEE BENEFITS

Provision for performance bonuses – Senior management and fulltime Tribunal members

Provision for performance bonuses – Other staff

31 March 2020	31 March 2019
R	R

-	1 649 176
-	1 778 876
-	3 428 052

Provision for performance bonuses relates to possible payment of performance bonuses to senior management, fulltime Tribunal members and other staff for services rendered by them during the current financial year and to be paid during the next financial year. Due to cash flow and budget constraints, no provision is made for the payment of performance bonuses in relation to the 2019/20 financial year.

Reconciliation of provision for performance bonuses

Opening balance

Provisions utilised during the year

Provisions made during the year

3 428 052	3 462 547
(3 428 052)	(3 462 547)
-	-
-	3 428 052
-	3 428 052

10. TOTAL REVENUE

Non-exchange revenue

Government grants

Exchange revenue

Filing fees - Statutory receivables (refer to Note 10.1)

Service fees

Sundry income

Proceeds from insurance

Investment income

Interest earned (refer to Note 10.2)

66 460 762	58 647 445
56 639 000	52 688 000
56 639 000	52 688 000
8 369 398	4 871 929
8 186 500	4 867 800
23 629	4 129
93 177	-
66 092	-
1 452 364	1 087 516
1 452 364	1 087 516

10.1 The filing fee (transaction amount) per debt re-arrangement matter brought before the Tribunal for adjudication has increased from R200 per case to R300 per case effective from 1 May 2019 (2019: R200). The increase in the filing fee of R300 per case was published by the Minister of Trade, Industry and Competition in Government Gazette No. 496 dated 29 March 2019. Also refer to Note 5.1.

10.2 Interest earned was higher due to the NCT receiving its full grant allocation in April 2019 while the grant was received in two instalments during April and October in previous years. This has resulted in more funds being available for investment than what was previously the case.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

	31 March 2020	31 March 2019
	R	R
11. ADMINISTRATIVE EXPENSES		
Advertising	37 690	42 962
Audit and Risk Committee members' remuneration	492 261	477 111
Bank charges	98 489	102 415
Computer expenses, ICT support and software licences (refer to Note 11.1) (Restated for 31 March 2019)	770 521	520 320
Entertainment, refreshments and staff welfare	106 758	159 062
Fraud hotline and whistle blowing	51 198	59 963
General expenses, gifts, flowers, first aid, cleaning costs, cutlery and crockery	26 598	61 272
HR Governance Committee members' remuneration	235 664	185 062
ICT Governance Committee members' remuneration	67 965	207 272
Internal audit fees and secretariat services	723 587	861 242
Legal and related fees	88 768	3 569
Membership fees, subscriptions, books and resource materials (refer to Note 11.2)	377 591	595 371
Printing, stationery and publications (refer to Note 11.3)	529 025	849 958
Security services	10 076	22 716
Storage costs, online backup services, mail archiving and disaster recovery	443 138	433 364
Training, bursaries and staff development (refer to Note 11.4)	455 739	926 319
Venues and facilities for workshops, conferences and meetings (refer to Note 11.5)	189 397	1 024 857
	4 704 465	6 532 835

Increases and decrease in administrative expenses

- 11.1 This expense item is higher mainly due to software licenses that are now procured on an annual basis. This has resulted in a reduction in the amortisation cost as most software are no longer capitalised and then amortised over a three year period. Also refer to Note 3.
- 11.2 A number of austerity measures were put in place from December 2019 in order to meet the critical operational expenses until the end of the financial year, whilst maintaining legislative compliance requirements. This was based on, inter alia, the fact that the budgeted amount of the salary increases was from 6% to 7% due to employee demands as a negotiated settlement at the Collective Bargaining Forum.
- 11.3 The decrease in this expense line is also due to the implementation of austerity measures. These costs were closely monitored and managed. Purchases were limited to essential items only.
- 11.4 The decrease in this expense line was again due to the implementation of austerity measures. From the third quarter of this financial year no new bursaries were approved. In addition, a significant portion of this variance is due to leadership training which the Executive Committee and the Management Committee members attended in the prior year that were not repeated in the current year.
- 11.5 This expense item is lower due to the implementation of cost saving measures and the discontinuing of motion courts, which were previously held country wide, from August 2018. This was due to the NCT identifying more efficient ways to manage the cases.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

12. OTHER OPERATING EXPENSES

	31 March 2020 R	31 March 2019 R
Amortisation (Restated for 31 March 2019) (Refer to Note 23)	523 958	513 392
Assets impaired	-	-
Assets written off	48 746	7 047
Consulting fees (refer to Note 12.1)	1 512 506	792 310
Courier costs, postage and stamps	124 379	173 420
Data costs and 3G connectivity	110 463	100 997
Depreciation	1 834 771	1 851 301
Insurance	272 759	288 034
Lease rentals on premises and parking	2 898 614	2 901 487
Recording, transcription, interpreters, witnesses and translation services	255 762	391 652
Rentals – Equipment and furniture	46 875	-
Repairs and maintenance (refer to Note 12.3)	10 704	49 179
Telephone, fax and fibre optic communications	480 158	341 302
Travel and accommodation (refer to Note 12.2)	1 398 667	4 119 578
Utilities – Water, electricity, rates and taxes	1 275 427	1 156 790
	10 793 789	12 686 489

Increases and decreases in other operating expenses

- 12.1 The increase in the spending relates to the fees charged by the consulting firm which is assisting the NCT with the support and the maintenance of the electronic case management system (CMS).
- 12.2 Travel and accommodation costs and courier costs decreased due to the implementation of the austerity measures to cut costs. The hearings of motion courts that should have been held in locations other than the NCT's offices and outside Gauteng were discontinued. Since motion courts outside the Centurion office were discontinued during the year less expenditure was incurred compared to the previous year. Also refer to Note 18.6.

12.3 Repairs and Maintenance

Furniture and fittings	250	1 609
Office equipment	1 699	25 502
Computer equipment	2 678	4 366
Leased assets	6 077	17 702
	10 704	49 179

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

13. AUDIT FEES

External audit fees

31 March 2020	31 March 2019
R	R
606 934	823 727
606 934	823 727

In previous financial years the external audit was conducted by the Auditor General of South Africa (AGSA). The AGSA has opted not to conduct the external audit of the NCT from the current year onwards. This process has caused a delay in the commencement of the audit by the newly appointed external auditors. As the NCT only accrues for audit fees to the extent that work was performed, the fees are lower than for the comparable period.

14. PART-TIME TRIBUNAL MEMBERS' FEES

	31 March 2020			31 March 2019		
	Members' fees, etc.	Travelling expenses	Total costs	Members' fees, etc.	Travelling expenses	Total costs
L Best (Deputy Chairperson)	490 893	5 739	496 632	437 512	13 630	451 142
BC Dumisa	559 974	17 496	577 470	698 625	22 607	721 232
PA Beck	624 868	5 843	630 711	704 275	5 465	709 740
X May	125 602	2 208	127 810	329 704	14 823	344 527
HFN Sephoti	(66 134)	-	(66 134)	12 560	-	12 560
T Woker	572 534	6 384	578 918	566 796	8 142	574 938
FK Manamela	503 453	16 093	519 546	598 303	30 716	629 019
DR Terblanche	592 421	13 147	605 568	670 922	26 987	697 909
FK Sibanda	177 936	202	178 138	399 637	6 744	406 381
TA Bailey	671 967	11 849	683 816	701 276	24 252	725 528
MC Peenze	640 307	6 142	646 449	701 952	16 653	718 605
NMD Nkomo	583 001	3 495	586 496	595 834	5 701	601 535
NS Maseti	216 663	3 470	220 133	264 810	6 479	271 289
K Moodaliyar	396 692	3 161	399 853	452 166	2 714	454 880
	6 090 177	95 229	6 185 406	7 134 372	184 913	7 319 285

14.1 Decrease in Part-Time Tribunal Members Costs

This can be attributed to a combination of factors. These being the screening of non-DRA matters prior to allocation to a Tribunal member and the grouping of matters were introduced where more matters were heard in one day by the same panel resulting in cost savings. In addition fulltime Tribunal Members were allocated more matters. Travelling expenses also decreased as motion courts were only held in Centurion whereas previously these were held country wide. Costs were contained due to the implementation of cost containment measures.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

15. EMPLOYEE-RELATED COSTS

	31 March 2020 R	31 March 2019 R
Senior management emoluments (refer to Note 15.1)	10 219 292	10 213 513
Fulltime Tribunal members' emoluments (refer to Note 15.2)	5 907 629	5 899 981
Other staff emoluments	19 125 420	17 191 683
Other staff leave paid	807 193	429 249
Other staff performance bonuses for previous performance period	3 437 073	2 181 185
Subtotal for payments made to permanent staff and interns	39 496 607	35 915 611
Student workers (Contingent pool of temporary employees)	-	151 832
Temporary staff emoluments	1 001 129	1 807 240
Employer's contribution to statutory levies (refer to Note a)	412 062	265 522
Movement in accrual for leave pay	(361 237)	424 649
Movement in provision for performance bonuses	(3 428 052)	(34 495)
Total for employee-related costs	37 120 509	38 530 359

a) Statutory levies

Workmen's Compensation Fund	302 962	157 784
Unemployment Insurance Fund (UIF)	109 100	107 738
Total statutory levies	412 062	265 522

15.1 Senior Management Emoluments

Executive Chairperson (JM Maseko)

Annual remuneration	2 118 650	2 091 037
Performance bonus for previous performance period	418 207	298 218
Leave paid out	49 308	115 053
Other fringe benefits	18 000	18 000
Total	2 604 165	2 522 308

Chief Operating Officer (M Bosch: Till 18 June 2019)

Annual remuneration	340 495	1 608 126
Performance bonus for previous performance period	319 213	290 376
Leave paid out	185 580	-
Other fringe benefits	3 135	15 000
Total	848 423	1 913 502

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

15. EMPLOYEE-RELATED COSTS (continued)

15.1 Senior Management Emoluments (continued)

Chief Operating Officer (NKD Lolwane: From 1 September 2019)

Annual remuneration

Other fringe benefits

Corporate Services Executive (NKD Lolwane: Till 31 August 2019)

Annual remuneration

Acting allowance (Chief Operating Officer from 18 May 2019 till 31 August 2019)

Performance bonus for previous performance period

Other fringe benefits

Chief Financial Officer (A Moolla)

Annual remuneration

Performance bonus for previous performance period

Leave paid out

Other fringe benefits

Chief Information Officer (BX Nomvete)

Annual remuneration

Performance bonus for previous performance period

Other fringe benefits

Registrar (LL Rabotapi)

Annual remuneration

Performance bonus for previous performance period

Leave paid out

Other fringe benefits

31 March 2020	31 March 2019
R	R
959 211	-
950 461	-
8 750	-
853 045	1 340 662
525 210	1 230 297
94 000	-
228 835	98 365
5 000	12 000
1 735 348	1 445 309
1 454 159	1 405 688
269 189	-
-	27 621
12 000	12 000
1 511 096	1 441 710
1 272 721	1 230 297
226 375	199 413
12 000	12 000
1 708 004	1 550 022
1 399 979	1 353 314
263 219	144 808
32 806	39 900
12 000	12 000

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

15. EMPLOYEE-RELATED COSTS (continued)

15.2 Fulltime Tribunal Members Emoluments

Fulltime Tribunal Member (HV Alwar)

Annual remuneration	
Performance bonus for previous performance period	
Leave paid out	
Other fringe benefits	

31 March 2020	31 March 2019
R	R

5 907 629	5 899 981
1 993 629	2 053 571
1 629 362	1 608 126
314 389	297 714
37 878	135 731
12 000	12 000

Fulltime Tribunal Member (JR Simpson)

Annual remuneration	
Performance bonus for previous performance period	
Leave paid out	
Other fringe benefits	

2 000 865	2 049 062
1 629 362	1 608 126
321 625	297 236
37 878	131 700
12 000	12 000

Fulltime Tribunal Member (LA Potwana)

Annual remuneration	
Performance bonus for previous performance period	
Other fringe benefits	

1 913 135	1 797 348
1 629 362	1 608 126
271 773	177 222
12 000	12 000

15.3 Expense Allowances Included under Travelling Costs

Executive Chairperson (JM Maseko)	
Fulltime Tribunal Member (HV Alwar)	
Fulltime Tribunal Member (JR Simpson)	
Fulltime Tribunal Member (LA Potwana)	
Chief Operating Officer (M Bosch)	
Chief Operating Officer (NKD Lolwane)	
Corporate Services Executive (NKD Lolwane)	
Chief Financial Officer (A Moolla)	
Chief Information Officer (BX Nomvete)	
Registrar (LL Rabotapi)	
Expense allowance paid to senior management	
Expense allowance paid to other staff	
Total expense allowance paid to employees	

27 013	28 857
1 158	17 488
900	35 686
38 555	27 806
1 922	15 690
2 325	-
2 606	4 355
-	4 702
8 312	1 275
440	56 336
83 231	192 195
16 355	151 297
99 586	343 492

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

31 March 2020	31 March 2019
R	R

15. EMPLOYEE-RELATED COSTS (continued)

15.4 Increase in Employee-Related Costs

The increase in employee-related costs can be attributed to a higher number of staff employed which on average was 62 employees in the 2018-19 financial year as compared to 53 in the previous year, this was due to an increase in the staff establishment and there were more vacancies in 2017-18 financial year. The additional fulltime member as well as the additional staff were necessary to achieve the mandate of the Tribunal. There was more leave paid out also according to the leave policy.

Senior Management and Tribunal Members: There was one additional Tribunal Member who was remunerated for 12 months versus 9 months in the previous financial year. At EXCO level there were two employees remunerated for 12 months versus 9 and 7 months in the previous financial year.

Other staff: There were six positions which were added to the organogram of which three were in middle management. These positions were filled in the current year and it had a significant increase on employee cost.

16. FINANCE COSTS

Finance leases

49 873	93 449
49 873	93 449

17. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES

Net surplus for the year

Adjusted for:

Amortisation

Depreciation

Assets written off

Finance costs – Finance leases

Movement in provisions – Employee related costs

Operating surplus before working capital changes

Changes in Working Capital

Decrease/(increase) in accounts receivable

Decrease/(Increase) in inventory

Increase/(Decrease) in accounts payable

Cash generated in operations

7 095 015	(7 153 786)
(970 704)	2 430 694
523 958	513 392
1 834 771	1 851 301
48 746	7 047
49 873	93 449
(3 428 052)	(34 495)
6 124 311	(4 723 092)
(1 509 168)	308 805
477 764	(559 697)
27 413	(11 752)
(2 014 345)	880 254
4 615 143	(4 414 287)

18. PRESENTATION OF BUDGET INFORMATION

The NCT prepares its annual budget primarily on an accrual basis. However, items such as depreciation, amortisation, loss on sale of assets, scrapping of assets, finance costs and accrual for leave pay are not budgeted for on the accrual basis. The actual amounts in the Statement of Comparison of Budget and Actual Amounts are therefore adjusted to be comparable with the final budget. Quantitative and qualitative material differences between the final budget and the comparable actual amount are disclosed in the notes below. The amount determined for materiality purposes is according to the materiality and significance framework as was published in the Strategic Plan. This amount was determined to be 0.60% of budgeted operational expenditure (which excludes capital expenditure) and which amounts to R391 456 for this financial year.

18.1 Income from Non-Exchange Transactions

This income comprises of the grant received from **the dtic**. Additional funding of R4.4 million was received from **the dtic** for the implementation of the National Credit Amendment Act (NCAA). The amount has been ring-fenced for expenditure related to the implementation of the NCAA only. A procurement process was initiated but it was not completed by 31 March 2020. Also refer to Note 18.8.

18.2 Roll-Over

At the time that the budget was prepared, the NCT anticipated to have funds available for roll-over from 2018/19 to 2019/20. The NCT however did not have any surplus funds available to be carried over from the previous financial year.

18.3 Income from Exchange Transactions

This income comprises mainly of filing fees received from filing parties for cases brought before the Tribunal. The Tribunal came in 55% over budget for 2019/20. The budget was prepared on the assumption that around 27 335 cases will be brought before the Tribunal at a filing fee of R200 per case but the NCT received 28 292 cases. The actual number of cases received were therefore 3.5% more than what was budgeted for and the filing fee per case was also increased by 50% from R200 to R300 per case effective from 1 May 2019.

18.4 Administrative Expenses

Administrative expenses are underspent due to the implementation of cost savings measures and efficiency gains. There were savings in the areas of computer expenses and software licences, printing, stationery and publications, and venues and facilities. Also refer to Note 11.

18.5 Other Operating Expenses

Other operating expenditure is also underspent due to the implementation of cost saving measures. There were savings in the areas of lease rentals on premises and parking, and on travel and accommodation. The savings in travel and accommodation is due to the motion courts not held in locations other than Centurion from August 2018 while those were still budgeted for through to this financial year. Also refer to Note 12.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

31 March
2020

R

31 March
2019

R

18. PRESENTATION OF BUDGET INFORMATION (continued)

18.6 Tribunal Members Costs

The budget for Tribunal members costs is based on the number of cases that are expected to be filed with the NCT and the number of days that will be required to adjudicated on those cases. The budget was prepared on the assumption that the number of cases to be adjudicated on per day would be more than what was actually doable. Also refer to Note 14.

18.7 Employee Related Costs

The budget was prepared on the assumption that the NCT will have a full staff complement. During this financial year the NCT did experience some vacancies in its staff structure, including vacancies at an executive level. Due to cash flow constraints, the filling of some positions were put on hold.

18.8 Capital Expenditure

As was indicated in Note 18.1 above, additional funding of R4.4 million was received from **the dtic** for the implementation of the National Credit Amendment Act (NCAA). A procurement process was initiated but it was not completed by 31 March 2020. These funds will form part of the request for the retention of surplus funds to be rolled over to the 2020/21 financial year. These funds will be used for the implementation of the NCCA.

19. COMMITMENTS

19.1 Operating Leases – Buildings

Lease payments under operating leases recognised in the surplus / (deficit) for the year

Future minimum lease payments

Payable within one year

Payable after one year

2 898 614

2 901 487

1 392 348

3 231 176

-

1 389 200

1 392 348

4 620 376

The operating lease relates to the Centurion office building situated at 272 West Avenue, Centurion. The lease agreement entered into is effective from 1 September 2014 and ends on 31 August 2020.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

31 March
2020

R

31 March
2019

R

19. COMMITMENTS (continued)

19.2 Operating Leases - Office Equipment

Lease payments under operating leases recognised in the surplus / (deficit) for the year

46 875

-

The operating leases for office equipment were purely incidental and relate to capitalised leases of photo copiers.

19.3 Finance Leases – Office Equipment

Refer to Note 7: Finance leases – Office equipment for commitments under finance lease agreements.

20. RELATED PARTIES

20.1 Transactions with Parent Department

Related parties are identified as being those parties that control or have significant influence over the NCT and those parties that are controlled or significantly influenced by the NCT. The NCT is a National Public Entity and falls under the control of **the dtic**. The transaction with **the dtic** is as follows:

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

20. RELATED PARTIES (continued)

Department of Trade, Industry and Competition (**the dtic**) – Grant received

20.2 Relationships and Related Party Transactions

20.2.1 Transactions with Public Entities

The NCT forms part of **the dtic** portfolio and the related entities are listed below. The NCT did not transact with all of **the dtic** group entities during the current year.

National Consumer Commission (NCC) – Sister entity within **the dtic** group of entities and part of COTII who refer matters to the NCT for adjudication in terms of the Consumer Protection Act.

National Credit Regulator (NCR) – Sister entity within **the dtic** group of entities and part of COTII who refer matters to the NCT for adjudication in terms of the National Credit Act.

Companies and Intellectual Property Commission (CIPC)

Companies Tribunal (CT)

National Empowerment Fund (NEF)

Export Credit Insurance Corporation of South Africa Limited (ECIC)

South African Bureau of Standards (SABS)

National Lotteries Commission (NLC)

National Gambling Board of South Africa (NGB)

South African National Accreditation System (SANAS)

National Metrology Institute of South Africa (NMISA)

National Regulator for Compulsory Specifications (NRCS)

20.2.2 Accounting Authority

JM Maseko (Executive Chairperson)

Aggregate remuneration

JM Maseko (Executive Chairperson)

Reimbursement of purchases

31 March 2020	31 March 2019
R	R
56 639 000	52 688 000
93 177	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
2 604 165	2 522 308
-	2 211

Note: Aggregate remuneration excludes expense allowances. Also refer to Note 15 for more detail.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020

31 March 2020	31 March 2019
R	R

20. RELATED PARTIES (continued)

20.2.3 Part-time Tribunal Members

L Best (Deputy Chairperson)	Aggregate fee for services rendered	496 632	451 142
BC Dumisa	Aggregate fee for services rendered	577 470	721 232
PA Beck	Aggregate fee for services rendered	630 711	709 740
X May	Aggregate fee for services rendered	127 810	344 527
HFN Sephoti	Aggregate fee for services rendered	(66 134)	12 560
T Woker	Aggregate fee for services rendered	578 918	574 938
FK Manamela	Aggregate fee for services rendered	519 546	629 019
DR Terblanche	Aggregate fee for services rendered	605 568	697 909
FK Sibanda	Aggregate fee for services rendered	178 138	406 381
TA Bailey	Aggregate fee for services rendered	683 816	725 528
MC Peenze	Aggregate fee for services rendered	646 449	718 605
NMD Nkomo	Aggregate fee for services rendered	586 496	601 535
NS Maseti	Aggregate fee for services rendered	220 133	271 289
K Moodaliyar	Aggregate fee for services rendered	399 853	454 880

Note: Aggregate fee for services rendered includes travelling expense. Also refer to Note 14 for more detail.

20.2.4 Fulltime Tribunal Members and key Management

HV Alwar (Fulltime Tribunal Member)	Aggregate remuneration	1 993 629	2 053 571
HV Alwar (Fulltime Tribunal Member)	Reimbursement of purchases	195	-
JR Simpson (Fulltime Tribunal Member)	Aggregate remuneration	2 000 865	2 049 062
JR Simpson (Fulltime Tribunal Member)	Reimbursement of purchases	984	5 578
LA Potwana (Fulltime Tribunal Member)	Aggregate remuneration	1 913 135	1 797 348
LA Potwana (Fulltime Tribunal Member)	Reimbursement of purchases	1 148	1 860
M Bosch (Chief Operating Officer)	Aggregate remuneration	848 423	1 913 502
M Bosch (Chief Operating Officer)	Reimbursement of purchases	-	110
NKD Lolwane (Chief Operating Officer and Corporate Services Executive)	Aggregate remuneration	1 812 256	1 340 662
NKD Lolwane (Chief Operating Officer and Corporate Services Executive)	Reimbursement of purchases	581	-
A Moolla (Chief Financial Officer)	Aggregate remuneration	1 735 348	1 445 309
BX Nomvete (Chief Information Officer)	Aggregate remuneration	1 511 096	1 441 710
BX Nomvete (Chief Information Officer)	Reimbursement of purchases	11 905	8 917
LL Rabotapi (Registrar)	Aggregate remuneration	1 708 004	1 550 022
LL Rabotapi (Registrar)	Reimbursement of purchases	-	12 349

Note: Aggregate remuneration excludes expense allowances. Also refer to Note 15 for more detail.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

20.3 Amounts included in trade receivables/(trade payables) regarding related parties

	31 March 2020 R	31 March 2019 R
DR Terblanche (Executive Chairperson and part-time Tribunal Member) (Fees and travelling expenses)	-	(135 390)
PA Beck (Part-time Tribunal Member) (Fees and travelling expenses)	-	(73 629)
L Best (Part-time Tribunal Member) (Fees and travelling expenses)	-	(56 535)
BC Dumisa (Part-time Tribunal Member and Acting Executive Chairperson) (Fees and travelling expenses)	-	(153 276)
FK Manamela (Part-time Tribunal Member) (Fees and travelling expenses)	(12 560)	(98 634)
X May (Part-time Tribunal Member) (Fees and travelling expenses)	-	(56 268)
HFN Sephoti (Part-time Tribunal Member) (Fees and travelling expenses)	-	(66 134)
FK Sibanda (Part-time Tribunal Member) (Fees and travelling expenses)	(8 576)	-
T Woker (Part-time Tribunal Member) (Fees and travelling expenses)	-	(60 941)
TA Bailey (Part-time Tribunal Member) (Fees and travelling expenses)	-	(114 574)
MC Peenze (Part-time Tribunal Member) (Fees and travelling expenses)	(31 709)	(37 969)
N Nkomo (Part-time Tribunal Member) (Fees and travelling expenses)	-	(105 551)
NS Maseti (Part-time Tribunal Member) (Fees and travelling expenses)	-	(51 746)
K Moodaliyar (Part-time Tribunal Member) (Fees and travelling expenses)	(266 721)	(69 586)

21. FINANCIAL INSTRUMENTS

21.1 Financial risk management

The NCT is exposed to the following risks from its use of financial instruments in its normal course of its business:

- Credit risk
- Liquidity risk
- Interest rate risk

This note presents information about the NCT's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout these financial statements.

The Accounting Authority and key Management have overall responsibility for the establishment and oversight of the NCT's risk management framework. The NCT's risk management policies are established to identify and analyse the risks faced by the NCT, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the NCT's activities. The NCT, through its training and management standards and procedures, aims to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

21. FINANCIAL INSTRUMENTS (continued)

Financial Assets at Fair Value

Trade and other receivables (refer to Note 5)

Cash and cash equivalents (refer to Note 6)

Financial Liabilities at Fair Value

Trade and other payables (refer to Note 8)

Accruals (refer to Note 8)

31 March 2020	31 March 2019
R	R

6 962 102	3 592 172
628 661	1 106 425
6 333 441	2 485 747
4 365 961	6 380 306
2 022 057	2 884 195
2 343 904	3 496 111

21.1.1 Liquidity Risk

Liquidity risk is the risk that the NCT will encounter if it experiences difficulty in raising funds to meet its commitments.

The NCT's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the NCT's reputation. The major portion of the surplus is carried as cash or cash equivalents.

The ageing of trade payables from exchange transactions at the reporting date is per the table below. The amounts disclosed are contractual cash flows.

At 31 March 2020

Finance leases (refer to Note 7)

Trade and other payables (refer to Note 8)

At 31 March 2019

Finance leases (refer to Note 7)

Trade and other payables (refer to Note 8)

Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
169 212	-	-
4 365 961	-	-
4 535 173	-	-
321 300	169 248	-
6 380 306	-	-
6 701 606	169 248	-

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

31 March 2020	31 March 2019
R	R

21. FINANCIAL INSTRUMENTS (continued)

21.1.2 Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates.

Balances exposed to interest rate risk

Cash and cash equivalents (refer to Note 6)

6 333 441	2 485 747
6 333 441	2 485 747

21.1.3 Credit Risk

Credit risk is the risk of a counterparty to a financial instrument defaulting on its obligation to the NCT, thereby causing financial loss. Receivable balances are monitored on an ongoing basis, resulting in exposure to bad debts being insignificant. Provision is made for doubtful debts when there is a significant risk that the debt might not be recovered. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position.

Financial assets exposed to credit risk at year-end were as follows:

Financial instrument

Trade and other receivables – Unrated

Cash and cash equivalents – BB rating (Standard and Poor's)

628 661	1 106 425
6 333 441	2 485 747
6 962 102	3 592 172

The following analysis provides information about the NCT's exposure to credit risk:

Credit quality of financial assets

Trade and other receivables neither past due nor impaired

Cash and cash equivalents neither past due nor impaired

628 661	1 106 425
6 333 441	2 485 747
6 962 102	3 592 172

21.2 Fair Values

The National Consumer Tribunal's financial instruments consist mainly of cash and cash equivalents, accounts receivable and accounts payable. No financial instruments were carried at an amount in excess of its fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

21.2.1 Cash and Cash Equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

31 March
2020

R

31 March
2019

R

21. FINANCIAL INSTRUMENTS (continued)

21.2.2 Accounts Receivable

The carrying amount of accounts receivable, net of allowance for bad debt, approximates fair value due to the relatively short-term maturity of these financial assets.

21.2.3 Accounts Payable

The carrying amount of trade payables approximates fair value due to the relatively short-term maturity of these financial liabilities.

22. CHANGE IN ACCOUNTING ESTIMATES

Impact of changes in accounting estimates

Decrease in net surplus

9 046

-

(Decrease) in property, plant and equipment

(9 046)

-

-

-

In the current financial year management re-assessed the remaining useful lives of Property, Plant and Equipment after evaluating the physical condition of these assets as well as other changes such as the ways in which these assets are used. The useful lives of Intangible Assets were also reviewed after evaluating the expected time that these assets will deliver value to the NCT. This has resulted in a changes being made to the residual value of Books by reducing it from 10% to 5%. The useful life of Other Computer Software was also changed from 3 years to 2 tot 3 years. During the previous financial year, no changes were made to the useful lives of any Property, Plant and Equipment as well as Intangible Assets. The effect of the revision of the residual value of Books has increased the depreciation charges for the current financial year and increased the depreciation charges for future periods by R9 046 (2019: RNil). There was no financial impact due to the change in the useful life of Other Computer Software. Also refer Note 2 and Note 3.

23. PRIOR PERIOD ERRORS

During the current year, management detected that internally generated computer software was put into use from 1 April 2018 already but no amortisation charge was recognised in the Statement of Financial Performance in terms of the accounting policy relating to intangible assets. This resulted in non-current assets being overstated by R288 781 as at 31 March 2019 while the net deficit for the year ended on 31 March 2019 was understated with R288 781. There was no impact on the Cash Flow Statement. Also refer to Note 3.

In addition to the above, management also detected that annual software licences amounting to R503 268 were capitalised and amortised over three years. An amount of R75 434 was recognised as a amortisation during the 2018/19 financial year instead of the portion relating to the 2018/19 financial year amounting to R309 952 being recognised as an expense in the Statement of Financial Performance and the balance of R193 316 being disclosed as a prepayment. This resulted in non-current assets being overstated by R427 834 and current assets being understated by R193 316 as at 31 March 2019 while the net deficit for the year ended on 31 March 2019 was understated by R309 952. This also had an impact on the Cash Flow Statement. Also refer to Note 3.

The line items affected by the correction of the errors indicated above can be summarised as follows:

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

Restated 31 March 2019	Correction 31 March 2019	Previously Reported 31 March 2019
R	R	R

23. PRIOR PERIOD ERRORS (continued)

STATEMENT OF FINANCIAL POSITION

Non-current assets	6 340 174	(716 616)	7 056 790
Intangible assets	1 813 182	(716 616)	2 529 798
Current assets	3 665 972	193 316	3 472 656
Trade and other receivables from exchange transactions	1 106 425	193 316	913 109
NET ASSETS	(231 993)	(523 300)	291 307
Accumulated surplus / (deficit)	(231 993)	(523 300)	291 307

STATEMENT OF FINANCIAL PERFORMANCE

Total expenses	65 707 782	523 300	65 184 482
Administrative expenses	6 532 835	309 953	6 222 882
Other operating expenses	12 686 489	213 347	12 473 142
Operating surplus / (deficit) for the year	(7 060 337)	(523 300)	(6 537 037)
Net surplus / (deficit) for the year	(7 153 786)	(523 300)	(6 630 486)

CASH FLOW STATEMENT

CASH FLOWS FROM OPERATING ACTIVITIES

Payments	(62 762 657)	(503 269)	(62 259 388)
Suppliers	(17 686 197)	(503 269)	(17 182 928)

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to intangible assets	(1 259 280)	503 269	(1 762 549)
	(263 268)	503 269	(766 537)

24. FRUITLESS AND WASTEFUL EXPENDITURE

Management has not identified any fruitless and wasteful expenditure in the years ended 31 March 2020 and 31 March 2019.

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

25. IRREGULAR EXPENDITURE

Management has not identified any irregular expenditure in the years ended 31 March 2020 and 31 March 2019.

26. EVENTS AFTER THE REPORTING DATE

Subsequent to year end and as a result of the COVID-19 pandemic, the grant allocation of the NCT for the 2020/21 financial year was reduced by R6.2 million. Management is not aware of any matters or circumstances as at the end of the financial year, not otherwise dealt with in the annual financial statements, that significantly affects the financial position of the NCT or the results of its operations. Also refer to Note 27.

27. GOING CONCERN

Management has carried out an assessment of the Tribunal's ability to continue operating as a going concern and concludes that the organisation will be able to continue as a going concern for the foreseeable future despite the reduction in the grant allocation of R6.2 million for the 2020/21 financial year. Also refer to Note 26.

28. STANDARDS OF GRAP EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

GRAP 108: Statutory Receivables

"The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables. It furthermore covers definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date."

29. STANDARDS OF GRAP ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these annual financial statements, the following accounting standards of Generally Recognised Accounting Principles (GRAP) and interpretations of GRAP standards were in issue, but not yet effective:

	Number	Future Impact for the NCT	Effective Date
Separate financial statements	GRAP 34	Not applicable to the NCT	01 April 2020
Consolidated financial statements	GRAP 35	Not applicable to the NCT	01 April 2020
Investments in associates and joint ventures	GRAP 36	Not applicable to the NCT	01 April 2020
Joint arrangements	GRAP 37	Not applicable to the NCT	01 April 2020
Disclosure of interests in other entities	GRAP 38	Not applicable to the NCT	01 April 2020
Living and non-living resources	GRAP 110	Not applicable to the NCT	01 April 2020
Applying the probability test on initial recognition revenue (amendments)	IGRAP 1	Applicable to the NCT	01 April 2020
Accounting for adjustments to revenue	IGRAP 20	Applicable to the NCT	01 April 2020

NATIONAL CONSUMER TRIBUNAL - ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements for the year ended 31 March 2020 (continued)

Applicable to the NCT

IGRAP 1: Applying the probability test on initial recognition revenue (amendments)

This Standard relates to how an entity applies the probability test on the initial recognition of revenue from exchange and non-exchange transactions. Where credit is extended and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently or when other factors impact the future economic benefits or service potential to the entity.

IGRAP 20: Accounting for adjustments to revenue

This Standard relates to adjustments to revenue already recognised in terms of legislation or similar means arise from the completion of an internal review process within the entity and/or the outcome of an external appeal or objection process undertaken in terms of legislation or similar means. Adjustments to revenue include any refunds that become payable as a result of a review, appeal or objection process. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process can either result in a change in accounting estimate, or a correction of an error.

Management believes that the adoption of these Standards in future periods will have no material impact on the financial statements of the NCT.

30. CONTINGENT LIABILITIES

At 31 March 2020 the NCT had an adjusted cash surplus of R2 596 141. In terms of the PFMA, all accumulated surplus funds at the reporting date may be forfeited to National Treasury.

There is a matter at the High Court where the Tribunal is taken on review. The financial impact of this matter is unclear at the reporting date.

31. CAPITAL COMMITMENTS

There were no commitments of a capital nature made.

32. TAXATION

The NCT is exempted from paying taxation in terms of Section 10 (1)(CA)(1) of the Income Tax Act, Act No. 58 of 1962.



ANNEXURE A: TRIBUNAL MEMBERS' RÉSUMÉS



Prof. Joseph Mandla Maseko

Qualifications: *PhD Management (UK); MPhil Labour Law (University of Johannesburg); LLB (UNISA); Advanced Diploma in Labour Law (Randse Afrikaanse Universiteit); Graduate Diploma in Company Direction (GIMT); Advanced Diploma in Management (SAIM); Diploma in Personnel Management (ICS); Certificate in O&M (RIPA – UK); Certificate in Psychometric Testing (Thomas International Europe Ltd); Certificate in Training of Trainers (IPM); Certificate in Debt Counselling (University of Pretoria); Certificate in Curriculum Design (Central Training Unit); Certificate in Management Development Programme (University of the Witwatersrand); Certificate in Law and Mediation (TPU); Certificate in Internal Auditing (UNISA). Prof. Maseko was admitted as an Advocate of the High Court in South Africa in 2017.*

Prof. Maseko continuously sets out to improve his skills set, as is attested to by his wide range of qualifications. However, protecting the rights of consumers remains a major passion and one of his key focus areas. In 2014, he was appointed by the United Nations Industrial Development Organisation (UNIDO) to draft, compile and present consumer protection legislation and regulations for Swaziland, (later known as eSwatini). The drafted Act and regulations were then left with the Swaziland Ministry of Commerce, Industry and Trade for parliamentary submission.

In March 2015, as well as in March 2018, Prof. Maseko also conducted training for Management and staff and other stakeholders of the Fair Trading Commission (FTC) of the Republic of Seychelles. The Training for both engagements took place within a week (per session) in Victoria, on Mahe Island).

Prof. Maseko was also invited to present training to the Competition and Consumer Tribunal of Botswana from 2 to 4 March 2020. The Training was organised by the Judicial Institute for Africa (JIFA), which is part of the University of Cape Town. Co-presenters were drawn from the United Kingdom and South Africa. This training was for the Tribunal Members of the Competition and Consumer Tribunal.

Prof. Maseko was a Part-Time Tribunal Member of the National Consumer Tribunal (NCT) from November 2011. He also served as a member of the Mpumalanga Consumer Affairs Court from 2009. In 2014, he was appointed Chairperson of that Court for a three-year term ending in 2018. He, however, exited that appointment early after assuming the Executive Chairperson position with the NCT from July 2017.

He is also the founder and 70% owner of Maseko Management Services CC, a consulting firm based in Mpumalanga and Gauteng. Prof. Maseko has previously served as a National Senior Commissioner of the Commission for Conciliation, Mediation and Arbitration (CCMA) in 1999 as well as a Part-Time Senior Commissioner between 1997 and 1998. While serving Part-time as the CCMA Senior Commissioner, he also conducted conciliations and arbitrations for the Public Sector Bargaining Councils (PSCBC, SSSBC, GPSSBC, PHSDSBC) and a few Private Sector Bargaining Councils and one Statutory Council).

While serving as a Part-Time Member of the Tribunal, Prof. Maseko also served as Chairperson of the Human Resources Governance Committee of the NCT. He has served as Chairperson for disciplinary hearings of the NHBRC (National Home Builders Registration Council), which considers offences by Home Building Contractors under the applicable Act since November 2015. He also served on the panel of mediators in the Land Reform Programme of the Department of Rural Development and Land Reform (DRDLR).

Prof. Maseko was appointed Executive Chairperson of the Tribunal from 1 July 2017 to date. Regarding Board appointments, Prof. Maseko has previously sat on boards of The Mpumalanga Development Corporation, the Mpumalanga Tourism and Parks Authority; the Songizwe Trust; the then National Botanical Institute (NBI), now called the South African National Botanical Institute (SANBI); and the Royal Swaziland Insurance Company.

Prof. Maseko has also held numerous executive management positions in academia, brewing; manufacturing, government, forestry, consulting with an audit firm, in South Africa, Swaziland and Botswana. He had a consulting stint on attachment in management consulting at the West Midlands County Council in Birmingham UK, while studying at Royal Institute of Public Administration (RIPA) of London in the UK.

Following his fulltime appointment to the NCT, Prof. Maseko has since resigned all his Board and Panel appointments to avoid any potential conflict of interests. He still volunteers, during his leisure, as an unpaid Director of a Non-Profit Organisation (NPO) called Children in Distress (CiD) based in White River, near Nelspruit. This NPO feeds and provides computer skills and financial and family support to orphans by pairing them with the destitute grandparents who have lost their own children to crime and the HIV and AIDS pandemic around the Greater Mbombela. This region stretches from White River to Hazyview and surrounding townships and villages. He has since the end of 2018 been appointed to serve on the Council of the Cape Peninsula University of Technology (CPUT) and also serves on three of its Committees.

Dr. Laura Best



Qualifications: *DPhil: Commerce – Business Management (Nelson Mandela University)*

Dr. Best is the Deputy Chairperson of the Tribunal. She is a member of the International Group of Experts on Consumer Protection at the United Nations Conference on Trade and Development (UNCTAD) in Geneva, where she also participates in the Research Partners Platform. She is an active contributor in the African Dialogue Network, which brings together consumer protection officials from a number of African countries, for open networked learning, engagement and discussion.

Dr. Best has been a panellist on international platforms, including the Consumers International Summit in Portugal; the ASEAN Regional forum on the Promotion of Sustainable Consumption in the Philippines; and the G20 Consumer Summit in Argentina. She was a member of the UNCTAD team that trained Judges and Consumer Protection Officials in Tanzania. She is an active researcher, publishing articles and offering presentations in the field of consumer protection with a particular focus on sustainability and the African consumer market. She is pursuing her self-development goal of learning to speak French.

Prof. Bonke Dumisa



Qualifications: *BCom (National University of Lesotho); BCom (Hons) (Unisa); MBA (Bentley University, USA); MSc (University of London, UK); Doctor of Business Administration (University of Durban-Westville); LLB (University of Zululand); LLM (University of KwaZulu-Natal)*

With his valuable combination of business and legal qualifications, Prof. Dumisa is now an ordinary Tribunal Member (on his third five-year term) having served as the NCT's Acting Executive Chairperson for eight months (November 2016 – June 2017), and as the NCT's Deputy Chairperson for 10 years (two consecutive five-year terms) since its inception in 2006. Prof. Dumisa is an Advocate of the High Court of South Africa and a former Professor of Management at the University of KwaZulu-Natal. Thanks to his sought-after leadership skills and business acumen, Prof. Dumisa serves or has served in a number of boards, including being a Non-Executive Director on the Interim Board of the Public Investment Corporation (PIC), Deputy Chairperson of the Board of KwaZulu-Natal Liquor Authority and is a former Deputy Chairperson of the Ethekewini Local Committee of the same KwaZulu-Natal Liquor Authority, a part-time Commissioner at the Broadcasting Complaints Commission of South Africa (BCCSA). He is the former Chief Executive Officer (CEO) of the Durban Chamber of Commerce and Industry, the former Chairperson of the KwaZulu-Natal Provincial Planning Commission, and a former member of the Council for Medical Schemes (CMS). He also served on the Council of the University of Zululand.



Ms. Diane Terblanche

Qualifications: *BA and LLB degrees, University of the Western Cape, LLM, University of Pennsylvania (USA)*

Diane was admitted as an attorney in April 1986. Passionate about the rights of consumers, she involved herself from 1991 to date in promoting consumer protection within and outside South Africa. Diane engaged as a lobbyist for consumer protection, was on the forefront of drafting consumer protection policies, laws and strategies for their effective implementation and took the lead in many instances in implementing and evaluating those policies, laws and plans. She currently practices under the name and style of Diane Terblanche Attorneys.

She is the founding member of ConsumerWeb, involved in the governance of consumer protection structures and consults on consumer protection within and outside South Africa. Diane has been the Executive Chairperson of the National Consumer Tribunal since its inception in 2006 until November 2016. Through Diane's dynamic and robust leadership skills, she established the National Consumer Tribunal as a trusted, independent adjudicative entity in South Africa.



Mr. Fungai Sibanda

Qualifications: *BCom and BCom (Hons) (Unisa); MSc Economics (Hull University, UK); Certificate in Competition Law (University of the Witwatersrand)*

Mr. Sibanda specialises in regulatory economics and competition policy matters and has held a number of senior positions at the Competition Commission, Department of Trade and Industry and the Independent Communications Authority of South Africa (ICASA). Among others, he was involved in the drafting of the Consumer Protection Act and its regulations as well as the regulations under the National Credit Act. He is a part-time regulator member of the National Energy Regulator of South Africa (NERSA) and a co-founder of Hekima Advisory.

The Wits Law School often invites Mr. Sibanda as a guest lecturer on Competition Economics from time to time.



Ms. Penelope Beck

Qualifications: *BA Law and LLB (University of the Western Cape); Certificate in the Financing of Local Infrastructure Initiatives (University of Cape Town/Royal Institute of Technology, Sweden)*

Ms. Beck was admitted as an attorney in 1992 and practices under the name and style of Beck-Paxton Attorneys. Her passion for consumer protection and human rights began in the NGO sector, when she was employed with the Legal Resources Centre; as Director of the Housing Consumer Protection Trust; and as Director of the National Advice Offices of the Black Sash. Over the past 28 years, Ms. Beck adjudicated disputes and applications as a Member of the Gauteng Rental Housing Tribunal, as Senior Classifier of the Film and Publication Board; and

as a Member of the National Lotteries Distribution Trust, Charities Committee. She is currently a Director of the Ombudsman for Banking Services, a member of the Audit and Finance Committee of the Ombudsman for Banking services, a Member of the Office of Disclosure of the Department of Human Settlements, an Adjudicator at the Community Schemes Ombud Service, an Associate member of INSITE, an organisation focusing on social and economic development of communities and a Director of One Climate Fund South Africa.



Mr. Xolela May

Qualifications: *Diploma in Business Management; MBA (in progress); NDip Law (University of Johannesburg); Diploma in Legal Studies (South African School of Law)*

With his in-depth knowledge of the Consumer Protection Act and regulations, Mr. May is a valued Tribunal Member who makes an active contribution to the enforcement of consumer rights. He is Vice- Chairperson of the Southern Cape Correctional Service Parole Board and is involved in a number of NGOs and CBOs.



Adv. Frans Kgolela Manamela

Qualifications: *B.Juris and LLB (University of the North)*

Adv. Manamela has been involved in consumer affairs since 1992 and was admitted as an advocate of the High Court in 1995. He played a key role in setting up the first Consumer Affairs Court in South Africa and was appointed as the first Consumer Protector for Gauteng in 1998. Adv. Manamela currently serves as the Chief Director of Consumer Affairs and Business Compliance in the Gauteng Department of Economic Development. He is also a visiting Lecturer at the University of the Witwatersrand's School of Law, offering Consumer Protection studies to Law students for free. He has presented papers on consumer protection in many conferences in South Africa, and also serves as a member of the National Consumer Protection Forum's Policy and Legislation Committee.



Adv. Neo Sephoti

Qualifications: *B.Juris and LLB (University of Bophuthatswana); Diploma in Alternative Dispute Resolution (Arbitration Foundation of Southern Africa)*

Adv. Sephoti loves working with people and making a difference in their lives. She is an advocate of the High Court of South Africa and is currently employed as the Head of Department at North-West Tourism which is part of the North-West Provincial Government. Adv. Sephoti is also a member of the Independent Commission for the Remuneration of Public Office Bearers and is Chairperson of the Audit and Risk Committee of the Performing Arts Council of the Free State.



Prof. Tanya Woker

Qualifications: *BA, LLB and LLM (University of Natal; PhD (Rhodes University))*

A professor of law and advocate of the High Court of South Africa, Prof. Woker takes a particular interest in consumer law. She served as the Vice-Chairperson and Chairperson of the Department of Trade and Industry's Consumer Affairs Committee. Prof. Woker is the author of a number of consumer law related articles and academic works.



Ms. Hazel Alwar

Qualifications: *B Soc Science Psychology and Industrial Psychology; B Soc Science (Hons) and currently completing an LLB.*

In her position as CEO, Ms. Alwar played a key role in the founding of the NCT with her hands-on work ethic. Prior to joining the founding team of the NCT, Ms. Alwar spent four years as the Head of Human Resources at the Competition Commission, after which she joined the Department of Trade and Industry as Director of Operational Management in the Corporate Regulation Division. Ms. Alwar is now a fulltime Tribunal Member, and her insight into the inner workings of the Tribunal is highly regarded. Ms. Alwar also served as an Appeals Tribunal Member at the Film and Publication Board and currently serves as a REMCO Member for SAMSA.



Adv. John Simpson

Qualifications: *B.Juris and LLB (Unisa)*

Adv. Simpson's career has seen him rise through the ranks of the legal system over a period of 10 years, from State Prosecutor in the Department of Justice to Magistrate and then being admitted as an advocate in private practice. His quest for renewed challenges led him to take on the positions of Manager and then General Manager for the Ombudsman for Banking Services where he served for a period of 11 years. This extensive experience positioned Adv. Simpson as a skilled legal consultant, in which position he has provided advice and guidance to companies on the Consumer Protection Act and assisted the NCT in the setting up of its case management systems. He has been with the National Consumer Tribunal since June 2013 as a fulltime tribunal member, adjudicating cases in terms of the National Credit Act and the Consumer Protection Act.



Mr. Andisa Potwana

Qualifications: *B.Juris & LLB (University of Transkei) and Certificate in Legislative Drafting & LLM (University of Pretoria)*

Admitted as an attorney in 2000, Mr. Potwana initially practiced law in a private law firm. His passion for civil and commercial litigation resulted in him being appointed as Project Manager: SMME Project by the University of Natal's Campus Law Clinic. In this role he lectured final year LLB students on forms of business enterprises, led an outreach project and represented businesses in commercial litigation. His civil litigation skills were further enhanced during his tenure as head of the Civil Litigation Unit at the Pietermaritzburg's Legal Aid Board's High Court Unit. His deep-seated interest for commercial law resulted in him joining the Competition Commission of South Africa as legal counsel where he was soon promoted to the position of Senior Legal Counsel. Later on, he spent almost eight years as Director: Consumer Law and Policy at the Department of Trade and Industry where, amongst others, he managed the drafting of the Consumer Protection Act 68 of 2008 regulations and was responsible for recommending the prescription of industry codes and the accreditation of ombuds schemes. During this time he also served on the board of the National Home Builders Registration Council for 5 years.



Ms. Nomfundo Maseti

Qualifications: *BA (Honours) (Economics); Post-graduate Diploma in Economics for Competition Law*

Ms. Maseti is currently a fulltime Regulator Member responsible for the economic regulation of the Gas Industry and has recently been appointed by the Minister of Energy to act as the fulltime Regulator Member responsible for Electricity Regulation until the position is filled. She also serves in the Petroleum Subcommittee that takes regulatory decisions on matters relating to Petroleum Pipelines Regulation at NERSA. She also serves a member at the National Consumer Tribunal which adjudicates on consumer protection matters.

Altogether, Ms. Maseti has 20 year experience in Competition Law Enforcement and Economic Regulation. She has held various positions at the Department of Trade and Industry, responsible for policy formulation and developing regulation and legislation around areas of: competition and consumer policy; corporate law; liquor gambling policies/legislation. She served seven years at the Competition Commission SA. She also serves at the economic regulator for telecommunication, ICASA, and she is currently working at the National Energy Regulator of South Africa since 2010 to date.



Ms. Maleho Nkomo

Qualifications: *BCom and Hon BCom (Economics) (University of South Africa), MCom (University of KwaZulu Natal), International Training Program on Utility Regulation and Strategy (University of Florida, USA)*

Ms. Nkomo has many years' experience of working in complex and highly regulated environments with special focus on consumer and public interest matters. She is currently the Deputy Chairman at the National Energy Regulator of South Africa, a member of the Regulating Committee on Meteorological Services, and a Dispute Panel Member of the National Intellectual Property Management Office. Previously, Ms. Nkomo was a member of the Water Tribunal, Deputy Chairperson of the Gauteng Rental Housing Tribunal, and Board member at both the National Credit Regulator and Cross-Border Road Transport Agency. She has acted as Deputy Commissioner and Chief Financial Officer at the Competition Commission. Ms. Nkomo also serves as a non-executive and independent Director of various Boards and audit committees in the private and public sectors.



Prof. Kasturi Moodaliyar

Qualifications: *B. Proc, LLB, LLM (Natal) MPHIL (Cambridge UK) Prog. Economics and the Public Finance (UNISA) Prog. Legislative Drafting (UP), Conflict Dynamics Accredited Mediator, CEDR (UK)*

Prof. Moodaliyar is an Associate Professor of Competition Law at the University of the Witwatersrand's School of Law and was appointed as a part-time tribunal member to the National Consumer Tribunal in 2017. Prior to her joining the Law School in February 2005, she worked at the Competition Commission in Pretoria. Prof. Moodaliyar graduated from the University of Natal with B.Proc, LLB and LLM degrees. She was admitted as an Attorney of the High Court of South Africa in 2000. Prof. Moodaliyar was awarded the Nelson Mandela Magdalene scholarship to read for her M Phil degree in criminological research at Cambridge University in 2001. In 2004, she completed the Programme in Economics and Public Finance at Unisa. In 2015, she completed the Programme in Legislative Drafting at the University of Pretoria.

She has published both nationally and internationally in the field of competition law. Her fields of interest include competition law, criminology, criminal law and telecommunications regulation. Prof. Moodaliyar has been recognized as one of the Best of the Best: Up and Coming Top Female Antitrust and Law Professors (2010) and made the list of the Mail & Guardian 200 Top Young South Africans (2012). She co-edited the book "Development of Competition Law and Economics in South Africa" (2012). Prof. Moodaliyar was nominated as one of the world's 40 in their 40s Notable Women Competition Professionals (2019).

Prof. Moodaliyar served a term at the Film and Publication Board as an Appeal Tribunal Member from 2011 until 2016. She also served a term as a Tribunal member at the Companies Tribunal. She is also an adjudicating member of ICASA's Complaints and Compliance Commission, where she deals with several matters in the ICT sector including cases on licensing and broadcasting and telecommunications regulation. In addition to being a member of the National Consumer Tribunal, Prof. Moodaliyar is also a member of the .ZADNA board and is an accredited mediator.



Dr. Adv. Maria Peenze

Qualifications: *B.Iuris (cum laude), LLB (cum laude), LLM: Human Rights (cum laude) (University of the Free State); Doctor Technologiae: Business Administration (Central University of Technology); Africa Directors Programme (University of Stellenbosch Business School).*

Dr. Adv. Maria Peenze is a practising Advocate of the Supreme Court of South Africa since 1994. She started her career in the Bloemfontein Bar of Associates and specialised in human rights ever since. She occupied various executive positions over her career, including Executive Director: Organisational Administration at the Central University of Technology (CTU, FS), Head of Legal Services at the Social Security Agency of South Africa, Deputy Director-General at the National Department of Transport for a period of eight years and the Chief Executive Officer of the Public Protector of South Africa until May 2016.

Dr. Adv. Peenze is presently practising as a risk and governance specialist, holding various board and governance appointments in both the private and public sector, also serving as the Ombudsman of UNISA and member of the International Advisory Board of the Association of Certified Fraud Examiners.



Mr. Trevor Bailey

Qualifications: BA, LLB (University of KwaZulu-Natal); LLM (University of Notre Dame - USA [cum laude]); Accredited mediator (Centre for Effective Dispute Resolution - UK); Programme in Legislative Drafting (University of Pretoria [with distinction])

Trevor is a Fulbright scholar and has practised as an attorney, mediator and arbitrator for many years. Trevor is a part-time CCMA commissioner adjudicator for the Community Schemes Ombud Service, and a court-annexed, commercial, labour, community, and environmental mediator.

Trevor has served as an acting judge in the Labour Court and an additional member of the Industrial Court. He has also served as a mediator and arbitrator for a range of bargaining councils in the local government, public service, road freight and Transnet spheres. Trevor has chaired the disciplinary committees of the National Home Builders Registration Council and the Council for the Built Environment.

Trevor has chaired the Gauteng Consumer Affairs Court, Gauteng Rental Housing Tribunal, and Gauteng Heritage Resources Appeal Tribunal. He has also been a member of the Independent Electoral Commission Tribunal and Gauteng Landlord Tenant Dispute Resolution Board.

Trevor's regulatory law practice has resulted in Trevor having been the Chairperson of the Board of the National Credit Regulator, Deputy Chairperson of the Council for Medical Schemes and a member of the Boards of the Community Schemes Ombud Service and Cross-Border Road Transport Agency.

Trevor is an accredited trainer and has trained in the employment, consumer, housing and medico-legal sectors. Trevor delivers occasional lectures to postgraduate students, government officials and local government councillors at the University of the Witwatersrand. Trevor has appeared on national radio and television.



**ANNEXURE B:
GOVERNANCE
COMMITTEE
MEMBERS'
RÉSUMÉS**

AUDIT AND RISK COMMITTEE

Mr. Thomas Kgokolo



Qualifications: CA (SA), MBA

Mr. Thomas Kgokolo CA (SA) is the founder of FinEquity Advisory, a company that specialises in business valuations, investment management and business strategy. Mr. Kgokolo is a Chartered Accountant and holds an MBA from the Gordon Institute of Business Sciences where he currently lectures corporate finance.

He is the Chairperson of the Board at the Mineworkers Provident Fund (MWPF), a position that requires him to look after R28 billion assets under management. Moreover, he serves as a non-executive director at Sizwe Medical Fund and Air Traffic Navigation Service SOC. In addition, he is an Audit Committee member at the Financial Intelligent Centre and, lastly, serves as Chairperson of the Audit Committee at the National Consumer Tribunal.

In the past, Mr. Kgokolo was nominated for various awards such as the, Top Chartered Accountant under 35, the Top Outstanding Young Leader under 40 by Destiny Man Magazine.

Mr. Tshepo Mofokeng



Qualifications: BCom BAcc (University of the Witwatersrand), CIA, CA (SA)

Tshepo has over 19 years' experience in auditing, risk management, financial management, financial reporting and corporate governance. Tshepo has led and managed audits for private companies, NGOs, government departments, state-owned entities and municipalities. He was involved with the task team that drafted the Internal Audit Framework in the Public Service. He has advised boards, audit committees and executive management on controls, financial management, governance, performance information and risk management. He has presented at various internal audit and governance forums across the country.

Tshepo is currently Chairperson of both the National Radioactive Waste Disposal Institute and the Audit Committee of the Department of Home Affairs. He is the Deputy Chairperson of the Board of the Institute of Internal Auditors.

Previously, he served as Audit Committee Chairperson of Litsamaiso (A Rea Vaya transport company in Johannesburg), Deputy Chairperson on the Board of the National Nuclear Regulator (NNR), Chairperson of the Audit and Risk Committee (ARMCOM). He also served on the audit committees of the Railway Safety Regulator (RSR), the National Regulator for Compulsory Specifications, (NRCS), the Department of Energy (DoE), the National Department of Health, and the Department of Communications (DoC).

Tshepo is a Director at PKNT Risk and Governance, a company that specialises in risk management and governance consulting. He was a partner and director for internal audit, governance and risk management at two medium sized audit and consulting firms. He established the internal audit service and the marketing department of one of the medium sized firms. He was Chief Audit Executive at the Department of Minerals and Energy. As director responsible for internal audit and a member of the executive committee, he led the transformation of the internal audit unit by reengineering the processes, reprioritisation of resources and capacitating the unit. He is credited as a change agent in this sphere.



Mr. Suleman Badat

Qualifications: BACC (SA)

Mr. Suleman Badat CA (SA) is a governance consultant and an independent non-executive director. Mr. Badat is a Chartered Accountant.

He serves as a non-executive director on the Boards of Air Traffic Navigation Services SOC Ltd and Umgeni Water. He also serves as a member on the Audit & Risk committee of Marine Living Resources Fund and National Regulator for Compulsory Specifications.



Ms. Rudzani Rasikhinya

Qualifications: CA (SA)

Rudzani Rasikhinya is a well-rounded Chartered Accountant (CA) SA with solid experience at senior management level in both public and private sectors. She is the Managing Director of Rudkor Consulting Services (Pty) Ltd. She served as the Chief Financial Officer and Executive Director at the State Information Technology Agency (SITA) until 30 September 2018. Prior to this, she was the CFO of SENTECH and the Department of Home Affairs. She also worked for the National Treasury as Chief Director Accounting Support and Reporting where she was responsible for consolidation of the whole of government accounts. She has more than 19 years of working experience. She has extensive knowledge in the IFRS, PFMA, MFMA and Corporate Governance.

She is a Board member of CHAPS, Phiriphi Educational Foundation NPO. She previously served as Board member of the Accounting Standard Board and Institute of Internal Auditors South Africa, alternate board member for Government Employees Pension Fund and The Independent Regulatory Board for Auditors.

ICT GOVERNANCE COMMITTEE



Dr. Pritish Dala

Qualifications: PhD (Information Technology), Masters (Information Technology) and BSc Hons (Computer Science), Bachelor of Information Technology, Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001 (LA ISO 27001), Certified in the Governance of Enterprise Information Technology (CGEIT), Certified in Risk and Information Systems Control (CRISC), Certified Ethical Hacker (CEH) and Computer Hacking Forensic Investigator (CHFI).

Dr. Dala is an experienced and skilled independent Non-Executive Director who serves on several Boards, Audit, Risk and ICT Committees providing audit, risk, governance, information security, privacy and ICT expertise. He has over 16 years' experience across several industry verticals, which includes an array of local and international client engagements within a Big 4 professional services environment, regulatory firm and a number of public and private sector organisations. Dr. Dala currently serves as the Chairperson of the IT Governance Committee of the National Consumer Tribunal.



Ms. Vuyokazi Menye

Qualifications: *BSc (Computer Science)(University of the Western Cape), Diploma in IT Project Management (Executive Education), CobIT (Forster Mellier), ITIL (Forster Mellier) and International investment program (Fordham University (New York))*

Ms. Menye is a member of the Robben Island Museum Council, the Ditsong Museums Council and the Audit Committee of South African Human Rights Commission (SAHRC). She is also a member of the South African Heritage Resources Agency, where she serves as Chairperson of the Audit and Risk Committee. Ms. Menye obtained invaluable experience from the following entities and held respective executive positions, including, amongst others, the Public Investment Corporation where she held the position of Executive Head: IT, the Road Accident Fund where she served as Chief Information Officer; Mpact Limited serving as Group Chief Information Officer and Armscor where she held a similar position of Chief Information Officer. She is currently a Group Chief Information Officer at National Housing Finance Corporation.

HR GOVERNANCE COMMITTEE



Mr. Tlhotse E Motswaledi

Qualifications: *MBL; M.Sc (Psych); M.Dip (HRM); B.Sc (Hons)(Psych)*
Professional Memberships: *PMSA; IBASA; IoDSA; SACNA*

Mr. Motswaledi completed an intense Programme in Project Management & Leadership (PML) at the University of Massachusetts, Amherst (USA) and is trained in Architectural Draughtsmanship & Construction Management. He uses the exposure, knowledge, skill and experience in Programme and Project Management classes he facilitates at universities and in Boards, where relevant. His interest in Neuropsychology, Neuroscience and Psychophysiology having studied Psychology to M.Sc level, remains alive.

He has facilitated Management training across many disciplines, e.g. Strategic & Operations Management; Programme & Project Management; Leadership & Organisational Development; Policy Management; Strategic HR Management; Health Management, Research Methodologies & Statistics. These were motivated by various positions he held in the past, i.e. Executive Director (HRM) in a Tertiary Education/Hospital Complex; Head of Corporate Services in a Skills Development Enterprise, Senior Management Consultant and an Academic & Business Development Manager in Private Higher Education Institutions.

Mr. Motswaledi has over 25 years as an academic teaching at different levels, including the Wits School of Governance (WSG); Wits Business School (WBS); UNISA School of Business Leadership (SBL); UNISA Centre for Business Management (CBM); Tshwane University of Technology (TUT) and at MEDUNSA (now Sefako Makgatho Health Sciences University). He also served as an Associate Academic in non-facilitation roles at different institutions of higher learning. His PhD is on hold as he explores Public-Private Partnerships and related ICT projects within a health referral system, with a view to proposing an alternative model(s) for efficiencies and effectiveness.

Mr. Motswaledi is functionally acquainted with the King Reports on Corporate Governance, the Finance Management Acts in the public sector, the Companies Act and other relevant legislation that drive a number of sectors in the South African environment. To complement years of experience, he has concluded six of seven IoDSA (Institute of Directors) training parts with the view to preparing for a Certified or Chartered director designation. He served the Gauteng Department of Health as the Board Chairperson of Pretoria West Hospital (2009-2015) and currently serves in the Board of Steve Biko Academic Hospital (2019-2022). Further to these roles, he serves the National Department of Public Works & Infrastructure at one of its entities, viz. the Independent Development Trust (IDT). At the IDT and at different periods, he was the Deputy Chairperson of the Board, member of the Board Executive Committee, Chairperson: HR & Corporate Services Committee (overseeing the environments: Legal, Human Capital, ICT), Chairperson: Board Bid Adjudication Committee, Chairperson: Strategy & Programmes and Chairperson: Litigations Task Team. In lieu of recent political changes in the country, he is currently the Interim Chairperson of the IDT Board. To conclude, he serves the National Consumer Tribunal as Chairperson of the HR and Corporate Governance as well as being a Community Representative in the HPCSA Board: Radiography & Clinical Technology.



Ms. Nomkhita Mona

Qualifications: MBA (Rhodes), Masters in Labour Relations & Human Resources (UPE), Honours, Industrial Relations (UPE), BA Psychology & Sociology (UPE)

Nomkhita Mona is the Chief Executive Officer of the Nelson Mandela Bay Business Chamber. Previously, she was Group CEO of the South African Forestry Company Ltd (SAFCOL). Other top positions she has held include CEO of The UDDI, Associate Consultant for an International Consulting company, CEO of Inkezo Land Company in Durban and CEO of the Eastern Cape Tourism Board. Prior to this, she was the Registrar of the CCMA in Mpumalanga. She also served as a Commissioner of the Eastern Cape Planning Commission (ECPC).

Nomkhita Mona was the first Black woman to be appointed to the board of Goodyear Tyre and Rubber Holdings SA. She currently serves as the Chairperson of the Eastern Cape Parks and Tourism Agency, on the boards of the Wilderness Foundation (SA), where she is also a trustee, is a Member of NCT (HR Governance Committee), NMU Business School Advisory Board, NMU eNtsa Board and Board of the Eastern Cape Socio Economic Consultative Council.



**ANNEXURE C:
EXECUTIVE
COMMITTEE
MEMBERS'
RÉSUMÉ**



Adv. Nelson Lolwane

Chief Operational Officer

Qualifications: BA (Majoring in Law and Political Science), LLB; (H. Dip. Company Law) (University of the Witwatersrand).

Adv. Lolwane was the Legal Advisor at Transnet Limited, General Manager at Magalies Water, Chief Legal Counsel at the Competition Commission and Associate Director at Ernst & Young (SA) among others, before embarking on regulatory and compliance consulting business. He joined the NCT in October 2017 as the Corporate Services Executive. In September 2019, he was appointed Chief Operating Officer for the National Consumer Tribunal. In addition, he is a member of the Southern African Institute of Directors, Southern Africa; the Institute of Commercial Forensic Practitioners and a member of the Legal Practice Council of South Africa.



Mr. Ahmed Moolla

Chief Financial Officer

Qualifications: B.Com (Rau) B.Com (Hons) (Unisa) RGA

Mr. Moolla is registered with the South African Institute of Government Auditors as a Registered Government Auditor. He has an extensive background in regularity audit in government. He was a Senior Manager for a period of six years at the Auditor General of SA. Mr. Moolla attends the Audit and Risk Committee in his official capacity. He is an EXCO member.



Mr. Bax Nomvete

Chief Information Officer

Qualifications: Higher National Diploma in Computer Science (University of Hertfordshire (UK) Investment Management Diploma (Rand Afrikaans University)

Mr. Nomvete has obtained his qualifications both locally and abroad. During the first part of his career he worked for 15 years in the ICT industry in the United Kingdom. On returning to South Africa he was employed in senior and executive ICT positions for periods of time at Transnet Limited, Sanlam, Old Mutual, Saicom Payphones, and the National Credit Regulator before joining the NCT in 2013 as ICT Manager. He is now the NCT Chief Information Officer and a member of EXCO as well as the ICT Governance and ICT Steering Committees.



Mr. Lucky Rabotapi

Registrar

Qualifications: *BA (Majoring in Law, International Relations and Sociology) and LLB (University of the Witwatersrand); Diploma in Alternative Dispute Resolution (Arbitration Foundation of South Africa (AFSA) with the University of Pretoria)*

Mr. Rabotapi is an admitted attorney of the High Court with vast experience in Consumer Protection. After completing his articles, he practised as a Professional Assistant in a medium size law firm before joining the Office of Consumer Protection (OCP) in the Consumer and Corporate Regulations Division (CCRD) within the Department of Trade and Industry as an Assistant Director in May 2005. He was promoted to the position of a Deputy Director responsible for Alternative Dispute Resolution in January 2006. In 2009, he joined the KwaZulu-Natal Consumer Protection Services as a Consumer Protector. In 2015, he joined the Community Schemes Ombud Services as an Ombudsman responsible for KwaZulu-Natal, Free State and Mpumalanga provinces. He was appointed as a part-time Tribunal member in July 2017 and joined the Tribunal fulltime in September 2017 as the Registrar. Mr. Rabotapi is member of EXCO and also serves in the ICT Steering Committee.



Mr. Willem Strauss

Acting: Chief Financial Officer

Qualifications: *B Proc (University of the Free State) B Compt (University of the Free State) CTA (University of the Free State) B Compt Honours (University of the Free State), LLM (Tax Law) (University of Cape Town) MBA (Bond University SA Campus (Distintion))*

Mr. Strauss not only completed his studies of law, but also qualified as a Chartered Accountant. He was also a parttime lecturer at the University of the Free State and had a lengthy tenure at the Auditor-General of South Africa first as Audit Manager and then as Senior Manager before he joined the NCT from September 2011 till July 2017 as Chief Financial Officer. He was a member of the NCT Audit and Risk Committee from September 2017 till February 2019 and is now a acting member of EXCO.

GLOSSARY OF TERMS

Complete Filing

A 'Complete' filing refers to a filed application where all the filing requirements were met as set out in Table 2 of the Rules for the Conduct of Matters before the National Consumer Tribunal published under GN789 in GG30225 of 28 August 2007 as amended by GenN428 in GG34405 of 29 June 2011.

Debt Re-arrangement Application

An application in terms of section 138 of the NCA is an application for an order confirming a settlement reached as a consent order of the Tribunal after a matter has been resolved through an ombud with jurisdiction, a consumer court or an alternative dispute resolution agent, or after an investigation by the NCR or/and if the NCR and the Respondent agree to the terms of the proposed order. In accordance with the provisions of section 86 of the NCA, debt counsellors use the provisions of Section 138 to apply for confirmation of a DRA as a consent order of the Tribunal. In considering whether to make the DRA an (consent) order of the Tribunal, the Tribunal considers all aspects relating to the legality of the agreement. Amongst others, interest rates agreed upon and other factors such as affordability.

Directive

A directive is an instruction from a Tribunal member to the parties requesting that further documents be filed in support of an application or to clarify an issue with regards to an application filed.

Non-Debt Re-arrangement

A non-debt re-arrangement matter is an application or referral filed with the Tribunal, other than a debt re-arrangement matter. All other filings permitted to be made to the NCT are accordingly grouped under this classification.

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Notes

This image shows a full page of white paper with horizontal blue ruling lines. At the bottom of the page, there is a decorative border. This border consists of a solid light beige background with a repeating pattern of darker beige interlocking diamond shapes. A thin, wavy line separates the ruled area from the decorative border at approximately one-third of the way down the page.

This image shows a full page of white paper with horizontal blue ruling lines. The bottom third of the page is decorated with a light beige, repeating geometric pattern resembling a quilt or diamond design. A thin, curved line separates the ruled area from the patterned section.

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national consumer tribunal

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