



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA



BRIEFING TO THE PARLIAMENT PORTFOLIO COMMITTEE ON TRADE, INDUSTRY AND COMPETITION

NATIONAL CONSUMER COMMISSION

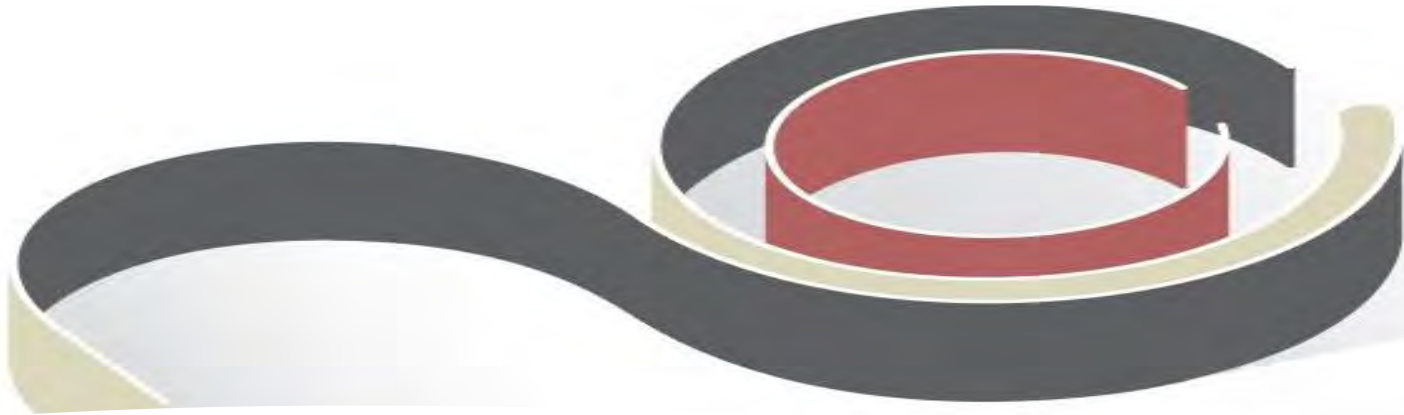
ANNUAL REPORT 2021/22

1st QUARTER REPORT 2022/23

23 NOVEMBER 2022

Ms. THEZI MABUZA

ACTING COMMISSIONER



DELEGATION

Ms. Thezi Mabuza – Acting Commissioner

Ms. Phillipine Moshidi – Chief Financial Officer

Mr. Joseph Selolo - Company Secretary

OUTLINE

A. ANNUAL REPORT

1. Regulatory Context
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ANNUAL REPORT



NATIONAL CONSUMER COMMISSION

a member of the dtic group

REGULATORY CONTEXT



REGULATORY CONTEXT

1. The NCC is established in terms of Section 85 of the Consumer Protection Act (CPA) with the core mandate of enforcing the CPA.
2. The CPA seeks to promote a fair, accessible, and sustainable marketplace for consumer products and services and to establish national norms and standards relating to consumer protection.
3. The CPA provides for improved standards of consumer information, prohibits certain unfair marketing and business practices, promotes responsible consumer behaviour and promotes a consistent legislative and enforcement framework relating to consumer transactions and agreements;
4. The NCC has concurrent jurisdiction on consumer protection matters with the provincial consumer affairs offices.
5. The NCC recommends for accreditation by Minister, the alternate dispute resolution agents in terms of section 82 of the CPA and thereafter, monitors their efficacy.



VISION, MISSION, AND IMPACT STATEMENT

1. Vision

“To be that national consumer protection regulatory authority that is proactive and responsive to ensure effective consumer protection.”

2. Mission

"To be that institution which tackles unfair business practice, promotes compliance and ensures redress by enforcing the law through advocacy, prosecutions, investigations, coordinating efforts with other institutions and at all times continuously educate consumers, continuously educate ourselves through relevant research, and being seen to be fair".

3. Impact statement

Accessible, fair, safe and sustainable markets for consumer goods and services



STRATEGIC OBJECTIVES/ OUTCOMES

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OUTCOME 1: TO PROMOTE ACCESSIBLE CONSUMER PROTECTION

- Ensures consumer protection and consumer safety through the facilitation of an environment that enables the resolution of disputes between consumers and suppliers in an expedient, cost-effective, fair and transparent manner.

- The main functions/ activities are to:
 - a) Regularly monitor accredited ombud schemes;
 - b) Conduct business compliance initiatives;
 - c) Conduct consumer awareness initiatives;
 - d) Issue explanatory notes and /or non-binding opinions on the interpretation of provisions of the CPA.



OUTCOME 2 AND 3

OUTCOME 2: TO PROMOTE A FAIR MARKETPLACE

- Ensures compliance with the CPA as well as influencing reform of business practices that are inconsistent therewith.
- The main functions/ activities are to:
 - a) Conduct investigations
 - b) Take further enforcement action against non-compliant suppliers

OUTCOME 3: TO PROMOTE THE SUPPLY OF SAFE GOODS TO CONSUMERS

- Ensures that consumers receive and consume safe goods
- The main function is to administer and monitor product recalls to ensure that unsafe products are removed from the market.



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KEY HIGHLIGHTS



PRODUCT RECALLS

85 product recalls were administered:

- a) **55** were motor vehicles, **14** were foodstuffs, **10** were medical devices, **3** were toys or kids' devices, **2** were clothing & accessories, and **1** was a household device.
- b) The percentage expression of the recalls is **64.70%** for motor vehicles, **16.47%** for foodstuffs, **11.76%** for medical devices, **3.53%** for toys or kids' devices, **2.35%** for clothing & accessories, and **1.18%** for household devices.
- c) The foodstuffs required immediate attention to mitigate the imminent risks associated with their consumption, and as such, the priority was on the recalls of:
 - i. Similac (baby formula) as a result of the presence of salmonella;
 - ii. McCain's Frozen Green beans due to the presence of glass particles; and
 - iii. Apple Juice as the juice contained elevated levels of Mycotoxin Patulin.



ENFORCEMENT ACTION

- 1) 166 cases were taken for further enforcement against non-compliant suppliers and resulted into:
 - a) Redress to consumers to the amount of R5 010 099.21.
 - b) Administrative fines to the value of R350 000.00.
- 2) The NCC, in collaboration with the South African Police Services, the National Prosecuting Authority and other law enforcement agencies, investigated two pyramid schemes. This collaboration resulted in the preservation orders of **R9 375 619.56**.
- 3) Non-compliant clothing, textiles, footwear and leather goods, with a declared customs value of **R21,182,622.78**, were destroyed or returned to the country of origin. The re-exportation back to the country of origin or destruction prevents the proliferation of non-compliant goods into the South African market and thus contributes to the preservation of South African companies and jobs in the clothing, textiles, footwear, and leather goods manufacturing sector.



MEDIA ENGAGEMENT AND COMMUNICATION

1. Enjoyed good media coverage with a positive tone and improved on its strides to reach consumers and provide information through community radio stations and online platforms.
2. The engagement resulted in:
 - **195** radio interviews (national, regional and community stations),
 - **28** TV interviews,
 - **156** online news clips (local, regional and national),
 - **78** print media coverage (community, regional and national newspapers articles),
 - **254** sound bites for national, regional and community radio stations.
3. Topics of interest were Liqui-Fruit and Ceres Apple Juice recall, an investigation into the conduct of Elgine, an investigation into the conduct of Grandisync, NCT's judgement on NCC vs Cape Town boats, Coca-Cola Appletiser recall, Similac Alimentum recall, McCain recall, and World Consumer Rights Day.



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KEY ACHIEVEMENT AGAINST TARGETS



**NCC fully met 100% (7 out of 7)
of its target**

OUTCOME 1: TO PROMOTE ACCESSIBLE CONSUMER PROTECTION

PERFORMANCE INDICATOR & TARGET	ACHIEVEMENT	REASONS FOR VARIANCE
1. Submit assessment reports (one per quarter on each accredited Ombud Scheme) to the Commissioner for approval	Achieved Assessment reports (One per quarter on each accredited Ombuds) on CGSO and MIOSA, being accredited Ombuds were drafted and approved by the Commissioner.	None
2. 15 Business compliance Initiatives conducted	Achieved 18 Business compliance Initiatives conducted	Target exceeded by 3 additional Business that were conducted in Q4 as the NCC celebrated World Consumer Rights Day on 15 March 2022.
3. 32 consumer awareness initiatives conducted	Achieved Achieved 43 Consumer Awareness initiatives conducted	Target exceeded by 11 additional consumer awareness because the NCC intensified the use of technology to reach consumers.
4. 95 % of registered requests for explanatory notes and /or non-binding opinions provided within an average of 7 days	Achieved 100% (i.e. 369 out of 369) of registered requests for explanatory notes and /or non- binding opinions were provided within an average of 5.6 days	Target exceeded by 5% because the mentoring, coaching and efficient use of newly recruited staff and interns led to increased performance.



OUTCOME 2 AND 3

PERFORMANCE INDICATOR & TARGET	ACHIEVEMENT	REASONS FOR VARIANCE
OUTCOME 2: TO PROMOTE A FAIR MARKETPLACE		
5. 80% of approved investigations conducted. Reports with recommendations produced in 102 days.	Achieved: 94.71% (412 of 435) of approved investigations conducted and reports produced in 101.86 days.	Target exceed by 14,71% due to the mentoring, coaching and efficient use of newly recruited staff and interns led to increased performance.
6. Further enforcement action taken against non-compliant suppliers in 90 % of approved matters.	Achieved 100% (166 out of 166) of further enforcement action taken against non-compliant suppliers in 90 % of approved matters within 45 days of approval	Target exceed by 10% due to the mentoring, coaching and efficient use of newly recruited staff and interns led to increased performance.
OUTCOME 3: TO PROMOTE THE SUPPLY OF SAFE GOODS TO CONSUMERS		
7. Produce quarterly reports on the administration and monitoring of product recalls	Achieved 4 quarterly reports on the administration and monitoring of product recalls produced	None



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JOINT KEY PERFORMANCE INDICATORS



JKPIs

BACKGROUND: JOINT KEY PERFORMANCE INDICATORS (JKPIs)

- These (JKPIs) were introduced by the dtic for the first time at the beginning of financial year. All entities of the dtic contribute to these JKPIs.
- The purpose of the JKPIs is to increase the level of coordination and alignment of efforts between different programmes of the dtic and its entities, to enhance the building of a more agile state, able to be more enterprising about how it achieves public interest objectives and building an environment that is a conducive business environment, such as addressing unnecessary red tape and improve the ease of doing business.
- The NCC was required to report quarterly on its activities that contributed to the JKPIs.



ACHIEVEMENT AGAINST TARGETS

Output Indicator	Performance indicator & target	Achievement	Reasons for variance
1. Report documenting the integrated support to drive industrialisation through master plans in national priority sectors; increased and diversified localisation through government and private sector procurement, and promotion of beneficiation	Four quarterly reports on measures enacted by the NCC to drive industrialisation that supports economic recovery; covering industry Master Plans, localisation initiatives across the economy, COVID-Industrial Interventions and beneficiation.	Achieved 3 quarterly reports were produced	In the first quarter, no report was produced the JKPI were new and the NCC was still on planning activities
2. A clear plan that indicates the potential opportunities to grow exports in terms of the AfCFTA, with responsibilities assigned to facilitate implementation	Four quarterly reports on measures enacted by the NCC to contribute to an AfCFTA export plan to grow value-added exports to the rest of Africa	Achieved 3 quarterly reports were produced	In the first quarter, no report was produced the JKPI were new and the NCC was still on planning activities
3. Investment projects facilitated and investment directed towards key sectors of the economy	Four quarterly reports on measures enacted by the NCC to support investment in South Africa	Achieved 3 quarterly reports were produced	In the first quarter, no report was produced the JKPI were new and the NCC was still on planning activities



ACHIEVEMENT AGAINST TARGETS

Output Indicator	Performance indicator & target	Achievement	Reasons for variance
4. District integrated report with district development economic maps	Four quarterly reports by the NCC which set out how their work has contributed to the economic development in each of the Districts and Metropolitan Areas of South Africa	Achieved 3 quarterly reports were produced	In the first quarter, no report was produced the JKPI were new and the NCC was still on planning activities
5. Report on actions to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities	Four quarterly reports on the contributions made by the NCC to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups	Achieved 3 quarterly reports were produced	In the first quarter, no report was produced the JKPI were new and the NCC was still on planning activities



ACHIEVEMENT AGAINST TARGETS

Output Indicator	Performance indicator & target	Achievement	Reasons for variance
6. Report on growing the Green Economy and greening the economy	Four quarterly reports on measures enacted by the NCC to support the green economy or the greening of the economy	Achieved 3 quarterly reports were produced	In the first quarter, no report was produced the JKPI were new and the NCC was still on planning activities
7. Actions to promote functional, efficient and integrated government and measures to reduce red tape across DTIC and entities	Four quarterly reports on measures enacted by the NCC to improve the ease of clients using its services, including forms and procedures reviewed for simplicity and necessity	Achieved 3 quarterly reports were produced	In the first quarter, no report was produced the JKPI were new and the NCC was still on planning activities



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AUDITED FINANCIAL STATEMENT



STATEMENT OF FINANCIAL POSITION

National Consumer Commission

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	3	82,311	61,742
Receivables from non-exchange transactions	4	1,351,961	889,130
Prepayments	5	1,585,175	539,450
Cash and cash equivalents	6	13,194,095	27,475,399
		16,213,542	28,965,721
Non-Current Assets			
Property, plant and equipment	7	11,415,292	10,495,898
Intangible assets	8	4,127,641	3,810,959
Prepayments	5	1,666,760	-
		17,209,693	14,306,857
Total Assets		33,423,235	43,272,578
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	2,400,340	11,967,302
Provisions	10	1,529,002	1,728,684
		3,929,342	13,695,986
Total Liabilities		3,929,342	13,695,986
Net Assets		29,493,893	29,576,592
Accumulated surplus		29,493,893	29,576,592
Total Net Assets		29,493,893	29,576,592

COMMENTS ON FINANCIAL STATEMENTS

The NCC's audited financial statements indicate that the NCC is ***a going concern*** in the foreseeable future:

1. Total assets exceeded total liabilities.
2. Current assets exceeded the current liabilities
3. Sufficient cash was available to take care of liabilities, even though it declined by 52% compared to the prior year.

STATEMENT OF FINANCIAL PERFORMANCE

National Consumer Commission

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Interest on debtors		1,463	2,125
Other Income		5,639	211,155
Interest received - bank accounts	11	1,012,341	2,004,565
Total revenue from exchange transactions		1,019,443	2,217,845
Revenue from non-exchange transactions			
Taxation revenue			
Reversal of impairment loss		-	184,339
Transfer revenue			
Government grants & subsidies	12	58,505,000	51,530,000
Services in kind	13	10,481,196	9,709,211
Total revenue from non-exchange transactions		68,986,196	61,423,550
Total revenue	14	70,005,639	63,641,395
Expenditure			
Employee related costs	15	(45,464,544)	(45,057,946)
Penalties and Interest	16	(5,430)	(6,758)
Depreciation and amortisation	17	(981,625)	(678,624)
Repairs and maintenance	18	(145,762)	(25,455)
Debt Impairment	19	(12,111)	(106,692)
Loss on disposal of assets		(94,301)	(52,672)
General Expenses	20	(23,384,565)	(19,397,302)
Total expenditure		(70,088,338)	(65,325,449)
Deficit for the year		(82,699)	(1,684,054)

COMMENTS ON FINANCIAL STATEMENTS

1. Total revenue of R58,5 million in the form of grants.
2. Interest of R1 million was earned on surplus funds. Lower than expected due to the timing of the transfer of grants to NCC by DTIC.
3. Services in kind of R10,4 million reflect the effect of grants transferred directly to SABS as rental and recoveries for office space occupied by NCC.
4. Expenditure (operational costs) exceeded the Revenue by R82 000. However, included in expenditure are non-cash line items such as depreciation reported at R 982 000.
5. Main component of expenditure is compensation of employees which amounts to 77.7% of the allocated grant.

CASH FLOW STATEMENT

National Consumer Commission

Annual Financial Statements for the year ended 31 March 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Grants		58,505,000	51,530,000
Interest income		1,014,564	2,004,565
		59,519,564	53,534,565
Payments			
Employee costs		(46,527,999)	(44,024,126)
Suppliers		(14,727,456)	(12,549,880)
		(61,255,455)	(56,574,006)
Net cash flows from operating activities	22	(1,735,891)	(3,039,441)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(10,095,413)	(365,427)
Purchase of other intangible assets	8	(2,450,000)	(1,720,000)
Net cash flows from investing activities		(12,545,413)	(2,085,427)
Net increase/(decrease) in cash and cash equivalents		(14,281,304)	(5,124,868)
Cash and cash equivalents at the beginning of the year		27,475,399	32,600,267
Cash and cash equivalents at the end of the year	6	13,194,095	27,475,399

COMMENTS ON FINANCIAL STATEMENTS

1. Negative net cash flow from operations of R1.7 million.
2. The excess was funded through retained surpluses as approved by National Treasury. Directly linked to finalisation of the ICT infrastructure in 2021/2022 financial year.
3. An amount of R12.5 million was invested in capital projects, R10 million in ICT infrastructure and R2.4 million on the development of Opt-Out Registry
4. An amount of R13.1 million was available in the bank account as at 31 March 2022.
5. NCC had to surrender of R 10,7 million in surplus cash to National Treasury. Application to retain these surplus funds was submitted and has been approved by National Treasury.



AUDITORS' REPORT

SUMMARY OF AUDIT FINDINGS

1. The NCC obtained an ***unqualified audit opinion*** for the period 2021/22.
2. There were no material audit findings on:
 - Financial statements;
 - Reported performance objectives; and
 - Compliance with legislation;
 - Therefore, the NCC received ***a clean audit*** report.
3. Two (2) housekeeping issues which were by external auditors were resolved immediately.

TYPES OF AUDIT FINDINGS	NUMBER OF FINDINGS	FINDINGS RESOLVED	UNRESOLVED FINDINGS
Housekeeping Issues	2	2	0



KEY CHALLENGES

1. Inadequate funding to cover costs of conducting investigations:
 - i. Additional warm bodies (unfunded positions)
 - ii. Appointment of specialised investigators for complex matters (Goods and Services)
2. Inadequate funding to cover costs of prosecution and defending matters against the NCC:
 - i. Appointment of senior counsel to argue complex matters in the different forums
 - ii. Appointment of law firms to challenge some of the matters on review (Goods and Services)
3. Inadequate funding to match salaries of critical skills in finance and ICT and the effecting of the cost-of-living-adjustment for staff
4. Burden of work overload created by the vacant position of the Commissioner .



FIRST QUARTER REPORT 2022/23



NATIONAL CONSUMER COMMISSION

a member of the dtic group

PERFORMANCE INFORMATION

The NCC achieved 7 out of 9 deliverables in this quarter.

1. To promote accessible consumer protection

Output Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
1. Assessment reports on accredited Ombuds approved by the Commissioner.	Compile a quarterly assessment report (one per quarter on each accredited Ombud Scheme) and submit it to the Commissioner for approval	Achieved MIOSA and CGSO's quarterly reports were assessed and approved by the Commissioner	None	None
2. Number of Consumer Education Programmes conducted.	Conducted 9 Consumer Education Programmes	Achieved Fifteen (15) consumer education programmes conducted in 4 Provinces covering 5 districts and 2 Metros	Opportunities arose to conduct additional sessions in the same vicinity.	None

2. To promote a Fair Marketplace

Output Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
3. Percentage of finalized investigation within a predetermined period	Conducted 80% of approved investigations and produced reports with recommendations within 90 days	Not achieved 60% (45 of 75) investigations were finalized within 46.33 days.	60 new investigations were approved in June and May all outstanding investigations are still within the targeted completion timeframe	Performance on these investigations will be monitored.
4. Percentage of further enforcement action taken within a predetermined period.	Took further enforcement action against non-compliant suppliers in 90 % of approved matters within 40 days of approval	Achieved Five (5) out of Five (5) (100%) of matters approved for further enforcement were taken for further enforcement within 40 days of approval.	None	None

3: To Promote the supply of Safe Goods to Consumers

Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
5. Report on all product recalls and monitoring thereof.	Quarterly Report produced on the administration and monitoring of product recalls.	Achieved A report on the administration and monitoring of product recalls was produced	None.	None

4: To support the transformation of the economy by providing guidance to comply with the CPA

Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
6. Number of Business guidance programmes conducted	Conducted 4 business guidance programmes: 1 per province in Gauteng, Western Cape, KZN and Eastern Cape	Not Achieved 4 Business guidance programmes were undertaken in Gauteng and North-West Province	<ul style="list-style-type: none"> The NCC relied on collaborating partners to organise some of the business programmes in targeted provinces. Flights to the Eastern Cape could not be secured as the airline industry was experiencing shortages. 	Webinars will be utilised more often to minimise the use of flights.
7. Number of explanatory notes or non-binding opinions issued	2 explanatory notes and /or non-binding opinions issued	Achieved Two explanatory notes in a form of guidelines were drafted and issued.	None	None

5: To support industrialization by combating illegal imports related to clothing, textile, footwear and leather (CTFL)

Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
8. Percentage of finalised investigation within a predetermined period	Conducted 80% of approved investigations and produced reports with recommendations within 90 days	Achieved 83.05% (49 of 59) of imports were finalized within 10.32 days	None	None
9. Percentage of further enforcement action taken within a predetermined period.	Took further enforcement action against non-compliant suppliers in 90 % of approved matters within 20 days of approval	Achieved Eighteen (18) out of Eighteen (18) (100%) of approved matters were taken for further enforcement within 20 days of approval.	None	None

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Q1 FINANCIAL INFORMATION



STATEMENT OF FINANCIAL POSITION

National Consumer Commission

Interim Financial Statements for the quarter ended 30 June 2022

Statement of Financial Position as at 30 June 2022

	2023 June	2022 Restated*
Assets		
Current Assets		
Receivables from exchange transactions	7 298	82 311
Receivables from non-exchange transactions	1 354 946	1 351 961
Prepayments	1 942 478	1 585 175
Cash and cash equivalents	35 432 284	13 194 095
	38 737 006	16 213 542
Non-Current Assets		
Property, plant and equipment	10 978 278	11 415 292
Intangible assets	4 119 334	4 127 641
Prepayments	1 296 041	1 666 760
	16 393 653	17 209 693
Total Assets	55 130 659	33 423 235
Liabilities		
Current Liabilities		
Payables from exchange transactions	2 318 131	3 139 119
Provisions	1 757 458	1 529 002
	4 075 589	4 668 121
Total Liabilities	4 075 589	4 668 121
Net Assets	51 055 070	28 755 114
Accumulated surplus	51 055 070	28 755 114
Total Net Assets	51 055 070	28 755 114

COMMENTS ON FINANCIAL STATEMENTS

- As at the end of Quarter 1, 2022/2023, total assets exceeded total liabilities.
- Current assets exceeded the current liabilities
- Sufficient cash was available to take care of liabilities.
- NCC is therefore liquid and solvent.

STATEMENT OF FINANCIAL PERFORMANCE

National Consumer Commission

Interim Financial Statements for the quarter ended 30 June 2022

Statement of Financial Performance for the quarter ended 30 June 2022

	2022 June	2022 Restated*
Revenue		
Revenue from exchange transactions		
Interest on debtors	405	1 463
Other Income	1 395	5 639
Interest received - bank accounts	362 669	1 012 341
Total revenue from exchange transactions	364 469	1 019 443
Revenue from non-exchange transactions		
Transfer revenue		
Government grants & subsidies	35 633 000	58 505 000
Services in kind	-	10 481 196
Total revenue from non-exchange transactions	35 633 000	68 986 196
Total revenue	35 997 469	70 005 639
Expenditure		
Employee related costs	(10 885 793)	(45 464 544)
Penalties and Interest	-	(5 430)
Depreciation and amortisation	(445 320)	(981 625)
Repairs and maintenance	(47 621)	(145 762)
Debt Impairment	-	(12 111)
Loss on disposal of assets	-	(94 301)
General Expenses	(2 318 778)	(24 123 344)
Total expenditure	(13 697 512)	(70 827 117)
Surplus (deficit) for the year	22 299 957	(821 478)

COMMENTS ON FINANCIAL STATEMENTS

1. Total revenue of R 35,6 million was received in the form of grants. This is 60% of the total allocation of R59.3 million for the 2022/2023 financial year.
2. The NCC supplements its revenue through interest earned from surplus funds. Interest to the value of R 363 000 was earned. Lower than expected due to timing of transfer of grants to NCC by DTIC.
3. Surplus of R22 million was reported in quarter 1. This is mainly due to slower expenditure due to suspension of procurement by National Treasury during the 2021/2022 financial year which had an effect in the current year.
4. Main component of expenditure is the Compensation of Employees at R10.9 million.

CASH FLOW STATEMENT

National Consumer Commission

Interim Financial Statements for the quarter ended 30 June 2022

Cash Flow Statement for the quarter ended 30 June 2022

	Note(s)	2023 June	2022 Restated*
Cash flows from operating activities			
Receipts			
Grants		35 633 000	58 505 000
Interest income		362 669	1 014 564
		35 995 669	59 519 564
Payments			
Employee costs		(10 885 793)	(46 527 999)
Suppliers		(2 871 687)	(14 727 456)
		(13 757 480)	(61 255 455)
Net cash flows from operating activities		22 238 189	(1 735 891)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(10 095 413)
Purchase of other intangible assets		-	(2 450 000)
Net cash flows from investing activities		-	(12 545 413)
Net increase/(decrease) in cash and cash equivalents		22 238 189	(14 281 304)
Cash and cash equivalents at the beginning of the year		13 194 095	27 475 399
Cash and cash equivalents at the end of the year		35 432 284	13 194 095

COMMENTS ON FINANCIAL STATEMENTS

- Only R 35.6 million of the allocated R59.3 million was received in Q1 with the remainder expected in Q3.
- Interest on surplus funds of R363 000,00 was earned, mainly from the reserve bank.
- Interest is slightly lower than expected as the NCC does not receive the full allocation at the beginning of the financial year.
- An amount of R35.4 million was available in the bank account as at 30 June 2022.

- **PROGRESS AGAINST AUDIT FINDINGS
(Clean Audit Plan)**

CLEAN AUDIT PLAN

The Clean Audit Strategy is aimed at ensuring that the financial statements are free from any material misstatement and that there are no material findings on performance reports as well as non-compliance with key legislation.

The table below details the clean audit plan:

Key Focus Area	Action required	Target Date	Quarterly Progress
HR	Update HR compliance checklist	31/03/2023	Finalised
Finance & SCM	Enhance finance records management system	31/03/2023	Finalised
	Update SCM & Fin compliance checklist	31/03/2023	Finalised



CLEAN AUDIT PLAN Continued...

Key Focus Area	Action required	Target Date	Quarter 1 Progress
Performance Information	Perform monthly quality check to ensure credible performance reporting	31/03/2023	Finalised
	Perform reconciliation of divisional reports with the organization's performance report	31/03/2023	Finalised
Information Communication and Technology (ICT)	Maintain a monthly checklist for physical and environmental controls (Server Room)	31/03/2023	Finalised
	Update ICT compliance checklist	31/03/2023	Finalised
Governance and Risk Management	Implement and Review compliance management framework	31/03/2023	Finalised
	Monitor effective and function of Internal Auditors	31/03/2023	Finalised
	Monitor the implementation of BCM within the NCC	31/03/2023	In-progress

DELEGATION DETAILS

Ms. Thezi Mabuza- Acting Commissioner-
T.Mabuza@thencc.org.za - 0836532391

Ms. Phillipine Moshidi – Chief Financial Officer -
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Mr. Joseph Selolo- Company Secretary-
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NATIONAL CONSUMER COMMISSION
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Thank you!

**National Consumer Commission
South Africa**

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