

**WE ARE  
HERE TO  
SERVE  
YOU**



**national consumer tribunal**

**ANNUAL REPORT**  
**2023/2024**



# GENERAL INFORMATION

## NATIONAL CONSUMER TRIBUNAL



### 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

### CONTACT DETAILS

Telephone: 010 590 5200  
Email: [registry@thenct.org.za](mailto:registry@thenct.org.za)  
Website: [www.thenct.org.za](http://www.thenct.org.za)

### SECRETARIAT AND COMPLIANCE SPECIALIST

**Ms Lezel Buttner**

### BANKER

Nedbank Ltd  
Reserve Bank of South Africa  
370 Helen Joseph Street  
Pretoria  
0002

### AUDITORS

**Rakoma & Associates Inc** (External Auditors)  
Until 31 July 2023

**Nexia SAB&T** (Internal Auditors)  
Until 30 September 2023

**RAIN Chartered Accountants Inc** (Internal Auditors)  
Appointed 1 October 2023

**MNB Chartered Accountants** (External Auditors)  
Appointed 1 March 2024

# TABLE OF CONTENTS:

## PART A:

### GENERAL INFORMATION

04

- List of Abbreviations / Acronyms.....5
- Foreword By The Minister.....6
- Overview by the Accounting Authority.....7
- Executive Chairperson's Overview .....10
- Statement of Responsibility and Confirmation of Accuracy of The Annual Report .....12
- Strategic Overview .....14
- Legislative and Other Mandates .....16
- Organisational Structure .....17

## PART B:

### PERFORMANCE INFORMATION

18

- External Auditors Report:  
Predetermined objectives.....19
- Overview of the Public Entity's Performance .....20
- Progress Towards Achievements of Institutional Impacts and Outcomes .....26
- Performance Information by Program .....29

## PART C:

### GOVERNANCE

36

- Introduction .....37
- Portfolio Committees .....38

- Audit and Risk Committee .....38
- ICT Governance Committee .....38
- HR Governance Committee .....39
- Risk Management .....39
- Internal Audit and Audit Committees .....39
- Audit and Risk Committee .....40
- Compliance With Laws and Regulations .....40
- Fraud and Corruption .....40
- Minimising Conflict of Interest .....41
- Code of Conduct .....41
- Health, Safety and Environmental Issues .....41
- Company Secretary .....41
- Social Responsibility .....41
- Audit and Risk Committee Report .....42
- B-BBEE Compliance Performance Information .....44

## PART D:

### HUMAN RESOURCE

46

- Introduction .....47
- Human Resources Oversight .....49

## PART E:

### PFMA COMPLIANCE REPORT

54

- Information on Irregular, Fruitless and Wasteful Expenditure And Material Losses .....55
- Late and/or Non-Payment of Suppliers .....55
- Information on Supply Chain Management .....55

## PART F: FINANCIAL INFORMATION

---

56

- Independent Auditor's Report .....58
- Statement of Responsibility.....64
- Statement of Financial Position.....65
- Statement of Financial Performance.....66
- Statement of Changes in Net Assets.....67
- Statement of Cash Flow.....68
- Statement of Comparison of Budget and  
Actual Amounts .....69
- Accounting Policies.....71
- Notes to the Annual Financial Statements.....78

## ANNEXURE A

---

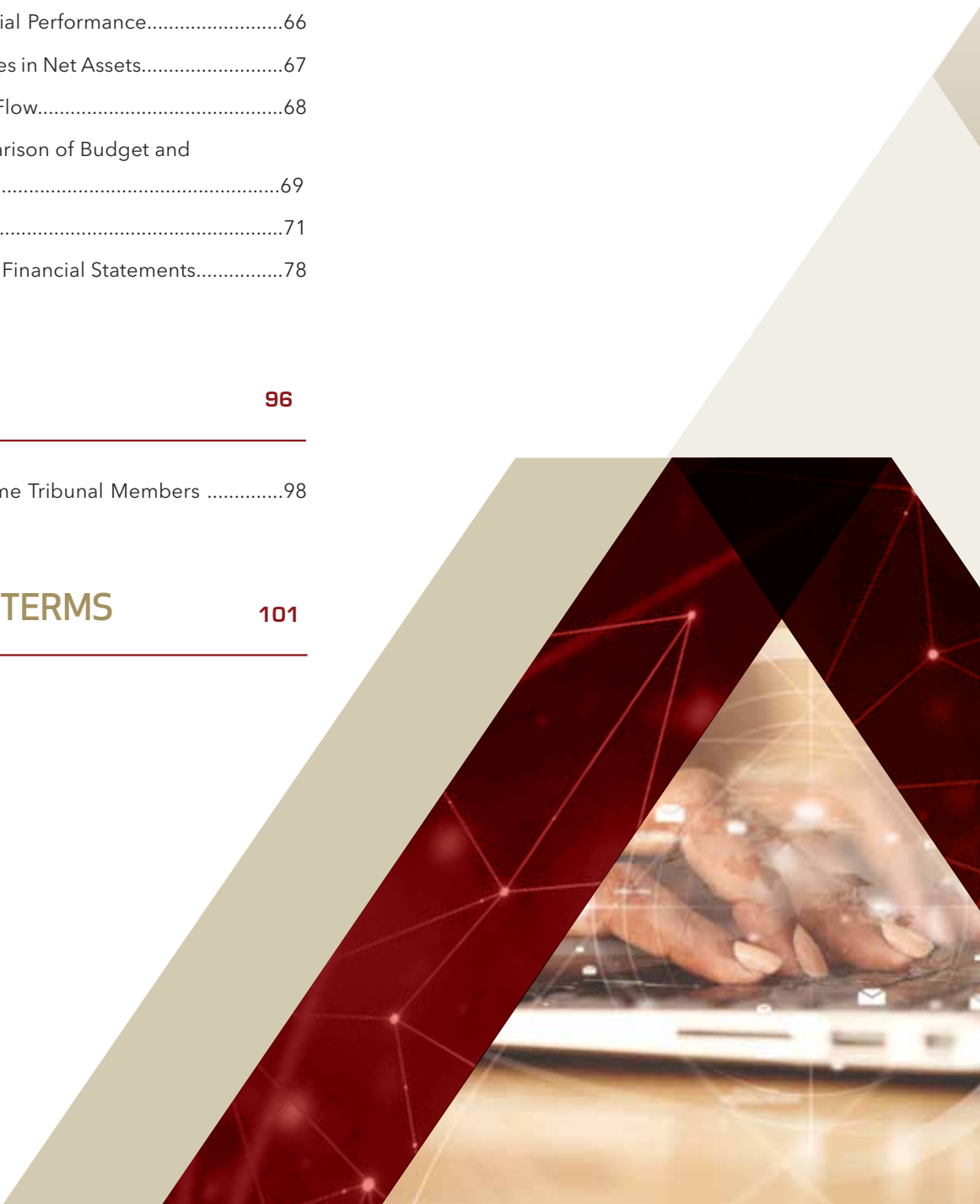
96

- Full-Time and Part-Time Tribunal Members .....98

## GLOSSARY OF TERMS

---

101





# PART A:

## GENERAL INFORMATION



# LIST OF ABBREVIATIONS/ACRONYMS

<b>ADR</b>	Alternative dispute resolution	<b>ICT</b>	Information and Communications Technology
<b>AGSA</b>	Auditor-General of South Africa	<b>KING IV</b>	King Code of Governance Principles and King Report on Governance
<b>AI</b>	Artificial Intelligence	<b>KPA</b>	Key Performance Area
<b>APP</b>	Annual Performance Plan	<b>KPI</b>	Key Performance Indicator
<b>ARC</b>	Audit and Risk Committee	<b>MTEF</b>	Medium-Term Expenditure Framework
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment	<b>NCA</b>	National Credit Act, Act No. 34 of 2005
<b>CFO</b>	Chief Financial Officer	<b>NCAA</b>	National Credit Amendment Act, Act No. 19 of 2014
<b>CIO</b>	Chief Information Officer	<b>NCC</b>	National Consumer Commission
<b>CMS</b>	Case Management System	<b>NCR</b>	National Credit Regulator
<b>COBIT</b>	Control Objectives for Information and Related Technology	<b>NCT</b>	National Consumer Tribunal
<b>COO</b>	Chief Operating Officer	<b>NON-DRA</b>	Non-Debt Re-arrangement agreement
<b>CPA</b>	Consumer Protection Act	<b>OHS</b>	Occupational Health and Safety
<b>CPD</b>	Corporation for Public Deposits	<b>PAJA</b>	Promotion of Administrative Justice Act, Act No. 3 of 2000
<b>CSI</b>	Corporate Social Investment	<b>PC</b>	Portfolio Committee
<b>DRA</b>	Debt Re-arrangement Agreement	<b>PEO</b>	Public Entity Oversight
<b>EXCO</b>	Executive Committee	<b>PFMA</b>	Public Finance Management Act, Act No.1 of 1999
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>PSETA</b>	Public Service Education and Training Authority
<b>HR</b>	Human Resources	<b>SARB</b>	South African Reserve Bank
		<b>the dtic</b>	Department of Trade, Industry and Competition

# FOREWORD BY **THE MINISTER**



**Mr Parks Tau, MP**

Minister of Trade, Industry and Competition

I congratulate the National Consumer Tribunal (NCT) for shaping the South African landscape by executing its legislative mandate to adjudicate credit and consumer matters during the 2023/2024 financial year. It continued to promote the creation of a fair regulatory environment that enables investment, trade, and enterprise development in an equitable and socially responsible manner.

The NCT's Strategy and Annual Performance Plan, are reasonably aligned with the government's National Development and Mid-term Strategic Framework. During the reporting period, the NCT remained committed to transforming the economy and protecting society's most vulnerable by adjudicating debt review applications and consumer disputes.

I commend the NCT for increasing its service delivery amidst an exponential increase in its caseload without compromising the quality of its service delivery. Accessibility to its services via the launch of its mobile application and the enhancement to the on-line case management system is remarkable. They allow the NCT to reach its stakeholders in every corner of the country and to adjudicate matters at any time daily.

The NCT's achievement of its annual targets manifests its diligence, leadership, foresight, and commitment to driving performance and enhancing its service delivery.

For the twelfth consecutive year, the NCT has achieved a clean audit, demonstrating sound governance, fiscal prudence, regular interaction with all its stakeholders and an effective internal control environment.

I wish to thank the NCT's leadership, the Tribunal members who adjudicate matters, management, and the entire organisation's staff for their efforts to ensure that the NCT continues to promote and advance the social and economic welfare of consumers in South Africa.

**Mr Parks Tau, MP**

Minister of Trade, Industry and Competition



# OVERVIEW BY THE **ACCOUNTING AUTHORITY**



**Mr. Trevor Bailey**  
Executive Chairperson

## INTRODUCTION

I am honoured to present the National Consumer Tribunal's Annual Report and the Audited Financial Statements for the 2023/24 reporting year.

Every day, the NCT contributes to the South African democratic story. Its core function is to adjudicate applications and referrals of prohibited conduct filed with it in terms of the National Credit Act and Consumer Protection Act. The report reveals the NCT's unique exponential delivery and value to the South African public through novel and emerging digital opportunities in a challenging economic environment. It also provides insight into the NCT's performance and reflects on a few of the NCT's key achievements and challenges during the reporting year.

## PERFORMANCE HIGHLIGHTS – A STRATEGIC OVERVIEW

The NCT has strategically positioned itself as a leader in online consumer adjudicative innovation. Debt re-arrangement applications and non-debt re-arrangement applications are the NCT's foundational statutory offerings. The former are high-volume applications to confirm debt re-arrangements between consumers and their creditors. The latter require formal hearings, almost all online, to determine disputes in the consumer and consumer credit markets.

## DEBT RE-ARRANGEMENT APPLICATIONS

The NCT continues to be quicker, better and more accessible. Debt counselling and debt re-arrangements have a special place in the National Credit Act. Our strategic communication initiatives with debt counsellors have resulted in a significant 42.93% increase in the number of debt re-arrangement applications. We finalised 38 710 debt re-arrangement applications in the reporting year, enabling debt-stressed consumers to restructure their debt, alleviate emotional stress, give meaning to the Constitutional right to dignity and ensure that the debt is not lost to the economy. Significantly, consumers may obtain a clearance certificate upon settling their debt and actively re-enter the economy unencumbered by debt review.

## NON-DEBT RE-ARRANGEMENT APPLICATIONS

As an adjudicative entity, the NCT aims to finalise the parties' disputes and ensure certainty in our jurisprudence and the consumer and credit markets.

The National Credit Regulator and the National Consumer Commission refer applications to the NCT. Consumers most commonly do so upon receipt of a notice of non-referral from the Regulator or the Commission and with the Tribunal's permission.

The reporting year reveals a 20.14% increase in the number of consumers seeking the Tribunal's permission to refer their matters to the Tribunal, resulting in a total of R2,785,858.83 being refunded to consumers. The upward trend is significant and a testament to the NCT's efforts to give meaning to the constitutional right of access to justice before a court or impartial tribunal. In the absence of compliance with the Tribunal's judgments, our certificates of prohibited conduct enable parties to enforce their judgments through the high and magistrates' court procedures.

The Tribunal has also issued administrative fines against credit providers and debt counsellors totalling R3,606,500.00.

## CHALLENGES AND OPPORTUNITIES

### ICT INNOVATION

The NCT's information, communication, and technology strategy has significantly improved operational efficiency and reduced costs. It has also improved online case flow processes and expedited justice. The NCT is almost entirely dependent on technology to fulfil its mandate. It has designed an electronic online billing system enabling it to pay its part-time Tribunal members weekly. The NCT believes it is the country's quickest payer of adjudicators. What's not to like about that?

The NCT is proud to have introduced its mobile application, which allows debt counsellors to file and view applications and receive their orders, from anywhere in the world. The mobile application has made the NCT more accessible to debt counsellors in rural areas. We have also enhanced our E-purse functionality. The NCT is alive to artificial intelligence's exponential depth and breadth of expansion and offering. We have begun to make artificial intelligence development one of our apex priorities. Therefore, it is important to retain and recruit skilled staff to design, develop, and support the full automation programme to which we aspire. In this way, we will benefit from the economies of scale, reduced costs and enhanced service delivery.

## A CULTURE OF TRUST AND TRANSPARENCY

The NCT's innovation in information, communication, and technology has enabled it to introduce a hybrid working model in the post-COVID era. Organisations are nothing without their employees. We seek to be a caring and empathetic workplace. Therefore, we have worked hard to develop a culture of trust and transparency and are reaping enhanced performance benefits. We will continue to create a working environment in which our staff can embark on exciting new digital-based careers within the NCT and beyond.

### THE NCT AS THE PREFERRED DEBT RE-ARRANGEMENT ADJUDICATION PLATFORM

Many debt counsellors continue to use the magistrates' court to obtain debt re-arrangement orders at a greater cost and time to the consumer than if they used the NCT and derived the benefits of our on-line case management system. The NCT aspires to be the preferred adjudication platform for all debt re-arrangements falling within its jurisdiction. Consequently, the NCT will continue engaging debt counsellors concerning the cost and time benefits of the case management system.

## OUR STRATEGIC FOCUS OVER THE MEDIUM TO LONG-TERM

The NCT seeks to be flexible in a fast-changing world. We will continue contributing towards transformation, industrialisation, and building a capable South African state. So, too, to promote a fair and accessible consumer and credit market by ensuring fair and inquisitorial adjudicative processes.

The NCT's communication strategy is beginning to bear fruit. We will shortly introduce our interactive website to the wider public. The website will, among other things, build the NCT's profile by creating awareness of its adjudicative offerings and procedures, publishing its judgments, and providing real-time reports of its debt re-arrangement orders.

## FISCAL PRUDENCE AND GOOD GOVERNANCE

We are proud of 12 uninterrupted clean audits. Sound financial practices and good corporate governance are non-negotiable. Our fiscal management details appear in the Audited Financial Statements.

## EVENTS AFTER THE REPORTING DATE

I am unaware of developments since the end of the financial year that may impact the information in this report.

## ACKNOWLEDGMENTS

I wish to thank the Honourable Minister of Trade, Industry and Competition, Mr. E Patel, for his leadership of the NCT during the year. The NCT also appreciates the support of the Chief of Staff, Mr. M Ebrahim, the Acting Director-Generals and their teams at the Consumer and Corporate Regulation Division, led by Dr. E Masotja, and the Head of Public Entity Oversight, Ms. N Matomela.

My sincere gratitude goes to all the Tribunal members, members of governance committees, the management team, permanent staff, and interns for their commitment and diligence in ensuring that the NCT successfully executes its mandate. I am privileged to work with them.

## CONCLUSION

The NCT is bridging South Africa's past and present. I am confident that it will continue releasing the seed of creative energy within it to serve all its stakeholders.



**Mr Trevor Bailey**

Executive Chairperson

National Consumer Tribunal

31 July 2024



# EXECUTIVE CHAIRPERSON'S OVERVIEW

## GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY AND SPENDING TRENDS

The NCT is confident that it has fulfilled its mandate and has used its funding efficiently and cost-effectively. The full Annual Financial Statements for the year ended 31 March 2024 are presented on pages 65 - 95, and are summarised as follows:

Revenue	2023/24 R'000	2022/23 R'000	Variance %
Government Grant	55 295	54 756	1%
Filing Fees	23 957	15 606	54%
Interest	4 219	1 825	131%
Other	496	840	-41%
<b>Total</b>	<b>83 967</b>	<b>73 027</b>	<b>15%</b>
Expenditure	2023/24 R'000	2022/23 R'000	Variance %
Goods and Services	20 157	17 292	17%
Part-Time Tribunal Member's Fees	6 969	5 095	37%
Employee Related Costs	49 195	43 879	12%
<b>Total</b>	<b>76 321</b>	<b>66 266</b>	<b>15%</b>
<b>Surplus</b>	<b>7 646</b>	<b>6 761</b>	<b>13%</b>

The Government funds the NCT's operations through **the dtic**. Although the caseload increased over the years, the grant allocation has not kept pace with inflation. In the 2023/24 financial year, the NCT received a grant allocation of R55,2 million of which R1,9 million had to be returned due to the economic climate. The grant was thus R53,6 million compared to R54,7 million in the prior year, a 2% decrease. During the 2023/24 financial year, the NCT had a surplus of R7,6 million (as per the statement of financial performance), mainly due to the implementation of cost containment measures and innovative process re-engineering because the increase in the grant allocation was not aligned with inflation.

Filing fees contributed 29% to the total income. The revenue from filing fees increased from R15,6 million to R23,9 million (54%). The number of DRAs received alone increased from 29 109 to 41 490 (43% increase). On 1 April

2023, the DRA filing fee increased from R537.50 to R577,81 per case. The amount received from filing fees does not offset all the adjudication costs because the fee is a nominal R577,81 per DRA filed with the NCT. It does not contribute towards the more expensive and time-consuming non-DRAs. Although the non-DRAs are fewer in number, they are often highly contested by attorneys and counsel and subject to procedural applications and postponements by litigants.

The NCT's income from interest earned increased by 132% from R1.8 million to R4.2 million. This increase is due to a higher bank balance maintained in the investment account due to surplus funds carried over. The NCT invests its surplus funds with the Corporation for Public Deposits (CPD) in terms of its Investment and Grant Management Policy. The total expenditure for the period increased by 15%.



## CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

- Capacity-wise, the NCT requires more Tribunal Members despite having achieved all its adjudicative targets.

## DISCONTINUED KEY ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

- The NCT does not intend to discontinue any operations.

## NEW OR PROPOSED KEY ACTIVITIES

- There are no new or proposed key activities.

## REQUESTS FOR ROLL OVER OF FUNDS

- The NCT will request the Treasury to retain R20.4 million. These funds will be utilised towards implementation costs for the National Credit Amendment Act and other capital costs. The National Treasury approved the rollovers in the previous financial year.

## SUPPLY CHAIN MANAGEMENT

- The NCT's procurement policies align with the PFMA, the Treasury Regulations, and the Preferential Procurement Policy Framework Act, Act No. 5 of 2000. The systems and processes are, therefore, in place.

## UNSOLICITED BID PROPOSALS FOR THE YEAR UNDER REVIEW

- The NCT has not concluded unsolicited bid proposals for the year under review. In addition, there are no challenges requiring extra attention.

## CHALLENGES EXPERIENCED AND HOW THEY WERE RESOLVED

- The NCT did well considering the economic climate in managing its operations within its budget limitations. From an adjudication perspective, the NCT instituted numerous measures to ensure it does not overspend in the future. The grants over the medium term have been reduced significantly however, this risk is mitigated through cost containment measures and revenue enhancement strategies in the form of attracting more filings.

## AUDIT REPORT MATTERS IN THE PREVIOUS YEAR AND HOW THEY WOULD BE ADDRESSED

- The NCT received a clean audit during the previous financial year. During the financial year, the NCT addressed the matters the external audit raised in the Management Report.

## OUTLOOK/ PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

- In the 2023/2024 financial year, **the dtic** communicated grant reductions over the next three financial years. The grant was reduced by 10%, 11% and 12%, respectively, over the three-year period. These reductions can have a severe impact on the NCT's ability to fund operations. It is anticipated that revenue from filing fees will increase and that the NCT will be able to absorb the impact of these reductions and will be able to fund operations.

## EVENTS AFTER THE REPORTING DATE

- There are no matters or circumstances as at the financial year end and not otherwise dealt with in the Annual Financial Statements that significantly affect the NCT's financial position or its operations' results.

## ECONOMIC VIABILITY

- The Accounting Authority is confident that the available grant allocation and filing fees generated will enable the NCT to continue as a going concern NCT in the next financial year.



**Mr Trevor Bailey**

Executive Chairperson  
National Consumer Tribunal  
31 August 2024

# STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE 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 are consistent with the annual financial statements audited by MNB Chartered Accountants. The annual report is complete, accurate and free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury. The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Standards (GRAP). The Accounting Authority is responsible for the preparation of the annual financial statements and the judgements made in this information. The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements. The external auditors are engaged 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 public entity for the financial year ended 31 March 2024.

Yours faithfully,



**Mr Trevor Bailey**

Executive Chairperson  
National Consumer Tribunal  
31 August 2024



# STRATEGIC OVERVIEW

## VISION

To be an impartial, professional and easily accessible adjudicative Tribunal, contributing to sound commercial relationships based on certainty, trust and justice between consumers and providers of goods, services and credit.

## MISSION

To be highly efficient, providing timely access, professional adjudication and equitable redress to consumers and providers of goods, services and credit 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
- In accordance with the principles of natural justice.

## 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, and 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 their consequences.

### 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 a 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.
- Collaboratively harnessing the power of technology to deliver on the greater good.

### 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 2023/ 24 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.
5. Provide learning and future employment opportunities for our people, especially the youth.

### STRATEGIC OUTCOME-ORIENTED 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 effective and accessible consumer regulation and adjudication.
3. Digitally enable and transform the NCT.
4. 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 that 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 that 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 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.

# LEGISLATIVE AND OTHER MANDATES

The NCT adjudicates applications and referrals of prohibited conduct in pursuance of the purpose of the National Credit Act (NCA) and the Consumer Protection Act (CPA). These are as set out in Section 3 of these Acts respectively and are in accordance with Section 142 of the NCA, the imperatives of the Constitution and the provisions of the Promotion of Administrative Justice Act (PAJA).

The NCT derives its mandate from **Section 27 of the NCA**. The role of the Tribunal is to adjudicate on:

- Applications made in terms of the NCA or the CPA by consumers, credit providers, credit bureaus, debt counsellors, the National Credit Regulator (NCR), and the National Consumer Commission (NCC).
- Applications for interim relief and review decisions by the NRC and the NCC.
- Matters referred to the Tribunal by the NCR or the NCC regarding complaints related to allegations of prohibited conduct; and
- The Tribunal processes applications for debt re-arrangement agreements under the NCA and consent orders under the CPA.

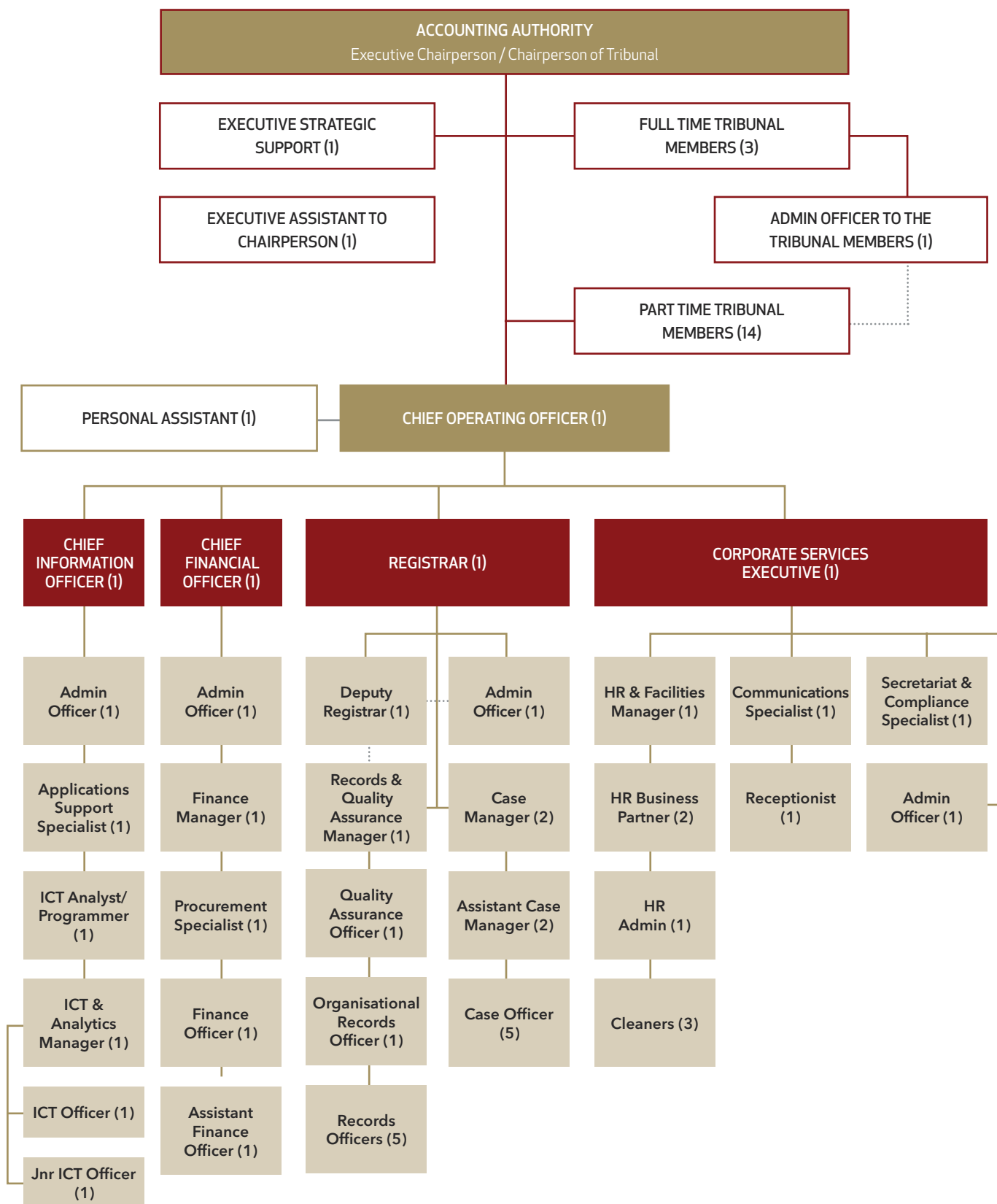
As an **independent adjudicative entity**, the NCT's mandate is to hear and decide on cases involving consumers, suppliers of goods and services, credit providers, regulators, debt counsellors, credit bureaus, payment distribution intermediaries, and alternative dispute resolution agents. In so doing, the Tribunal hears applications and cases that are premised upon the terms outlined within the NCA, CPA, and the Rules of the Tribunal. In pursuing its legislative mandate, the NCT may:

- Adjudicate on any application or referral of prohibited or required conduct that may be made to it in terms of the Acts.
- Effect any order outlined in the Acts, in respect of such an application and/or adjudicate on allegations of prohibited conduct by determining whether.
- In instances where prohibited conduct has occurred, impose a remedy or relief as provided for in the promulgated Acts.
- Grant an order for costs regarding these Acts; and
- Exercise any other power conferred on it by these Acts.

The **National Credit Amendment Act** (Act No. 7 of 2019) has been passed, but the Regulations have not yet been published.

# ORGANISATIONAL STRUCTURE

THE ORGANISATIONAL STRUCTURE OF THE NCT AS OF 31 MARCH 2024



# PART B:

PERFORMANCE  
INFORMATION





# AUDITORS GENERAL'S REPORT

## PREDETERMINED OBJECTIVES

MNB Chartered Accountants currently performs the necessary audit procedures on the 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.

Refer to pages 58 to 62 of the External Auditor's Report, published as Part F: Financial Information.



# OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

## SERVICE DELIVERY ENVIRONMENT

### ADJUDICATION

Given its specific adjudicative mandate, the National Consumer Tribunal's primary function is to process and resolve the cases brought before it. The NCT's core service delivery principles are the timely processing of cases and the production of high-quality judgements and orders. The NCT categorises cases into Non-Debt Re-Arrangements (Non-DRA) and Debt Re-Arrangements (DRAs). DRAs are filed by debt counsellors on behalf of consumers facing financial difficulties. These applications seek Tribunal confirmation for a restructured debt repayment plan between the consumer and their creditors. These types of applications account for more than 99% of the applications filed at the Tribunal. The efficient processing and adjudication of DRAs ensure a responsive and timely service to stakeholders. This, in turn, directly benefits consumers by safeguarding their homes and vehicles from repossession and alleviating financial stress and anxiety associated with the threat of repossession and financial instability. This also benefits credit providers by allowing for the collection of debt without costly recovery proceedings being instituted. Non-DRA encompass a broad spectrum of applications within the Tribunal's purview, extending beyond DRAs. These submissions may originate from a variety of sources, including consumers, relevant regulatory bodies, and registrants under the NCA and/or the CPA. They often entail intricate disputes and require meticulous application of the law. Ensuring both efficient and high-quality processing and adjudication of these cases is paramount. Tribunal judgments play a crucial role in establishing consistent jurisprudence, binding on lower courts and shaping the conduct of stakeholders within consumer and consumer credit markets. This fosters fair treatment of consumers and provides clear guidance to sectors regarding legislative compliance. Operational efficiency is key to delivering responsive and timely service to stakeholders, enabling swift access to redress for both consumers and businesses.

### DRA SERVICE DELIVERY

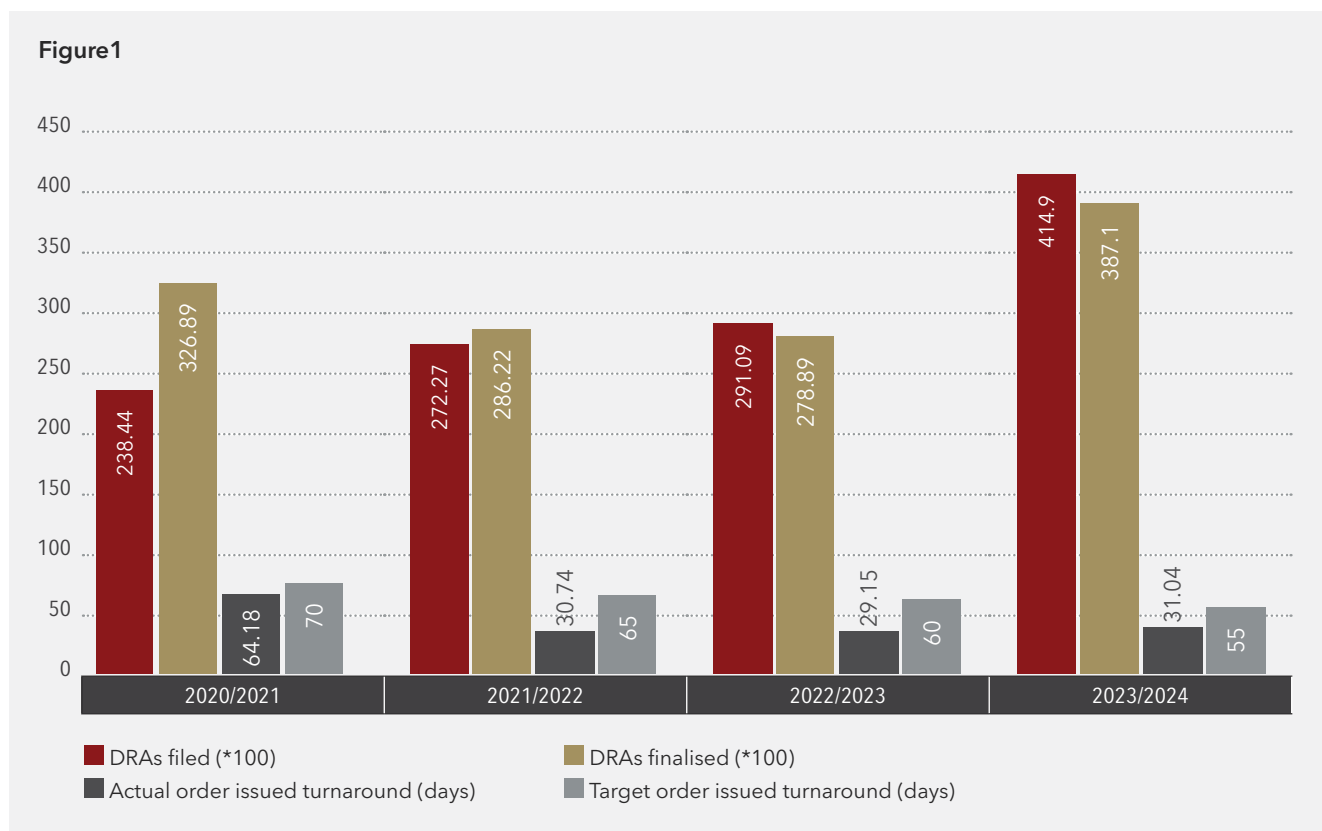
During the review period, the Tribunal received 41 490 DRA applications. Of these, 38 710 were finalised, with 38 474 resolved through orders, 234 withdrawn by debt counsellors, and 2 lapsing due to inactivity, as shown in Table 1 below.

**Table 1** contains the breakdown of DRAs finalised in the period under review.

DRAs Finalised 2023/24	Number of DRAs
Orders issued	38,474
Withdrawn	234
Lapsed	2
Total Finalised	38,710

The average turnaround time for DRA cases, from filing to order issuance, was an impressive 31.04 days. This significantly exceeded our target by over 23.96 days.

Figure 1 below provides a service delivery comparison consisting of the above critical indicators over a four-year period since 1 April 2020 (Strategic plan 2020 – 2025).



**Table 2** presents the information illustrated in Figure 1 in a tabular format.

Financial Year	DRAs Filed	DRAs Finalised	Actual Order Issued Turnaround	Target Order Issued Turnaround
2020/2021	23844	32689	64.18 days	70 days
2021/2022	27227	28622	30.74 days	65 days
2022/2023	29109	27889	29.15 days	60 days
2023/2024	41490	38710	31.04 days	55 days

Figure 1 and Table 2 provide perspectives on service delivery in relation to the processing and adjudication of DRAs. In the period under review, there has been an exponential increase in the volume of DRAs filed. Although a difference of 2 780 DRAs exists between the volume filed and finalised, these DRAs are not capable of being adjudicated on as pleadings are still open, and a matter cannot be adjudicated on while pleadings are open.

While the DRA order issuance turnaround time remains relatively efficient, it has increased from 29.15 days in 2022/23 to 31.04 days in 2023/24. This decline is primarily due to a reduction in Tribunal Member capacity from 17 to 12. To address the growing volume of DRAs, we

implemented aggressive adjudication allocation strategies, shifting from monthly to weekly and even daily allocations. Despite these efforts, service delivery speed was impacted, particularly due to the need to handle Non-DRA cases with limited capacity. The sustainability of such intensive allocation strategies raises concerns and could potentially hinder future efficiencies.

The Tribunal's ability to manage the DRA caseload and processing is largely due to the success of its successful implementation of a semi-automated filing and processing case management system (CMS).

**Table 3** below provides a calculation summary for the number of DRAs that will be carried over into the 2024/2025 financial year.

Item	Number of DRAs
DRAs as at 1 April 2023	3,797
PLUS Overall revisions through QA processes	+4
PLUS DRAs received in 2023/2024	41,490
LESS DRAs finalised 2023/2024	38,710
<b>DRAs carried over into 2024/2025 financial year</b>	<b>6,581</b>

Despite an increase in the annual carry-over volume, 4 964 of the 6 581 DRA cases remain unresolved due to ongoing legal proceedings.

#### NON-DRA SERVICE DELIVERY

During the review period, the Tribunal received 261 Non-DRA applications. Of these, 219 were finalised, with 170 resolved through judgments, 17 rejected due to denied condonation applications, 31 withdrawn by applicants, and one resolved by the High Court. These outcomes are detailed in Table 4.

**Table 4** contains the breakdown of Non-DRAs finalised during the period under review.

Non-DRAs Finalised 2023/24	Number of Non-DRAs
Judgments issued (after set down issued)	170
Withdrawn	31
Condonations refused	17
High Court ruling	1
<b>Total Finalised</b>	<b>219</b>

Significantly, the average turnaround time for concluding Non-DRA cases with judgement issuance, calculated from the final adjudication date to the judgment issuance date, was 18.12 days. Similarly, the average time for issuing notices of set down, from the closing date of pleadings to the first notice of set down issuance, was 9.07 days. Despite meeting targets for expeditious service delivery, a Tribunal judgment was overturned by the Supreme Court of Appeal. Notably, rather than directly ruling on the legal point, the Supreme Court of Appeal entrusted the Tribunal with reconsidering the matter.

Figure 2 below provides a service delivery comparison consisting of critical indicators over a four-year period since 1 April 2020 (Strategic Plan 2020 - 2025).

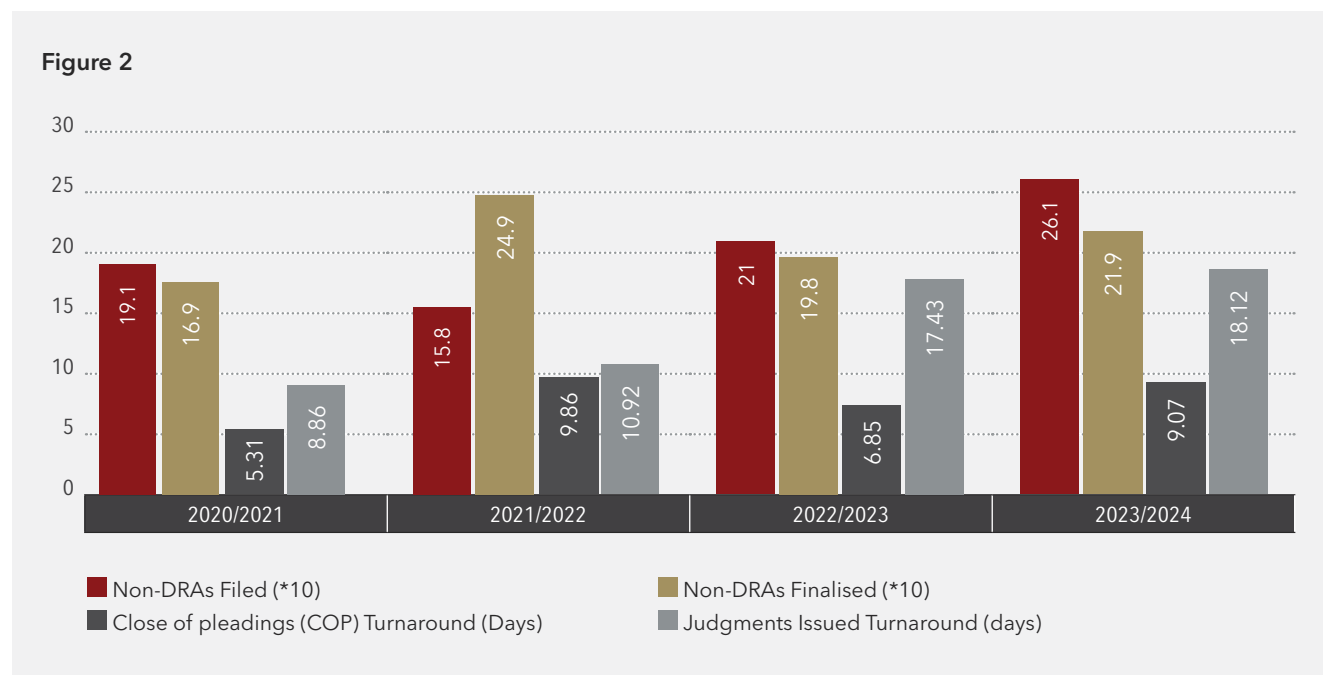




Table 5 presents the information illustrated in Figure 2 in a tabular format

Financial Year	Non-DRA's Filed	Non-DRA's Finalised	Close of pleadings (COP) Turnaround	Judgments Issued Turnaround
2020/2021	191	169	5.31 days	8.86 days
2021/2022	157	249	9.86 days	10.92 days
2022/2023	210	198	6.85 days	17.43 days
2023/2024	261	219	9.07 days	18.12 days

Figure 2 and Table 5 provide insights into the Tribunal's performance in processing and adjudicating Non-DRA cases.

The review period reveals a notable disparity between the number of Non-DRA cases filed and those finalised. Although efficiency targets remained within acceptable levels, the period saw a plateau or even a decline in efficiency compared to previous years. To uphold exceptional standards in Tribunal judgements, deliberate

adjustments were made to processes, incorporating rigorous scrutiny and quality assurance measures.

The value created is reflected in Figure 3 and Table 6 below, which provide certainty on the growth of the Tribunal's profile, especially in relation to consumer trust.

Figure 3 reflects the breakdown of filers that have filed Non-DRA's at the Tribunal over the strategy period

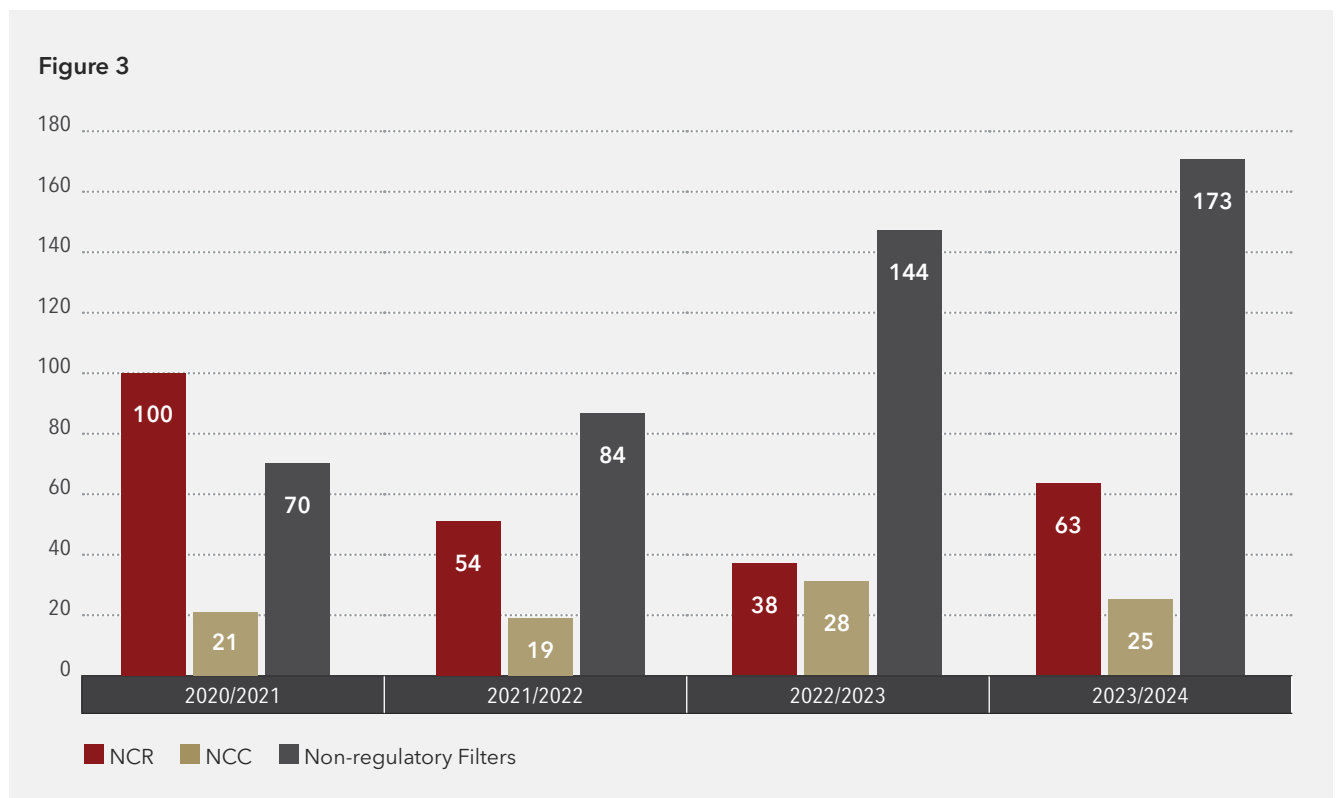


Table 6 presents the information illustrated in Figure X in a tabular format

Financial Year	NCR Filed Applications	NCC Filed Applications	Non-regulatory Filed Applications
2020/2021	100	21	70
2021/2022	54	19	84
2022/2023	38	28	144
2023/2024	63	25	173

Since 2022, the Tribunal has actively pursued opportunities to enhance its visibility by engaging with key stakeholders that have a broad reach among consumers. Tribunal rulings have been prominently featured across a range of online and offline platforms. The notable rise in applications from non-regulatory filers underscores the effectiveness of these strategic partnerships. Consumers seeking recourse through the Tribunal receive comprehensive guidance on the application process, ensuring alignment with statutory procedures and service delivery expectations. A series of instructional videos titled "How to file" have been made available on both the Tribunal's website and YouTube channel, equipping consumers with the necessary resources to navigate the redress mechanism effectively.

Since its inception, the Tribunal has faced 74 appeals and reviews in higher courts. In the current fiscal year, one Tribunal judgment was overturned by the Supreme Court of Appeal. Currently, 39 appeals are pending resolution, meaning these cases have not yet been definitively settled.

## ICT SERVICE DELIVERY

In terms of the Case Management System (CMS) during this period, over 96% of all Debt Rearrangement Applications (DRA) filings received and orders issued were electronic, making it easier and quicker for debt counsellors to process section 138 applications, ultimately benefiting the consumer in terms of rapid turnaround times for orders being issued.

To enhance accessibility, we developed a mobile version of the CMS for Android devices. This enables debt review processing in remote and township areas where communities may lack access to laptops but often have smartphones.

## ORGANISATIONAL ENVIRONMENT

Despite facing significant staff turnover challenges during the period under review, the NCT remained committed to fostering a positive organisational culture and empowering employees. We implemented initiatives to motivate and inspire our team, while also prioritising innovative strategies to maintain high-quality service delivery to our stakeholders.

## KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There have been no policy developments or legislative changes during the period under review.

## OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE SERVICE DELIVERY ENVIRONMENT

Beyond its core adjudicative function, ICT has been instrumental in supporting the NCT's operations. The strategic focus on ICT's contributions is evident in the following outcomes, as illustrated in below.

### WHAT IS "DIGITAL STRATEGY / TRANSFORMATION"?

"Use of technology to radically improve performance or reach of enterprises"

### HOW CAN WE WIN USING INFORMATION AND TECHNOLOGY TO RAISE HUMAN PERFORMANCE?

- The strategy and transformation process required to inform success
- SMAC (Social, Mobile, Analytics, Cloud)
- Industry 4.0
- Improved use of traditional technologies (i.e. Document / Case Management)



Key ICT achievements propelling the NCT to the forefront of technology include:

- The ICT Enterprise Architecture supports, enables, and meets the NCT's business requirements through the implementation of the Cloud-based Office 365 system. The acquisition, customisation, and implementation of the integrated Sage300 finance management system, Sage 300 people Human Resource, Payroll and Employee Self Service system,
- The Case Management System, which allows for the electronic handling of the processes adopted for managing NCT cases. This included capturing and registering of cases onto the system which is now done via the e-filing and webservice capability for section 138 applications, updating/ tracking of case status, online adjudication of cases and reporting. This system is used by both internal and external users. This has underpinned the core mandate of the NCT in terms of the NCA and the CPA. The major improvements made to the system included the launching of a mobile version of the system as well as the enhancement of the E-payments system for filing fees, allowing users a more secure way to pay.
- The ongoing operation of the remote access Virtual Private Access (VPN) system, which allows users from any remote location to connect in a secure manner to the NCT server and network infrastructure and have the same availability, access and experience to services as if they were accessing systems locally in the NCT offices.
- The ongoing operation of the Teams Voice telephony and conferencing system which crucially has allowed for the bulk of NCT hearings to now take place online with significant cost savings benefits being realised. The system allows for users to receive and make calls using voice and video from their laptops from anywhere provided they have an internet connection.

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

The key focus points for continuous improvement to the CMS included the following:

- The rollout of the CMS mobile application interface, which allows filers to compile applications and the associated documents for DRA Cases and send the same using their smartphone. This feature allows people in rural and township areas to participate as an intermediary for assisting local consumers with debt relief matters with minimal initial outlay on acquiring infrastructure.
- Rollout of an electronic hearings file access management system, which enables external party members of an NCT scheduled hearing to download the relevant

information electronically in preparation for the event. This feature will realise significant cost savings in that the physical printing of hearing files as well as couriering files to external parties with the associated costs has been drastically reduced.

- The implementation of a claims management system for Tribunal Members such that when they complete the adjudication of cases, the claims payment invoices for work completed are automatically generated electronically and then pass through a system-generated approvals workflow process involving Registry and Finance to streamline and enable the entire process to be handled online in a paperless environment. The Tribunal is one of the fastest paying entities to its members with payments made weekly.

#### **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 the reporting period, thus ensuring NCT systems and applications were protected against intrusions.

Through the continued effective maintenance of our Microsoft Windows-based active directory database configuration, Trend Micro anti-virus software and our firewall policy rules, we experienced no security breaches during the reporting period

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

The change management goal focus in the 2023/24 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.

The organisation actively discouraged filers from submitting applications manually in favour of moving to the online platform by highlighting the benefits of such a migration the advantage being faster turnaround times for the filer to receive an outcome on their application by way of either a granted or refused order. There has been a significant increase in filers using this electronic platform to file their applications, and on average over 96% of all filings made during this period were electronic.

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

The critical business applications such as the Case Management and Finance systems have comprehensive audit trails built into the software so that transactions initiated on these systems can be tracked and recovered in the event of a data loss. Extensive disaster recovery tests were also concluded.

# PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS & OUTCOMES

## PROGRAMME 1: ADJUDICATION

The adjudication program aims to foster the outcome of confidence in the NCT inspired by high-quality adjudication and case management. Throughout the strategic period, the Tribunal consistently met its output targets, with only one judgment overturned in a four-year span.

The impact of the adjudication programme is tangible in the value it provides to its beneficiaries. Over the review period, the Tribunal issued 38,474 DRA orders, granting 37,509 and refusing 965, resulting in a remarkable 97.49% grant rate. These orders empower consumers and their families to reintegrate into the economy without the spectre of asset repossession, offering a structured debt repayment plan to alleviate financial burdens. A representative 1% sample of granted orders was scrutinised to gauge the financial ramifications of DRA order issuance. This random but targeted analysis revealed that 43 DRA orders spanning six South African provinces enabled consumers to place home loans worth R14,218,541 and vehicle loans worth R7,541,175 under debt review. Notably, these figures are derived from only the subset of 43 consumer applications examined and were only examined if multiple consumers were contained in the application. In addition, the 38,474 orders that were issued led to the review of 1,914,620 credit agreements and, in most instances, their relaxation. The expedited granting of DRA orders translates to rapid financial relief for consumers directly attributable to the Tribunal's actions, thus instilling confidence in the NCT. Furthermore, throughout the review period, the Tribunal rendered 170 final judgments, each carrying significant ramifications. These judgments extend beyond individual cases, influencing regulatory stability and moulding industry conduct to align with legislative mandates. Such broader implications are crucial for safeguarding consumer interests, as they pave the way for pre-emptive measures to avert future breaches rather than solely relying on punitive actions.

Despite this focus on preventive measures, the Tribunal also imposed administrative fines totalling R3,606,500 and issued refunds amounting to R2,785,858.83. Moreover, it provided various forms of relief to consumers, including product replacements, repairs, and other forms of competent relief.

The following judgments are illustrative examples showcasing the consequential impact of select Tribunal decisions.

### NAME OF CASE:

NATIONAL CONSUMER COMMISSION V CE AUTO (PTY) LTD)

### CASE NUMBER:

NCT/284465/2023/73(2)(B)

The National Consumer Commission (applicant) filed a section 73(2)(b) application upon receiving complaints regarding defective vehicles purchased from the Respondent. It was found that two of the three complaints filed failed to meet the standards set out in section 55(2)(a) to (d) of the CPA. It was found that by refusing to refund the complainants' purchase prices, the respondent contravened section 56(2)(b) of the CPA and should be ordered to refund the purchase prices. This relief is competent under section 56(2)(b) of the CPA. The respondent's contravention of sections 55(2)(a) to (d) and 56(2)(b) of the CPA was declared prohibited conduct.

The respondent was ordered to refund the complainants for each vehicle purchased (R350 000.00 and R160 000.00 respectively).

### IMPACT

This judgment gives consumers confidence in approaching the Tribunal even when car dealers refuse to refund them for defective cars bought and ensures that car dealers are held accountable when they sell defective motor vehicles. Consumers will be empowered with this knowledge.

**NAME OF CASE:**

TERRENCE ALVIN PALADH V ADJUST 4 SLEEP  
(ADJUSTABLE BEDS)

**CASE NUMBER:**

NCT/255043/2023/75(1)(B)

The applicant's complaint pertains to a bed purchased from the respondent for R86 670.00. The bed was supposed to be well-suited to their health needs. The applicant watched the respondent's online advertisements, which confirmed that the product would improve circulation and medical challenges such as the applicant's. A few days after the bed's delivery and after having slept on it, the applicant's back and neck pain increased. Following numerous engagements with the respondent, the applicant requested a refund, which the respondent refused. The Tribunal considered the evidence and found that the bed delivered differed from the demonstration model, as the mattress was of a different depth and texture. Therefore, the respondent contravened section 41.

The contraventions were declared prohibited conduct in terms of section 150(a) of the National Credit Act, 34 of 2005 and the respondent was ordered to pay R86 670.00 (eighty-six thousand six hundred and seventy rands), being the purchase price of the bed.

**IMPACT**

This judgment encourages honest dealings between businesses and consumers. It also gives consumers confidence in getting their money worth and not settling for anything less than what was promised. Businesses will be motivated to practice honest dealings as this judgment advocates for that.

**NAME OF CASE:**

NATIONAL CONSUMER COMMISSION V  
VODACOM (PTY) LTD

**CASE NUMBER:**

NCT/260497/2023/73(2)(B)

The NCC investigated a sample of 21 complaints it had received against Vodacom. Most of the complaints against Vodacom related to a cancellation penalty of 75%, which Vodacom previously charged customers upon prematurely cancelling the fixed-term contracts. Other complaints related to a delay in the timeous cancellation of the contracts upon request by customers, resulting in the customers being charged for periods after having

requested the cancellation of their contracts. The NCC's investigation report found that Vodacom had contravened various sections of the CPA in 19 of the sampled 21 complaints. The NCC decided to proceed in respect of 11 out of the 19 complaints. Subsequently, the NCC brought the matter to the Tribunal seeking the following relief:

- Vodacom's various contraventions be declared prohibited conduct;
- Vodacom be interdicted from engaging in the above conduct;
- Vodacom be directed to refund the complainants the monies paid by them arising from the imposition of the 75% cancellation penalty as well as all monies improperly charged and paid by the complainants as set out in the investigation report;
- Vodacom be directed to remove the adverse listing of the complainants from all credit bureaus; and
- An administrative penalty be imposed on Vodacom equivalent to 10% of Vodacom's annual turnover, but not less than R20 000 000,00. The Tribunal declared the Respondent to have contravened sections 14(3)(b)(i), read with regulation 5(2) and (3); 14(2)(b)(i)(bb); 14(2)(b) and (3); 14(2)(c); 40(1)(b)(b) and (d); and Section 41(3) of the Consumer Protection Act: The Tribunal declared the Respondent's contraventions to constitute prohibited conduct and further imposed an administrative fine of R1 000 000.

**IMPACT**

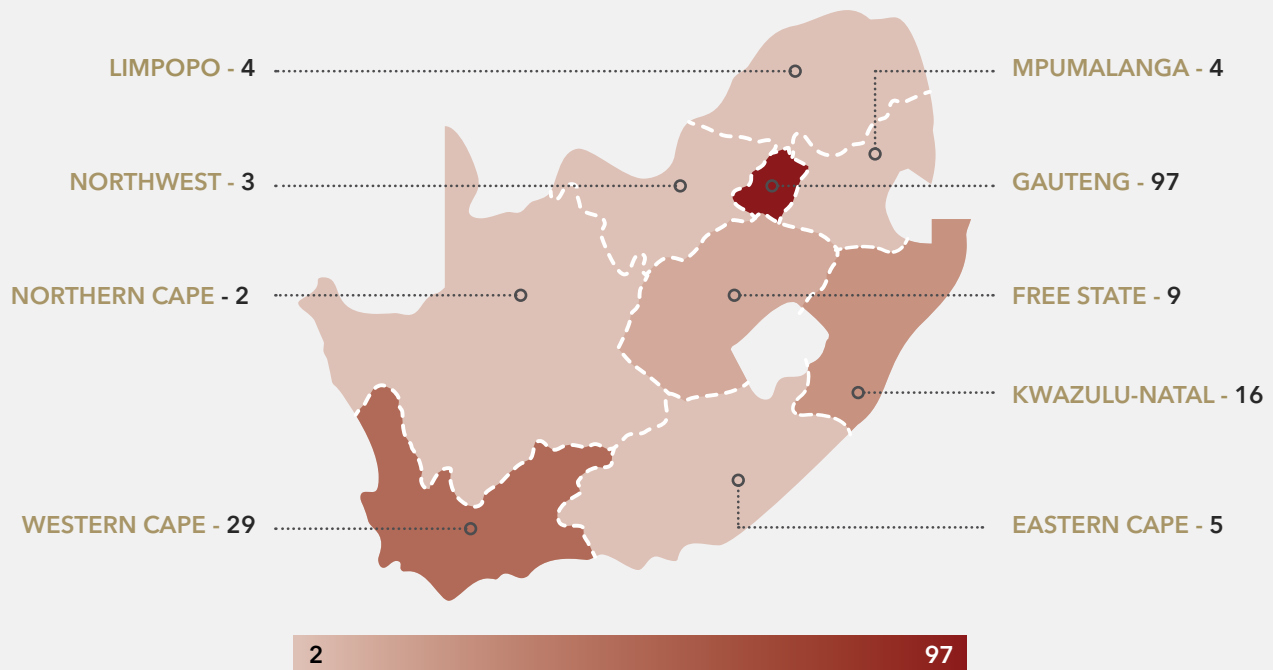
This case highlights the Tribunal's fair and accurate interpretation of the Consumer Protection Act. Regardless of a business's size, consumers should feel empowered to report any irregular practices, knowing that heavy penalties await those who infringe upon their rights.

**GEOGRAPHIC SPREAD OF NON-DRA JUDGEMENTS**

Figure 4 is a heat map illustrating the geographical distribution of consumers affected by the adjudication programme for Non-DRA's across South Africa. Gauteng stands out with the highest number of affected consumers at 97, highlighting a significant concentration of cases in this province. The Western Cape follows with 29 consumers, indicating a substantial impact as well. Other provinces, such as KwaZulu-Natal and the Free State, show moderate figures with 16 and 9 consumers respectively. Regions like the Northern Cape and North-West have relatively fewer cases, reflecting varied regional engagement with the adjudication programme. Despite these differences, the Tribunal's judgments regulate business behaviour throughout South Africa, ensuring that consumers nationwide are impacted by our decisions. This geographical analysis 'underscores the widespread influence of the Tribunal's efforts across the nation, addressing consumer needs in diverse areas.



Figure 4: Number of Consumers per Province



## PROGRAMME 2: ADMINISTRATION

### INFORMATION COMMUNICATION TECHNOLOGY (ICT)

In terms of the NCT's 5-year strategic plan, ICT has contributed to three key outcomes which include:

- Reducing the cost of doing business.
- Ease of access to the NCT in terms of information and services.
- Faster turnaround times for adjudication, enabling Tribunal Members to increase the daily volume throughput of DRA matters.

In terms of the strategic objective of reducing the cost of doing business, the key intervention during this period that has contributed to this includes the migration of a large portion of Non-DRA hearings onto a virtual platform for both hearing file distribution and meeting participation, thus saving on travel, hotel, and courier costs. In terms

of the ease of access strategic objective, the continued improvement during the period of the e-filing and web service capabilities has made the experience of submitting applications to the Tribunal seamless from any geographic location seamless. This has now further been enhanced with our CMS Mobile offering which will appeal to township and rural areas where a low cost of entry to conducting business is needed. In terms of improved efficiencies in the adjudicative process, the continued operation of the online adjudication capability of the Case Management System has enabled the Tribunal Members to each process up to 80 cases a day in terms of Debt Rearrangement matters, which has contributed to faster turnaround times for issuing/refusing of orders thus promoting significant economies of scale to the entity.

# INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The NCT has two programmes;

- Programme 1 – Adjudication
- Programme 2 – Administration

## PROGRAMME 1: ADJUDICATION

**PURPOSE:** To provide the necessary administrative, adjudicative, and other related services to ensure that the NCT delivers successfully on its legislative mandate.

### DESCRIPTION OF SUB-PROGRAMMES FOR ADJUDICATION

#### A. CASE MANAGEMENT:

Purpose is to provide 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.

#### B. ADJUDICATION:

The purpose is to adjudicate, on 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.

### HOW THE CHOSEN OUTCOMES LINK TO THE INSTITUTIONAL MANDATE

- Stakeholders' confidence in the NCT is inspired by high-quality adjudication and case management.
- The NCT's mandate is to hear and decide on cases involving consumers, suppliers of goods and services, credit providers, regulators, debt counsellors, credit bureaus, payment distribution intermediaries as well as alternative dispute resolution agents. In so doing, the Tribunal hears applications and cases that are premised upon the terms outlined within the NCA, CPA and the Rules of the Tribunal.

- Aligned to the NCT's mandate and the overarching legislative provisions, there are four guiding principles that define the Tribunals approach to adjudication. These foundation provisions require the NCT to conduct itself in a manner that is:

1. Inquisitorial (within the cases of the parties)
2. Expeditious (where non-compliance with procedures may be condoned).
3. Informal; and
4. In accordance with the principles of natural justice.

- To ensure expeditious adjudication of DRAs the Tribunal has created a time-sensitive measure that considers the adjudication efficiency from a case management and adjudication perspective.
- To ensure expeditious adjudication of Non-DRA's the Tribunal has created two time-sensitive measures, the first to ensure case management efficiency and the second to ensure adjudication efficiencies.
- To ensure adjudication that is inquisitorial, and informal in accordance with the principles of natural justice, the Tribunal has created a measure which tracks decisions overturned on review in the Supreme Court of Appeal. Should no decision be overturned, the Tribunal has some assurance that its decisions and practices are aligned with its founding principles.

By ensuring expeditious judgments of a high quality, the Tribunal delivers on its legislative mandate resulting in inspired stakeholder confidence. Therefore, the performance measures in place is aligned to the adjudication program and mandate of the Tribunal.

## OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Out of the 13 output indicators for 2023/2024, the NCT achieved 10, resulting in a 76% achievement. With regard to the output indicators relating to service delivery on the adjudication of cases and finalisation of cases, the NCT exceeded its targets. The Tribunal was overturned by the Supreme Court in one of its decisions. It had set a target of being overturned on 0 of its decisions. The remaining 2 output indicators that were not achieved under the Administration programme were the percentage of positions filled and the implementation of digital signatures on debt re-arrangement orders.

Economic Transformation and Job creation and reducing red tape and regulatory burden have been achieved through the efficient manner in which redress is provided

to consumers and filing parties through quality decisions. There is greater certainty provided to the role players in the credit and consumer industry and behaviour is shaped by the outcomes of judgments, prohibited conduct practices and the imposition of administrative penalties. ICT interventions have ensured that the NCT has become more accessible to filing parties and that filing applications with the Tribunal is simpler and easier.

A capable, ethical and developmental state is evident through the great emphasis placed on good corporate governance and the achievement of the NCT's 12 consecutive clean audits.

Youth development initiatives have been implemented through internship programmes and providing opportunities for young contract employees to enter the job market.

PROGRAM 1: ADJUDICATION								
Sub-Programs: Adjudicating and Case Management								
Outcome	Output	Output indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reason for deviations
Stakeholder confidence in the NCT - inspired by high quality adjudication and case management	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 parties	30.74 days	29.15 days	55 days	31.04 days	Exceeded	Parties filing on CMS allow for faster processing despite manual applications also being filed
Stakeholder confidence in the NCT - inspired by high quality adjudication and case management	Responsive, timeous service to stakeholders in line with mandate	Average number of days from date of close of pleadings of non-DRA's to date of issuing notice of set down to filing parties	9.86 days	6.85 days	15 days	9.07 days	Exceeded	Set down processes driven by the NCT rather than the parties. Increased control within the process
Stakeholder confidence in the NCT - inspired by high quality adjudication and case management	Responsive, timeous service to stakeholders in line with mandate	Average number of days from date of final adjudication of non-DRA to date of issuing an order	10.96 days	17.43 days	20 days	18.12 days	Exceeded	Strict judgment writing and panel engagement procedures are in place to increase the quality of adjudication

PROGRAM 1: ADJUDICATION								
Sub-Programs: Adjudicating and Case Management								
Outcome	Output	Output indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reason for deviations
Stakeholder confidence in the NCT – inspired by high quality adjudication and case management	High quality adjudicative decisions that create consistent jurisprudence in consumer, credit, and debt intervention	Number of cases overturned on review in Supreme Court	Zero cases overturned	Zero cases overturned	Zero cases overturned	One case overturned	Not achieved	The Tribunal was requested to reconsider the application for condonation for a supplementary affidavit by reconsidering its application of the law that led to its decision. This is a matter of interpretation of the law

## PROGRAMME 2: ADMINISTRATION

**PURPOSE:** 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.

### DESCRIPTION OF SUB-PROGRAMMES FOR ADMINISTRATION

#### A. FINANCIAL MANAGEMENT AND CONTROLS

The purpose of financial management is to ensure that an organisation's financial resources are best used to achieve its strategic objectives. This involves planning, directing, and monitoring the organisation's financial activities. Financial management also includes making decisions about how to allocate the organisation's financial resources.

#### B. CORPORATE SERVICES SUPPORT

The purpose of Corporate Services is to provide the institution with support for the organisation's employees and departments. This includes human resources, communication, legal compliance, and secretariat responsibilities. The goal of Corporate Services is to make sure that the NCT runs smoothly and efficiently.

#### C. INFORMATION AND COMMUNICATIONS TECHNOLOGY SUPPORT

The purpose of ICT is to electronically enable communication and collaboration between people in the institution and stakeholders and partners outside the NCT. ICT can aid information and ideas sharing and improve collaborations, efficiency and speed on work tasks and projects.

### HOW THE CHOSEN OUTCOMES LINK TO THE INSTITUTIONAL MANDATE

#### A. FINANCIAL MANAGEMENT AND CONTROLS

The finance unit plays a significant role in ensuring that the core program and the NCT achieve the mandate. Finance primarily will ensure that the NCT has the financial resources, capacity, and capabilities to deliver on its core mandate and to be financially sustainable for the period covered by the Medium-Term Expenditure Framework (MTEF). In addition, the finance unit is responsible for timely and compliant procurement. In essence, finance is key to the organisation to ensure sound cash flow management, clean audit outcomes, and timely procurements.

Finance contributes towards the strategic outcome of ensuring financial sustainability and improved cash flow management by:

- Providing sound strategic financial advice and guidance.
- Maintaining effective and efficient financial processes, systems, controls, and policies.
- Optimising the value for money received from vendors of goods and services.
- Practising good management and corporate governance principles.

## CORPORATE SERVICES

Corporate Services is a key and critical business partner within the NCT, executing the leading role in supporting the NCT in achieving its mandate. A multifunctional unit comprising of the critical sub-functions:

- Human Resources and Facilities Management
- Communications
- Risk Management
- Internal Audit
- Compliance and Secretariat

## HUMAN RESOURCES AND FACILITIES MANAGEMENT

Without agile and adaptable employees with grit in an environment where change is normal-there are a rebound to be huge challenges. HR's focus will be to ensure that the NCT not only improves on its systems and leadership but will ensure that the NCT is adequately skilled and manned with high performing, critical and key talent. The NCT is committed to continuous learning in order to ensure that its employees are abreast and adapting and keeping ahead of the changes in the workplace, be it soft or technical skills, through its Talent management system.

## COMMUNICATIONS

In ensuring that we continuously improve on and build the trust and credibility of the NCT, our Communication sub-unit will focus on enhancing effective and efficient communication at all levels, with both internal and external stakeholders. As a participant in the global economy focus will be given to building international collaborations and development of African and surrounding countries credit regulation frameworks.

## RISK MANAGEMENT: INTERNAL AUDIT, COMPLIANCE AND SECRETARIAT

As an adjudicative body it is imperative that the NCT maintains a compliant organisation not just legislatively but in terms of governance, internal and external audits. This is supported through a diligent secretariat function with appropriate levels of record keeping. It is through the effective management of its internal audit and compliance standards that the NCT continues to proactively identify and mitigate/eliminate its risk, which ultimately cascades into the NCT maintaining track records of clean audits.

Corporate Services is also responsible for ensuring that the NCT delivers on its key joint indicators of transformation and building a capable state. This is achieved through its concerted efforts in youth development and its various initiatives through its B-BBEE implementation plan.

## INFORMATION COMMUNICATION TECHNOLOGY (ICT)

Efficiency and effectiveness in enabling NCT stakeholders processes and information management.

The NCT's mandate is to hear and decide on cases involving consumers, suppliers of goods and services, credit providers, regulators, distribution intermediaries as well as alternative dispute resolution agents. In doing so, the Tribunal hears applications and cases that are premised upon the terms outlined within the NCA, CPA and the Rules of the Tribunal. Information and Communication Technology (ICT) has become a key enabler to assist the entity in developing and executing the necessary administrative process efficiently and effectively to achieve the above mandate.

## KEY AREAS THAT RELY ON ICT TO SUPPORT THE NCT MANDATE INCLUDE.

- Adjudication
- Case Management
- Finance and Human Resources
- Security of Information and Data
- Compliance
- Communications and Accessibility



PROGRAM 2: ADMINISTRATION								
Outcome	Output	Output indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reason for deviations
Sub-Programme: Financial Management and Controls								
Financial Sustainability and improved cash flow management	Optimal use of financial resources	% of trade debtors over filing fee revenue	N/A as this was not a target for 2021/2022	0.011%	Trade debtors to be 1% or less of filing fee revenue	Trade debtors 0% of filing fee revenue	Exceeded	The target was exceeded as processes were implemented to reduce the filing fee debtors. This process ensured that a case number was only allocated after finance confirmed that the payment from the debt counsellor had been received
Sub-Programme: Corporate Services Support								
Reliable, secure, and sustainable asset utilisation	Talented people available to execute on NCT strategy & mandate across the NCT organisation in structure	% of filled positions in approved organisation structure	95.86%	95.75%	90%	88.4%	Not achieved	The NCT has a small staff structure and resignations and a dismissal impacted the turnaround
	Youth with employable skills & knowledge	Number of interns employed through structured opportunities created for youth	8	8	8	8	Achieved	N/A
A readily accessible NCT that shares information and co-operates with stakeholders	Cooperation & information sharing on permissible matters	Number of structured interactions and engagements with external stakeholders including events	N/A as this is a new output indicator	N/A as this is a new output indicator	20	34	Exceeded	The roll-out of CMS required more structured engagements with debt counsellors to promote easier access to the NCT
Sub-Programme: Information and Communications Technology Support								
Efficiency and effectiveness in enabling NCT stakeholder processes and information management	Stable and Secure ICT enterprise enabling NCT business processes through automation	% systems availability during business hours	98.15%	99.38%	98%	99.58%	Exceeded	Stable ICT infrastructure and timeous resolutions of hardware and software issues resulted in a higher percentage achievement

PROGRAM 2: ADMINISTRATION								
Outcome	Output	Output indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reason for deviations
Efficiency and effectiveness in enabling NCT stakeholder processes and information management	Stable and Secure ICT enterprise enabling NCT business processes through automation	Number of designated security assessment interventions implemented	2 (1 internal and 1 external) penetration tests were completed & the results reviewed	2 (1 internal and 1 external ) penetration tests completed & the results reviewed	1 external and 1 internal penetration tests completed and project action plan developed to address findings	1 external and 1 internal penetration tests completed and project action plan developed to address findings	Achieved	N/A
Efficiency and effectiveness in enabling NCT stakeholder processes and information management	Highly secured and tamper proof electronic orders issued to filing parties	Implementation of digital signatures on issued Debt Rearrangement orders	N/A	N/A	100% system implemented and in production	0%	Not achieved	Lack of capacity due to the high staff turnover in the business unit. Furthermore, there was a lack of knowledge and expertise pertaining to the implementation of encrypted signature keys
Efficiency and effectiveness in enabling NCT stakeholder processes and information management	Digitization of hearing files preparation and processing	Develop/deploy an electronic hearings file prep, review and dispatch system for external parties	N/A	N/A	100% system implemented and in production	100% system implemented and in production	Achieved	N/A
Efficiency and effectiveness in enabling NCT stakeholder processes and information management	Fully automated and integrated Finance and Human Resource process and data management system	Acquisition and deployment of an integrated Finance and Human Resource process and data & management system	N/A	N/A	100% system implemented and in production	100% system implemented and in production	Achieved	N/A

#### Disclosures

- To ensure consistency in reporting, the outcomes, outputs, output indicators and annual targets were taken from pages 37,38,48,51 and 55 of the 2023/2024 APP.
- The information on the audited actual performance 2021/2022 was taken from the 2021/2022 annual report.
- The information on the audited actual performance 2022/2023 was taken from the 2022/2023 annual report.
- The calculation of the annual target for "Trade debtors 0% of filing fee revenue" was adjusted to reflect the calculation as - cumulative year to date.
- In the absence of a TID for "Number of structured interactions and engagements with external stakeholders including events" - the annual target was calculated by adding up all the events per quarter.
- The calculation of the annual target for "% systems availability during business hours" was adjusted to reflect the calculation as - cumulative year to date.

## BUDGET AGAINST THE PROGRAMMES

	2023/24			2022/23		
Programme/Activity/Objective	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	48 592	44 872	3 720	33 175	29 131	4 044
Administration	34 457	29 372	5 085	37 447	37 135	312
<b>Total</b>	<b>83 049</b>	<b>74 244</b>	<b>8 805</b>	<b>70 622</b>	<b>66 266</b>	<b>4 356</b>

During the period under review, our expenditure was strategically allocated to enhance our operational capabilities and achieve key outputs. A significant portion of the budget was dedicated to employee costs as the NCT is a professional services organisation. Additionally, investments in technology upgraded our infrastructure, facilitating more efficient processes and better data management.

By aligning its expenditures with its strategic goals, the NCT was able to make substantial progress towards its targets, demonstrating the effective utilisation of its financial resources in driving organisational success.

## REVENUE COLLECTION

	2022/23			2023/24		
Sources of Revenue	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	54 756	54 756	-	55 295	53 636*	1 659
Filing Fees	14 840	15 606	(766)	15 730	23 958	(8 228)
Service Fees	-	7	(7)	-	-	-
Sundry Income	-	812	(812)	-	496	(496)
Proceeds From Insurance	-	21	(21)	-	-	-
Interest Earned	676	1 825	(1 149)	717	4 219	(3 502)
<b>Total</b>	<b>70 272</b>	<b>73 027</b>	<b>(2 755)</b>	<b>71 742</b>	<b>82 309</b>	<b>(10 667)</b>

\*The grant received was R55,295, however R1,6 million had to be returned. This was requested by **the dtic** due to government shortfalls.

The NCT received its full initial grant allocation from the Department of Trade, Industry and Competition (**the dtic**) of R55,2 million for the 2023/2024 financial year. Later in the financial year due to the poor economic climate, the NCT was instructed to pay back an amount of R1,6 million to **the dtic**. Income from filing fees comprises fees received from filing parties for DRAs brought before the Tribunal. The filing fee per case increased by 7.5% from R537.50 to R577.81 per case, effective from 1 April 2023. The NCT exceeded the target expectations on the filing fees by R8.2 million which is a result of 41 490 DRAs filed versus a budget caseload of 27 223.

## CAPITAL INVESTMENT

The NCT does not have infrastructure projects and, as such, does not need a Capital Investment Plan. It does, however, have property, plant, equipment and intangible assets that are accounted for in a detailed asset register. The assessment of the entity's useful lives and the residual values of the assets is conducted annually. The general condition of the assets is good and, by its nature, the cost of maintaining these assets is very low, while there is no backlog in any maintenance programmes. The movement of the NCT's property, plant, equipment and intangible assets is set out in Notes 5 and 6 of the Annual Financial Statements.

# PART C:

## GOVERNANCE



# INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

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

## PORTFOLIO COMMITTEES

Two presentations were made to the Portfolio Committee on the Implementation of the National Credit Act, No. 7 of 2019, the implementation of the debt review system and the challenges experienced.

## EXECUTIVE AUTHORITY

The NCT's quarterly reports, monthly financial reports and all required compliance reporting were submitted to the Executive Authority. 11 case studies relating to the impact of the work done by the NCT were provided to the Minister as part of the NCT's contribution to **the dtic** output 32.

## THE ACCOUNTING AUTHORITY/THE BOARD

The Chairperson of the Tribunal is also the Accounting Authority of the NCT, and as such he must:

- exercise the duty of utmost care to ensure reasonable protection of the assets and records of the NCT.
- manage the financial affairs of the NCT in its best interest and in a manner that shows fidelity, honesty, and integrity.
- on request, disclose to the Executive Authority or Parliament all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Executive Authority or Parliament; and
- prevent any financial prejudice to the interest of the state within the sphere of influence of the Chairperson of the NCT.

## BOARD CHARTER

This is not applicable as the NCT does not have a Board.

## COMPOSITION OF THE BOARD

This is not applicable as the NCT does not have a Board.



# COMMITTEES

## AUDIT AND RISK COMMITTEE



MR SULEMAN BADAT



MS RUDZANI RASIKHINYA



ADV ADILA CHOWAN

The ARC is established as an independent body that reports to the Accounting Authority to provide independent assurance and assist the Accounting Authority in discharging his/her duties relating to the preparation of accurate financial reporting statements in compliance with all the applicable legal requirements, governance, risk management and control processes of the NCT.

## ICT GOVERNANCE COMMITTEE



DR PRITTISH DALA



MR SANDILE NDABA

The role of the ICT Governance Committee members is to assist the Accounting Authority in exercising oversight of the governance matters relation to information technology with specific emphasis on strategic alignment, risk management, resources management, performance management, value management, compliance, information security and projects within the ICT domain at NCT.

## HR GOVERNANCE COMMITTEE



MR RAJESH JOCK



MS NOLUFEFE NGQUBEKILE-ALI

The HR Governance Committee exercises oversight in terms of matters in relation to human resources. It reviews submissions and documents and makes recommendations to the Accounting Authority. It considers risks and monitors internal controls and compliance with legislation and policies. This Committee performs the role of the Performance Management Committee.

Committee	No. of Meetings Held	No. of Members	Name. of Members
Audit and Risk Committee Meeting	6	3	Mr Badat Ms Rasikhinya Adv Chowan
HR Governance Committee	2	2	Mr Jock Ms Ngqubekile-Ali
ICT Governance Committee	3	2	Dr Dala Mr Ndaba

## REMUNERATION OF BOARD MEMBERS

The NCT does not have a Board.

## RISK MANAGEMENT

The Tribunal has a comprehensive risk management framework that includes a risk strategy, risk management process, risk management charter, and guidelines for relevant role-players. Additionally, the Tribunal has a defined risk appetite and tolerance statement. In January 2024, the Tribunal conducted an entity-wide risk learning and identification session to identify risks for the 2024/25 financial year. The Tribunal's risk management team meets at least four times a year or whenever new or emerging risks are identified.

The risk management committee reports on its effectiveness and its assessment of risk management to the ARC and **the dtic** quarterly. The management of risks is measured against the Tribunal's risk appetite and tolerance levels. The Tribunal's risk management strategies have enabled the development of strategic initiatives that ensure continued success in service delivery and financial management, despite significant identified financial and other risks.

The progress of the risk implementation plans is monitored and reported quarterly. Active discussions are also held on emerging risks.

## INTERNAL AUDIT AND AUDIT COMMITTEES

### KEY ACTIVITIES AND OBJECTIVES OF THE INTERNAL AUDIT

The Internal Audit function is outsourced to an external service provider, which for this financial year was Nexia SAB&T (contract ended in September 2023) and RAIN Chartered Accountants INC (from 1 October 2023) and was overseen administratively by the Full-Time Tribunal Member. The audits covered all areas of business in terms of the approved three-year, risk-based Internal Audit Plan. Internal Audit provides Management with independent, objective assurance and consulting services designed to add value and continuously improve the operations of the NCT. It assists the organisation in accomplishing its objectives by means of a systematic, disciplined approach to evaluate and improve the effectiveness 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 toward achieving the NCT's objectives.
- Evaluate the adequacy and effectiveness of the risk management process and contribute to its improvement.
- Assist the Accounting Authority in maintaining efficient and effective controls by evaluating those controls and making recommendations for enhancement or improvement.

This unit also monitors the NCT's reports around the status of implementation of Management's commitments on audit findings raised by internal or external auditors.

## AUDIT AND RISK COMMITTEE

### KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

The ARC 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
- Oversight of the Quarterly Reports Submitted to the dtic

The NCT's independent Fraud Hotline service provider is mandated to provide reports as and when reported to the NCT. The reports are submitted quarterly to the ARC. During the year under review, no incidents of fraud were reported.

### ATTENDANCE OF AUDIT COMMITTEE MEETINGS BY AUDIT COMMITTEE MEMBERS.

The table below discloses relevant information on the audit committee members.

Name	Qualifications	Internal or External	Date Appointed	Date Resigned/ Re-appointed	No. of Meetings Attended
Mr S Badat (Chairperson)	CA(SA)	External	01/04/2019	Re-appointed in March 2022	6
Ms R Rasikhinya	B Com, CA(SA)	External	01/04/2019	Re-appointed in March 2022	5 (partial attendance)
Adv A Chowan	B Com, CS(SA), LLB	External	01/04/2022	N/A	6

## COMPLIANCE WITH LAWS AND REGULATIONS

The NCT has developed its own regulatory environment over the years which consists of all applicable laws and regulations incorporated in a compliance monitoring system with compliance checklists completed by the relevant managers. During the course of the year, the NCT was unsuccessful in obtaining a new service provider to manage its compliance universe. To mitigate this risk the manual compliance documents were used from the Exclaim system to monitor compliance with laws and regulations.

## FRAUD AND CORRUPTION

"Doing the right thing", has been emphasised numerous times by the Executive Chairperson to Exco members and staff. The NCT has a Fraud Prevention Policy as well as a

Fraud Plan in place. In order to create a culture of zero tolerance for fraud and corruption, the NCT conducts an annual Fraud Awareness Workshop for staff to remind them of the type of instances and information that should be reported to the NCT anonymous Fraud Hotline as well as general awareness of fraud and corruption. The Fraud Workshop was held on 26 September 2023.

The NCT has a Fraud Hotline, which is managed by an independent service provider. During the 2023/2024 financial year, the NCT's Fraud Hotline was operated by Whistle Blowers. The service provider was mandated to report any instance of fraud directly to the chosen line of reporting. Depending on the outcome of the investigation, the implicated staff member can face disciplinary action, dismissal and criminal charges. A monthly report was further provided to indicate the monthly number of calls received on the Fraud Hotline. The NCT has a panel of

independent fraud investigation service providers in place to investigate any instances of fraud reported via the Fraud Hotline. Any reported instances of fraud or corruption are entered into the NCT's Fraud Register, which, together with the reports by Whistle Blower, are tabled at the quarterly Audit and Risk Committee Meetings.

To encourage the anonymous reporting of any possible fraud or corruption activities without fear of victimisation, the NCT has a Whistleblowing Policy in place.

## MINIMISING CONFLICT OF INTEREST

In order to ensure that the NCT determines whether any of its Tribunal Members or staff have any vested interests in matters adjudicated by the NCT or in the NCT's procurement processes, governance and operational aspects of the NCT, the NCT has certain processes in place. These processes include an annual declaration of interest form, which is completed annually by Tribunal Members, staff and all Governance Committee Members in which they declare their specific current interests, whether financial irregularities otherwise, which may result in a conflict of interest. Any directorship or shares in companies that might cause conflicts of interest in respect of service level agreements and or adjudication also needs to be declared. Before the adjudication of each case, during governance and operational meetings, procurement and recruitment interactions, conflict of interest forms are completed by the relevant parties and meeting attendees. Any possible conflict pertaining to a case 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 of the NCT for a decision. Matters of conflict pertaining to a committee or meetings are referred to the chairperson of that committee meeting. In the event of a conflict of interest, the conflicted party is recused during a discussion of the item on which they are conflicted.

## CODE OF CONDUCT

The NCT has a Code of Conduct and Conflict of Interest Policy. Failure to comply with any provision of this Code or any Tribunal policy is a serious violation and may result in disciplinary action, up to and including termination of employment, as well as civil or criminal penalties. These consequences may apply not only to employees who commit misconduct but also to those who condone misconduct, fail to report or take reasonable measures to prevent, detect and address misconduct or seek to retaliate against those who report potential misconduct.

## HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The NCT complies with the OHS Act. The entity has the required occupational health and safety structures to ensure that the work environment is conducive to the health of all staff members. The Health and Safety Committee comprises representatives of employees, management as well as a union representative. The members of the committee occupy roles as Health and Safety representatives, the First Aider and the Fire Warden. All committee members have been formally trained in their respective roles and have valid certificates. Committee meetings are held once per quarter. During the year under review, we had one Injury on Duty of which the incident was minor.

## COMPANY SECRETARY

The NCT is a small entity and does not have a Company Secretary.

## SOCIAL RESPONSIBILITY

During the December and January university breaks, the NCT had 8 job shadowing students in different academic fields. They were placed across the business units for a period of 5 days during each intake. These students were exposed to the various elements in their respective fields.

The NCT is focused on capacitating youth and supporting the less fortunate. CSI initiatives are undertaken to show our support to the less fortunate. In its ongoing career development program and part of its broader communications strategy, three universities and two secondary schools were visited during the review period. The aim was to raise awareness and promote the NCT. At schools, learners making their subject choices were engaged so they could have a clear understanding when choosing their subjects and careers.

The commitment to women was displayed by visiting the Youth for Survival Centre. The Centre is based in Pretoria, and it is a 100% female black-owned NGO that operates in four of South Africa's major provinces. Sanitary items, face towels and toothbrushes were donated to the women, and drinks, sweets, and school shoes to the children. The aim was to support the Centre's mission to empower and equip women coming from abusive relationships with skills that can help them become employable or self-employed.

The second visit was to Tawana Community NPO Children's Home. Tawana Community Home is a non-profit organisation founded for homeless children and orphans with the goal of ensuring all the children receive education and are well taken care of. School shoes, towels, toothbrushes, socks, snacks, and sweets were provided to the children.



# AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

## 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

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were raised with management.

The following internal audit work was completed during the year under review:

- Performance Information for Quarters 2 and 3
- Supply Chain and Contract Management
- Internal Financial Controls Review
- Risk Management
- Compliance Review
- Case and Records Management
- IT Governance Review
- Follow-up Review on Audit Action Plans – External and Internal Audit Findings
- Annual Financial Statements Review (2022/23)
- Review of draft Annual Performance Plan for the 2024/24 financial year.

The overall opinion from the Internal Auditors was that the control environment required some improvement.

The Committee has noted Management's commitment to address control deficiencies and will be monitoring Management's progress in resolving these findings.

## ENTERPRISE RISK MANAGEMENT

It is the Committee's view that enterprise risk management at the NCT, including processes undertaken during the

year to address high-risk areas, is receiving the required attention from management and continues to be improved. 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 developed and approved by the Committee. Key strategic and operational risks that were highlighted in the risk register were continuously monitored and discussed at the Exco and ARC meetings as part of the Enterprise Risk Management Strategy. The ARC is satisfied that these risks are receiving the required attention.

## 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. All planned audits for the year were completed.

## 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.

## IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The Accounting Authority has tabled the in-year management and monthly/quarterly reports to the Minister and the Committee, as required by Treasury Regulations. The Committee is satisfied with the content and quality of these reports. As per our regular discussion with 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 independent auditors and management; reviewed the Independent Auditor's Management Report and their audit findings;

- reviewed changes, if any, to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the NCT's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the Annual Report; and
- reviewed material adjustments, if any, resulting from the audit.

## INDEPENDENT AUDITOR'S REPORT

We have on a quarterly basis, reviewed the NCT's implementation plan for audit findings raised in the prior year. The ARC has met with the Independent Auditor to ensure that there are no unresolved issues that emanated from the audit.

The ARC concurs and accepts the Independent Auditor's opinion regarding the Annual Financial Statements and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Independent Auditor.

The Committee commends management for achieving yet another "clean audit" status.

## APPRECIATION

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



**Mr Suleman Badat**

Chairperson of the Audit & Risk Committee  
National Consumer Tribunal

31 July 2024



# B-BBEE COMPLIANCE

## PERFORMANCE INFORMATION

The following table reflects the NCT's compliance with the Broad-Based Black Economic Empowerment (B-BBEE) requirements of the B-BBEE Act of 2013, as determined by the Department of Trade, Industry, and Competition (**the dtic**).

B-BBEE		
Criteria	Response Yes / No/Not Applicable	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Not Applicable	The NCT derives its adjudicative mandate from the NCA and the CPA and is not mandated to issue licences or other authorisations
Developing and implementing a preferential procurement policy?	Yes	The NCT's Supply Chain Management Policy includes the relevant PP prescripts
Determining qualification criteria for the sale of state-owned enterprises?	Not Applicable	The NCT derives its adjudicative mandate from the NCA and the CPA and is not mandated to sell state-owned enterprises
Developing criteria for entering into partnerships with the private sector?	Not Applicable	The NCT, a public 3A Entity, derives its adjudicative mandate from the NCA and the CPA and is not mandated to enter into partnerships with the private sector
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	Not Applicable	The NCT derives its adjudicative mandate from the NCA and the CPA and is dependent on the grant allocation it receives annually from <b>the dtic</b> to perform its day-to-day operations. There are thus no funds earmarked for incentives, grants or investment schemes in support of B-BBEE





# PART D:

## HUMAN RESOURCE MANAGEMENT



# INTRODUCTION

## OVERVIEW OF HUMAN RESOURCES MATTERS IN THE PUBLIC ENTITY

As a strategic business partner, the Human Resources (HR) section provides human capital support to the Tribunal using current best practices in Human Resources. To achieve this, the unit is aligning and updating its activities, policies, and procedures across the HR value chain. The unit currently has an HR Strategy and Plan, which is in its final year of implementation. The unit has commenced drafting a new strategy to meet the needs of the upcoming medium-term. This strategy aligns with the South African Board of People Practitioners HRM System Standards Model.

The Skills Development and Employment Equity Committees were amalgamated into one committee referred to as the Skills Development and Transformation Committee. The committee meets once per quarter. There is an HR Governance Committee that regulates and advises on all HR matters.

In order to ensure that the strategic goals of the Tribunal are realised, a number of human resources programmes were put in place during the period under review. These programmes included, amongst others: employee wellness programme, training and development, performance management and finalised implementation of the integrated human resources and payroll system. The Tribunal, for the first time since its inception, submitted the Workplace Skills Plan and Annual Training Report to PSETA.

## WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORK-FORCE AND PRIORITIES

The NCT has a headcount of 54 employees. As of the end of March 2024, the occupancy rate was 88.4 %. During the year under review, recruitment and selection have become a substantial risk for the NCT. Employee turnover, for various reasons adversely affected the staffing rate. The NCT also recognised that it is imperative that incumbents with the right skills and expertise and organisational fit are recruited. The NCT has shaped and enhanced its organisational climate, and a strong message from the Executive Chairperson has been for employees to work with flair and not with fear. The hybrid working system provides staff with flexible working arrangement with an emphasis on performance and output. The strategies going forward will entail exploring staff benefits and enhancing the NCT's human capital to meet its mandate.

## EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

A performance management system is in place to monitor the performance and outputs of individual employees. This system aims to ensure that employees focus on performing their respective jobs to enable the Tribunal to achieve its strategic goals. To further improve the effectiveness of the performance management system, the Tribunal has procured an HR Information System (HRIS) with a performance management functionality. The HRIS was fully implemented at the end of the 2023/2024 FY. During the new 2024/2025 FY, the HR unit will roll out the electronic Performance Management system across the Tribunal.

## EMPLOYEE WELLNESS PROGRAMMES

The Tribunal values the wellness of its employees. Our current wellness partner is ICAS, which is an external service provider that has been appointed to preserve the confidentiality of employees. During the year under review, Employee Wellness programmes were implemented to ensure that the well-being of employees is taken care of. ICAS runs various monthly wellness programmes, with talks on pertinent topics for all employees as additional assistance in navigating life's challenges. These systems

have contributed substantially towards the social and psychological upliftment of employees' morale and provided a sense of belonging. To compound this as part of our wellness strategy, the Tribunal hosted an Annual Wellness Day during the reporting period. Participation in this process was voluntary. To ensure that our annual Wellness Day was a success, ICAS undertook an Organisational Wellness Diagnosis survey. The results of the survey were factored into the Employee Wellness Day.

## TRAINING AND DEVELOPMENT

In the Tribunal, to enhance employees' productivity, it is imperative to ensure that employees are capacitated to be able to execute their tasks effectively. To achieve this, a consolidated workplace skills plan was developed and implemented. As a result of this, a significant number of employees attended training programmes. These skills and knowledge development programmes included short courses, seminars and workshops. As of 31 March 2024 of the reporting period, there were nine training programmes in which employees participated. These skills development programmes are informed by the training needs identified and consolidated in the annual training plan. The NCT further awarded bursaries to four qualifying employees.

## HIGHLIGHT ACHIEVEMENTS

The Tribunal had 8 job shadowing students in different academic fields during the December and January university break. They were placed across the business units for a period of 5 days during each intake. These students were exposed to the various elements in their respective fields.

The Tribunal is focused on capacitating youth and supporting the less fortunate. CSI initiatives are undertaken to show our support to the less fortunate. In its ongoing career development program and part of its broader communications strategy, the unit visited three universities and two secondary schools during the review period. The aim was to raise awareness and promote the NCT.

At schools, learners making their subject choices were engaged so they could have a clear understanding when choosing their subjects and careers.

- University of Pretoria
- North-West University
- University of the Witwatersrand
- Tsako Thabo Secondary School
- Mahube Secondary School

Visits were made to three schools namely: Olievenhoutbosch, Bafedile and Mahube Secondary School to distribute 455 scientific calculators to the grade 12 learners as part of its B-BBEE initiative.

In its continued effort to create a positive work culture, the Tribunal held its annual Employee Awards Day. Various awards were handed out to employees and the top-performing business unit. This event greatly contributed to changing the trajectory of the NCT's culture.

## CHALLENGES FACED BY THE PUBLIC ENTITY

The vacancy rate has placed a considerable strain on current resources. To ensure that the Tribunal meets its targets, executive management has prioritised projects in order of demand. Finding the right employees with the right skills, expertise and organisational and values fit is crucial. Enhancing our human resources and shaping the culture of the organisation are key priorities.



# HUMAN RESOURCES

## OVERSIGHT STATISTICS

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate, provide reasons for variances.

### PERSONNEL COST BY PROGRAMME/ ACTIVITY/ OBJECTIVE

Programme/ activity/objective	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Exp. as a % of Total Exp.	No. of Employees	Average Personnel Cost Per Employee (R'000)
Adjudication	29 372	22 266	76%	26	856
Administration	44 872	27 019	60%	19	1 422
<b>Total</b>	<b>74 244</b>	<b>49 285</b>	<b>66%</b>	<b>45</b>	<b>1 095</b>

### PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure (R'000)	% of Personnel Exp. to Total Personnel Cost	No. of Employees	Average Personnel Cost Per Employee (R'000)
Top Management	2 501	6%	1	2 501
Senior Management	9 603	22%	4	2 401
Professionally qualified	12 059	27%	6	2 010
Skilled	18 309	41%	21	872
Semi-skilled	3 155	7%	11	287
Unskilled	637	1%	2	318
<b>Total</b>	<b>46 263</b>		<b>45</b>	

### PERFORMANCE REWARDS

Programme/activity/ objective	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of Performance Rewards to Total Personnel Cost
Top Management	-	2 501	0%
Senior Management	949	9 603	2%
Professionally qualified	837	12 059	2%
Skilled	2 299	18 309	5%
Semi-skilled	402	3 155	1%
Unskilled	72	637	0%
<b>Total</b>	<b>4 559</b>	<b>46 263</b>	<b>10%</b>

## TRAINING COSTS

Programme/ Activity/Objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Avg Training Cost Per Employee
Adjudication	22 266	93	0.4%	26	R3 577
Administration	27 019	471	1.7%	19	R24 789
<b>Total</b>	<b>49 285</b>	<b>564</b>	<b>1.1%</b>	<b>45</b>	<b>R12 533</b>

## EMPLOYMENT AND VACANCIES

Programme/Activity/ Objective	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of Vacancies
Registrar	19	20	18	2	10%
Finance	6	6	6	0	0%
Corporate Services	11	12	8	4	33.33%
ICT	6	7	5	2	28.57%
Executive Chairperson	9	9	8	1	11.11%

Programme/Activity/ Objective	2022/2023 No. of Employees as at 31 March 2023	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of Vacancies
Top Management	1	1	1	0	0
Senior Management	4	4	3	1	25%
Professionally Qualified	6	8	7	1	12.5%
Skilled	26	26	21	5	19.23%
Semi-skilled	11	12	11	1	8.33%
Unskilled	3	3	2	1	33.33%
<b>Total</b>	<b>51</b>	<b>54</b>	<b>45</b>	<b>9</b>	<b>16.67%</b>

## EMPLOYMENT CHANGES

Salary Band	Employment at 1 April 2023	Appointments	Terminations	Employment at End of the Period
Top Management	1	0	0	1
Senior Management	4	0	1	3
Professionally Qualified	6	3*	2	7
Skilled	26	1	6*	21
Semi-skilled	11	1	1	11
Unskilled	3	0	1	2
<b>Total</b>	<b>51</b>	<b>5</b>	<b>10</b>	<b>45</b>

- Under Professionally qualified the CIO was appointed, then the incumbent resigned and another CIO was appointed.
- Under Skilled employees the HR Administrator was appointed as HR Business Partner in the same category. The ICT Analytics manager was successful for the CIO post.

## REASONS FOR STAFF LEAVING

Reason	Number	% of Total No. of Staff Leaving
Death	0	0
Resignation	7	12.96%
Dismissal	1	1.85%
Retirement	1	1.85%
Ill health	0	0
Expiry of contract	0	0
Other	2	3.70%
<b>Total</b>	<b>11</b>	<b>20.37%</b>

The reasons for staff leaving related to instances whereby labour relation processes had been initiated, retirement and for better job opportunities. 2 internal staff members were successful for higher positions within the NCT. Some of the vacant positions were frozen to relook at how best the positions could be utilised for the needs of the organisation and to bring about stability in certain units before new staff could be recruited.

Nature of Disciplinary Action	Number
Verbal Warning	2
Written Warning	0
Final Written Warning	0
Dismissal	1
<b>Total</b>	<b>3</b>

## EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

MALE								
Levels	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management (Level F1)	0	0	0	0	0	0	1	0
Senior Management (Level E1-E3)	1	0	0	0	0	0	0	0
Professionally Qualified (Level D1-D5)	1	0	0	0	2	0	0	0
Skilled (Level C1 - C5)	5	0	0	0	0	0	0	0
Semi-skilled (Level B1-B5)	4	0	0	0	0	0	0	0
Unskilled (Level A1- A3)	1	0	0	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>

FEMALE								
Levels	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management (Level F1)	0	0	0	0	0	0	0	0
Senior Management (Level E1-E3)	1	2	0	0	1	0	0	0
Professionally Qualified (Level D1-D5)	1	6	1	0	2	0	0	0
Skilled (Level C1-C5)	13	9	1	0	1	0	1	0
Semi-skilled (Level B1-B5)	7	0	0	0	0	0	0	1
Unskilled (Level A1- A3)	1	0	0	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>17</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>1</b>

DISABLED STAFF				
Levels	Male		Female	
	Current	Target	Current	Target
Top Management	1	0	0	0
Senior Management	0	0	0	1
Professionally Qualified	0	0	1	0
Skilled	0	0	0	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>

Although the NCT's target was to appoint 2 staff that were differently enabled at the level of senior management and skilled employees, the target was met but within different occupational categories.

\*The Employment Equity (EE) plan dated 13 January 2022 was based on a staff complement of 49 employees. In the EE plan, the Senior Management category reflected employees from levels E1-3 and D5. Professionally qualified employees comprised of employees from levels D1-D2 and C5.



# PART E:

## PFMA COMPLIANCE REPORT





## INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

### IRREGULAR EXPENDITURE

#### A) RECONCILIATION OF IRREGULAR EXPENDITURE

There was no irregular expenditure incurred in the previous financial period as well as the 2023/2024 period.

#### Additional disclosure relating to Inter-Institutional Arrangements

#### B) THE NCT DID NOT ENTER INTO ANY INTER-INSTITUTIONAL ARRANGEMENTS.

### FRUITLESS AND WASTEFUL EXPENDITURE

#### A) RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

There has been no fruitless and wasteful expenditure incurred in the previous reporting period or in 2023/2024.

#### Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))<sup>1</sup>

There were no material losses through criminal conduct for the 2022/2023 and 2023/2024 reporting period.

## LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of Invoices	Consolidated Value R'000
Valid invoices received	432	18 139
Invoices paid <b>within</b> 30 days or agreed period	394	17 388
Invoices paid <b>after</b> 30 days or agreed period	38	750
Invoices older than 30 days or agreed period <b>(unpaid and without dispute)</b>	26	687
Invoices older than 30 days or agreed period <b>(unpaid and in dispute)</b>	12	62

## INFORMATION ON SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT

#### Procurement by other means

There have been no procurements done by other means.

### CONTRACT VARIATIONS AND EXPANSIONS

There were no contract variations and expansions for the period under review.

<sup>1</sup> Information related to material losses must also be disclosed in the annual financial statements.

# PART F:

## FINANCIAL INFORMATION



# GENERAL INFORMATION

## FOR THE YEAR ENDED 31 MARCH 2024

### 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 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

TA Bailey (Executive Chairperson of the Tribunal)

### PART-TIME TRIBUNAL MEMBERS FOR 2023/24

N Maseti (Deputy Chairperson)  
K Moodaliyar  
MC Peenze  
P Manzi-Ntshingila  
S Mbhele  
S Hockey  
CJ Ntsoane  
C Sassman

### FULLTIME TRIBUNAL MEMBERS FOR 2023/24

HV Alwar  
(until 31 May 2023 and re-appointed 1 July 2023)  
LA Potwana  
Z Ntuli

### KEY MANAGEMENT FOR 2023/24

G Dladla	(Chief Operating Officer From 07 June 2022 to 22 February 2024)
L Rabotapi	(Registrar until 17 May 2023)
P Moodley	(Acting Registrar from 1 June 2023)
BX Nomvete	(Contracted in as Chief Information Officer from 28 August 2023)
ZT Malumedzha	(Chief Information Officer from 1 July 2023 to 31 July 2023) (Acting Chief Information Officer from 1 December 2022 to 30 June 2023)
V Srineevassan	(Corporate Services Executive from 1 December 2022 to 31 March 2024)
A Moolla	(Chief Financial Officer)
HV Alwar	(Strategic Oversight Executive 1 June 2023-30 June 2023)

### 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

# REPORT OF THE INDEPENDENT AUDITORS TO PARLIAMENT ON NATIONAL CONSUMER TRIBUNAL

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

1. We have audited the financial statements of the National Consumer Tribunal set out on pages 65 to 95, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as 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 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) and the requirements of the Public Finance Management Act (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 annual financial statements section of our report.
4. We are independent of the public entity in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with IRBA code and in accordance with other ethical requirements applicable for performing in South Africa.
5. The IRBA Code is consistent with the corresponding section of the International Ethics Standards Board of Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### OTHER MATTER

7. We draw attention to the matter below. Our opinion is not modified in respect of this matter

### Previous period audited by a predecessor auditor

8. The annual financial statements were audited by Rakoma and Associates Incorporated, who issued an unqualified opinion in the previous financial year.

### RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

9. 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.
10. 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 appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

### RESPONSIBILITIES OF THE AUDITORS FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. 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.

12. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 61 forms part of our auditor's report.

## REPORT ON THE ANNUAL PERFORMANCE REPORT

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

14. We selected the following material performance indicators related to Adjudication presented in the annual performance report for the year ended 31 March 2024. We selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Average number of days from date of filing of DRA to date of issuing order to parties
- Average number of days from date of close of pleadings of non-DRA to date of issuing notice of set down to filing parties.
- Average number of days from date of final adjudication of non-DRA to date of issuing an order
- Number of cases overturned on review in the Supreme Court of Appeal

15. We evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

16. We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets

17. We performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

18. We did not identify any material findings on the reported performance information for the selected indicators.

## OTHER MATTER

19. We draw attention to the matter below.

### Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement's. This information should be considered in the context of the material findings on the reported performance information.



21. The table that follows provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 29 to 35.

Adjudication

Targets achieved: 75% Budget spent: 85%		
Key indicator not achieved	Planned target	Reported achievement
Number of cases overturned on review in the Supreme Court of Appeal	Zero cases overturned	One case overturned

REPORT ON COMPLIANCE WITH LEGISLATION

22. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity’s compliance with legislation.
23. We performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.
24. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor’s report.
25. We did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

26. The accounting authority is responsible for the other information included in the annual report. The other

information referred to does not include the financial statements, the auditor’s report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor’s report.

27. Our opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and we do not express an audit opinion or any form of assurance conclusion on it.
28. Our responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

INTERNAL CONTROL DEFICIENCIES

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

MATERIAL IRREGULARITIES

31. In accordance with the PAA and the Material Irregularity Regulations, we have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor’s report, we did not identify any material irregularities in the current year and there were no material irregularities in the previous year.



**MNB Chartered Accountants Inc.**  
Engagement Director: Rivalani Glen Ntuli  
Registered Auditor  
31 July 2024

38 Boerneef Street  
Vorna Valley  
Midrand  
1686

# ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

The auditor's responsibility for the audit

The selected legislative requirements for compliance testing

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT

### PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

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 material performance indicators and on the public entity's compliance with selected requirements in key legislation.

### FINANCIAL STATEMENTS

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;

conclude on the appropriateness of the 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 public entity 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 our 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

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 identified during our audit.

We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. We describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

## COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a) Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.4; 7.2
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.3.1
Practice Note 5 of 2009/10	Paragraph 3.3
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.4; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7 Regulation 6.8; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



# STATEMENT OF RESPONSIBILITY

## FOR THE YEAR ENDED 31 MARCH 2024

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 the 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 internal control system 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. All employees are required to maintain the highest ethical standards in ensuring the NCT's business is conducted in a manner that is above reproach in all reasonable circumstances. 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 internal control system can provide only reasonable and not absolute assurance against material misstatement or loss.

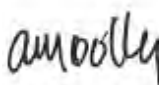
The Annual Financial Statements, which have been prepared on the going concern basis, were approved and signed on its behalf:



**Trevor Bailey**  
Executive Chairperson and Accounting Authority  
31 July 2024



**H Alwar\***  
Full-time Tribunal Member  
31 July 2024



**Ahmed Moolla**  
Chief Financial Officer  
31 July 2024

*\*Ms H Alwar is a Full-Time Tribunal Member and delegated to perform certain Chief Operating Officer functions.*



# STATEMENT OF **FINANCIAL POSITION**

As at 31 March 2024

	Note(s)	2024 Rands	2023 Rands
<b>ASSETS</b>			
<b>Current Assets</b>		<b>33 912 442</b>	<b>23 530 105</b>
Cash and cash equivalents	2	31 109 658	22 528 089
Trade and other receivables from exchange transactions	3	2 680 056	881 448
Inventories	4	122 728	120 568
<b>Non-Current Assets</b>		<b>6 111 215</b>	<b>5 954 269</b>
Property, plant and equipment	5	5 419 932	4 881 133
Intangible assets	6	691 283	1 073 136
<b>Total Assets</b>		<b>40 023 657</b>	<b>29 484 374</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>13 335 882</b>	<b>10 443 174</b>
Trade and other payables from exchange transactions	7	6 182 311	3 825 131
Provisions	8	333 209	148 672
Employee Benefits	9	6 820 362	6 469 371
<b>Total Liabilities</b>		<b>13 335 882</b>	<b>10 443 174</b>
<b>NET ASSETS</b>		<b>26 687 775</b>	<b>19 041 201</b>
<b>Net Assets</b>			
Accumulated surplus		<b>26 687 775</b>	<b>19 041 201</b>

# STATEMENT OF FINANCIAL PERFORMANCE

As at 31 March 2024

	Note(s)	2024 Rands	2023 Rands
<b>Revenue : Non-exchange transactions</b>		<b>55 295 000</b>	<b>54 756 000</b>
Government grant	10	55 295 000	54 756 000
<b>Revenue: Exchange transactions</b>		<b>28 672 419</b>	<b>18 271 373</b>
Filing fees	10	23 957 239	15 606 088
Service fees	10	1 163	6 968
Sundry income	10	479 092	812 420
Other income - proceeds from insurance	10	16 027	21 009
Interest earned	10	4 218 898	1 824 888
<b>Total Revenue</b>		<b>83 967 419</b>	<b>73 027 373</b>
<b>Total expenditure</b>		<b>76 320 845</b>	<b>66 265 808</b>
Audit fees	11	777 307	730 086
Administrative expenses	12	9 548 769	8 030 960
Other operating expenses	13	8 171 435	8 531 082
Part-time Tribunal Members' fees	14	6 968 881	5 094 920
Employee related costs	15	49 195 453	43 878 760
Repayment of grant		1 659 000	-
<b>Net surplus for the year</b>		<b>7 646 574</b>	<b>6 761 565</b>

# STATEMENT OF **CHANGES IN NET ASSETS**

As at 31 March 2024

	Note(s)	2024 Rands	2023 Rands
<b>Balance as at 31 March 2022</b>		<b>12 279 636</b>	<b>12 279 636</b>
Net surplus for the period ended 31 March 2023	10	6 761 565	6 761 565
<b>Balance as at 31 March 2023</b>		<b>19 041 201</b>	<b>19 041 201</b>
Net surplus for the current year		<b>7 646 574</b>	<b>7 646 574</b>
<b>Balance as at 31 March 2024</b>	<b>10</b>	<b>26 687 775</b>	<b>26 687 775</b>

# CASH FLOW STATEMENT

As at 31 March 2024

	Note(s)	2024 Rands	2023 Rands
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>84 547 017</b>	<b>73 685 576</b>
Government grants		55 295 000	54 756 000
Filing fees		24 914 327	16 264 291
Service fees		1 163	6 968
Sundry income		101 603	812 420
Other income - proceeds from insurance		16 027	21 009
Interest received		4 218 898	1 824 888
<b>Payments</b>		<b>(74 147 280)</b>	<b>(65 449 152)</b>
Tribunal Members' fees		(7 391 712)	(4 532 279)
Employee-related costs		(48 659 879)	(46 381 154)
Suppliers		(16 436 689)	(14 535 719)
Repayment of grant		(1 659 000)	-
<b>Net cash flows from operating activities</b>	17	<b>10 399 737</b>	<b>8 236 425</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		(1 818 169)	(1 573 857)
Additions to property, plant and equipment	5	(1 818 169)	(1 573 857)
<b>Net increase in cash and cash equivalents</b>		<b>8 581 568</b>	<b>6 662 566</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>22 528 089</b>	<b>15 865 524</b>
<b>Cash and cash equivalents at the end of the year</b>	2	<b>31 109 658</b>	<b>22 528 089</b>

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

As at 31 March 2024

		Approved budget (before transfers)	Additional funds and transfers between budget line items	Final budget (after transfers)	Actual amounts on comparable basis with final budget	Difference between final budget and actual amounts
	Note	R	R	R	R	R
<b>REVENUE</b>						
<b>Income from non-exchange transactions</b>						
Grant income	18.1	55 295 000	(1 659 000)	53 636 000	55 295 000	1 659 000
Roll-over	18.2	-	12 966 363	12 966 363	12 966 363	-
<b>Income from exchange transactions</b>						
Filing and service fees	18.3	15 730 000	-	15 730 000	23 958 402	8 228 402
Sundry Income	18.3	-	-	-	495 119	495 119
Interest received	18.3	717 000	-	717 000	4 218 898	3 501 898
<b>Total revenue</b>		<b>71 742 000</b>	<b>11 307 363</b>	<b>83 049 363</b>	<b>96 933 782</b>	<b>13 884 419</b>
<b>EXPENSES</b>						
Administrative expenses	18.4	7 282 075	4 129 767	11 411 842	9 548 769	(1 863 073)
Other operating expenses	18.5	7 924 756	1 001 273	8 926 029	8 812 779	(113 250)
Audit fees		785 074	-	785 074	777 307	(7 767)
Tribunal Members' costs	18.6	7 360 274	-	7 360 274	6 968 881	(391 393)
Employee-related costs	18.7	47 982 426	200 988	48 183 414	44 659 242	(3 524 172)
Capital expenditure	18.8	407 395	5 975 335	6 382 730	1 818 169	(4 564 561)
Repayment of Grant					1 659 000	1 659 000
<b>Total expenses</b>		<b>71 742 000</b>	<b>11 307 363</b>	<b>83 049 363</b>	<b>74 244 147</b>	<b>(8 805 216)</b>
<b>Surplus for the period as per budget statement</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>22 689 635</b>	<b>22 689 635</b>



## RECONCILIATION OF SURPLUS FOR THE PERIOD WITH THE SURPLUS IN THE STATEMENT OF FINANCIAL PERFORMANCE

		Adjustment of actual amounts to comparable basis with final budget
		R
Net surplus per the Statement of Financial Performance		7 646 574
Roll-over funds received in the prior year		12 966 363
<b>Adjusted for:</b>	<b>Activity</b>	
Property, Plant and Equipment written-off	Operating	110 350
Amortisation	Operating	381 853
Depreciation	Operating	1 169 020
Movement in employee benefit: Leave pay	Operating	(797 874)
Capital assets purchased	Investing	(1 818 169)
Prepayments - computer licences	Operating	(2 302 567)
Employee benefit: Performance bonus	Operating	5 334 085
<b>Surplus for the period as per budget statement</b>		<b>22 689 635</b>

**Note:** All adjustments relate to a difference in the basis of preparation. There is a difference between the accounting basis used in the preparing and presenting the budget and the accounting basis used in the financial statements. These differences occur as the accounting system and the budget system compile information from different perspectives, namely, the budget focuses on cash flows plus certain commitments, while the financial statements report cash flows and accrual information. The items above have been removed to make the budget comparable to the financial statements. Also, refer to Note 17 for the reconciliation of net cash flows from operating activities to the surplus per the Statement of Financial Performance.

# ACCOUNTING POLICIES

As at 31 March 2024

## 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 and are in compliance 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 COMPARATIVE INFORMATION

### - Current year comparatives (Budget)

Budget information in accordance with GRAP 1 and 24, has been provided in these annual financial statements for the year ended 31 March 2024.

### - Prior year comparatives

The current year's financial statements have presented prior-period comparative information.

## 1.3 USE OF ESTIMATION & 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. The 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. Use of estimation & significant judgements include:

### 1.3.1 Property, plant and equipment

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

### 1.3.2 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.

### 1.3.3 Impairment

The entity assesses annually whether there is an indication that an asset may be impaired. If there are indications that impairment may have occurred, estimates of expected future cash flows for each group of assets are prepared. Expected future cash flows used to determine the value in use of intangible assets are inherently uncertain and could materially change over time.

### 1.3.4 Provision

Provisions were raised and Management determined an estimate based on the information available.

## 1.4 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.

## 1.5 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.

### 1.5.1 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 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.

### 1.5.2 Financial liabilities

The NCT's principal financial liabilities are trade and other payables.

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.

### 1.5.3 Offsetting

The NCT does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right to set-off exists and the parties intend to settle on a net basis.

### 1.5.4 Impairment

All financial assets measured at amortised cost or cost are subject to an impairment review. The NCT assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

## 1.6 STATUTORY RECEIVABLES

Statutory receivables arise in the form of filing fees on Debt Re-arrangement applications (DRA's) filed with the NCT regarding the National Credit Act. The filing fee is R577.81 for the year ended 31 March 2024 and is set out in the Government Gazette issued in terms of the National Credit Act. No interest is charged, and no other charges are levied. Filing fees are received in advance, and matters are only dealt with if a filing fee is received; in addition, receivables are nominal, and no impairment is required.

Refer to the Accounting Policy 1.13.1 which details how revenue in this regard is accounted for.

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.

## 1.7 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.

## 1.8 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 stationery, is measured at the lower of cost and current replacement cost.

## 1.9 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 the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the NCT and the cost of the item can be reliably measured.

All other costs such as day-to-day servicing and small parts are treated as repairs and maintenance and are expensed to the Statement of Financial Performance during the financial period in which they are incurred.

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.

Property, plant and equipment is depreciated on the straight-line basis over their expected useful lives to their estimated residual value. The initial assessments of the useful lives of items of property, plant and equipment have been assessed as follows:

Property, plant and equipment	Average useful life
Furniture and fittings	15 years
Office equipment	5 years
Computer equipment	5 years to 10 years
Leasehold improvements	Period of lease

## Derecognition

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised in the Statement of Financial Performance when the item is derecognised.

## 1.10 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; and  
There is an intention to use or sell it; and  
There is an ability to use or sell it; and  
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

## Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is recognised and capitalised only when the costs incurred increase the future economic benefits embodied in the specific asset to which it relates.

All other subsequent expenditure is recognised in the Statement of Financial Performance as an expense when it is incurred.

## Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use.

The gain or loss arising from the derecognition of an intangible asset is determined by comparing the proceeds from disposal with the carrying amount of the intangible asset and is recognised in the Statement of Financial Performance when the item is derecognised.

## 1.11 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The NCT designates its assets as non-cash-generating assets as they are used for service delivery purposes and not to generate economic benefits.

In assessing whether there is any indication that an asset may be impaired, the NCT considers, as a minimum, the following indicators:

### External sources of information

- (a) Cessation, or near cessation, of the demand or need for services provided by the asset.
- (b) Significant long-term changes with adverse effect on the entity have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the entity operates. Internal sources of information.
- (c) Evidence is available of obsolescence or physical damage of an asset.
- (d) Significant long-term changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date and reassessing the useful life of an asset as finite rather than indefinite.
- (e) A decision to halt the construction of the asset before it is complete or in a usable condition.
- (f) Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset is impaired when its recoverable service amount is less than its carrying value. In this instance, the carrying

value of the asset is reduced to its recoverable service 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 is recognised immediately in the Statement of Financial Performance.

## 1.12 LEASING

### 1.12.1 Operating leases - Lessee

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.

### 1.12.2 Finance leases - Lessee

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.

## 1.13 REVENUE

### 1.13.1 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.

Revenue shall be measured at the fair value of the consideration received or receivable.

#### Filing fees:

Filing fees are levied in terms of regulations promulgated under Section 171 of the National Credit Act, Act No. 34 of 2005 (the NCA), 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.

**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.

### 1.13.2 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 recognises 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.

## 1.14 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.

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 it is set at 100% of all outstanding accumulated leave at reporting date. It is disclosed as an employee benefit.

Performance bonuses are recognised as the NCT has a constructive obligation to make such payments. The entity has a practice of paying performance bonuses based on a performance management policy.

## 1.15 MATERIALITY

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made based on the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial.

## 1.16 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is defined as expenditure that 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 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.

Fruitless and wasteful expenditure is recorded in the Annual report when it is either:

- under assessment, determination and/or investigation;
- transferred to receivables for recovery; or
- written off if it is not recoverable.

A separate register is kept and maintained for historical fruitless and wasteful expenditure incurred in previous reporting periods and not addressed.

Refer to note 23 for details of fruitless and wasteful expenditure.

## 1.17 IRREGULAR EXPENDITURE

Irregular expenditure is defined in Section 1 of the PFMA as expenditure other than unauthorised expenditure incurred in contravention of or not in accordance with the requirements of any applicable legislation. Such expenditure is accounted for in the Statement of Financial Performance.

Irregular expenditure is recorded in the Annual report when it is either:

- under assessment, determination or investigation;
- condoned by the relevant authority;
- transferred to receivables for recovery;
- written off if it is not recoverable; or
- not condoned and removed.

A separate register is kept and maintained for historical irregular expenditures incurred in previous reporting periods and not addressed.

Refer to note 24 for details of irregular expenditure.

## 1.18 RELATED PARTIES

A related party to the NCT is a person or entity with the ability to control or jointly control the NCT, or exercise significant influence over the NCT and vice versa, or an entity that is subject to common control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the NCT, but is not in control over those policies. A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The NCT is a National Public Entity and falls under the control of the Department of Trade, Industry and Competition (the dtic). The dtic and its portfolio of entities are therefore related parties of the NCT.

In respect of persons, the Accounting Authority & Key management of the NCT, is regarded as a related party of the NCT. Key management includes all persons having the authority and responsibility for planning, directing and controlling the activities of the NCT.

If the NCT has been party to any related party transactions during the reporting period covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, in order to enable users to understand the potential effect of the relationship on the financial statements.

## 1.19 BUDGET INFORMATION

The NCT includes an additional financial statement on comparison of budget amounts and actual amounts arising from the execution of the budget in its annual financial statements, together with disclosure of the reasons for material differences between the approved budget, final budget and actual amounts. This reporting disclosure assists the NCT to discharge its accountability obligations and enhances the transparency of the financial statements by demonstrating compliance with the approved budget for the financial year, for which the NCT is held publicly accountable.

The Statement of Comparison of Budget and Actual Amounts presents separately, for each level of governance oversight, the approved and final budget amounts and the actual amounts on a comparable basis to the budget. The budget adopts a different basis of accounting to the financial statements. In order to assist users in understanding the application of the budget, the NCT includes a separate reconciliation of actual amounts on a comparable basis to the budget, to the actual amounts in the financial statements (net surplus in the Statement of Financial Performance). The NCT is committed to expend funds and operate within the limits of its approved budget allocation. The expenditure is classified by nature.

## 1.20 STANDARDS OF GRAP ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these annual financial statements, the following new accounting standards of Generally Recognised Accounting Principles (GRAP) and interpretations of GRAP standards were issued and not effective.

### 1.20.1 GRAP 1 (amended): Presentation of Financial Statements (Going Concern)

The Account Standards Board(ASB) undertook a project in 2021 to consider the guidance and disclosure requirements on going concern in the relevant Standards of GRAP. As an outcome of this project, the Board agreed to include additional guidance and disclosures on going concern in this Standard. Consequential amendments are also made to the Standard of GRAP on Events After the Reporting Date.

An effective date has not been determined.

Management have determined that it is unlikely that it will have a material impact on the National Consumer Tribunal.

### 1.20.2 GRAP 2023 Improvements to the Standards of GRAP 2023

The ASB undertakes periodic revisions of the Standards of GRAP in line with best practice internationally among standard setters. The Improvements to the Standards of GRAP include changes resulting from amendments to the International Public Sector Accounting Standards and the International Financial Reporting Standards, as well as general improvements identified through consultation with stakeholders. The Improvements to the Standards of GRAP (2023) was approved by the Board and issued in November 2023.

An effective date has not been determined.

Management have determined that it is unlikely that it will have a material impact on the National Consumer Tribunal.

### 1.20.3 GRAP 104 (as revised): Financial Instruments (Effective 1 April 2025)

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that:

- (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making,
- (b) using fair value in certain instances was inappropriate, and
- (c) some of the existing accounting requirements were seen as too rules-based.

As a result, the International Accounting Standards Board amended its existing Standards to deal with these issues.

The IASB issued IFRS Standard on Financial Instruments (IFRS 9) in 2009 to address many concerns. Revisions were made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

Financial guarantee contracts issued  
Loan commitments issued  
Classification of financial assets  
Amortised cost of financial assets  
Impairment of financial assets  
Disclosures

The entity expects to adopt the revisions that would be applicable for the first time when the Minister sets the effective date for the revisions.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

As at 31 March 2024

## 2. CASH AND CASH EQUIVALENTS

Note	2024 Rands	2023 Rands
Bank account – Call account (SA Reserve Bank) (refer Note 2.1)	25 222 048	13 610 839
Bank account – Operational current account (Nedbank)	1 026 559	5 051 574
Bank account – Filing fees current account (Nedbank)	4 861 387	3 789 036
Cash on hand – Petty cash (Petty Cash Debit Card)	(336)	76 640
	<b>31 109 658</b>	<b>22 528 089</b>

### 2.1 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 8.22% (2022/23: 6.40%).

## 3. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Debtors for filing fees - Statutory receivables (Refer note 3.1)	-	500
Sundry debtors	377 489	-
Prepayments (refer Note 3.2)	2 302 567	880 948
	<b>2 680 056</b>	<b>881 448</b>

### 3.1 DEBTORS FOR FILING FEES - STATUTORY RECEIVABLES

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 - 2024	-	-	-

### 3.2 PREPAYMENTS

The prepayments are based on contractual obligations with suppliers of goods and services and include subscriptions for the unused portion of annual software licenses.

## 4. INVENTORIES

Stationery	<b>122 728</b>	<b>120 568</b>
------------	----------------	----------------

## 5. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fittings	1 751 667	(1 108 921)	642 746	1 845 123	(1 086 405)	758 718
Office equipment	247 996	(218 906)	29 090	242 096	(211 588)	30 508
Computer equipment	8 356 253	(3 608 157)	4 748 096	7 785 311	(3 693 404)	4 091 907
Leasehold improvements	234 997	(234 997)	-	234 997	(234 997)	-
<b>Total</b>	<b>10 590 913</b>	<b>(5 170 981)</b>	<b>5 419 932</b>	<b>10 107 527</b>	<b>(5 226 394)</b>	<b>4 881 133</b>

Reconciliation of property, plant and equipment - 2024	Opening balance	Additions	Assets written off	Assets sold	Depreciation	Closing balance
Furniture and fittings	758 718	-	(31 134)	-	(84 838)	642 746
Office equipment	30 508	5 900	-	-	(7 318)	29 090
Computer equipment	4 091 907	1 812 269	(79 217)	-	(1 076 864)	4 748 096
<b>Total</b>	<b>4 881 133</b>	<b>1 818 169</b>	<b>(110 350)</b>	<b>-</b>	<b>(1 169 020)</b>	<b>5 419 932</b>

Reconciliation of property, plant and equipment - 2023	Opening balance	Additions	Assets written off	Assets sold	Depreciation	Closing balance
Furniture and fittings	843 556	-	-	-	(84 838)	758 718
Office equipment	37 265	-	-	-	(6 757)	30 508
Computer equipment	3 453 922	1 573 857	(21 495)	-	(914 378)	4 091 907
<b>Total</b>	<b>4 334 743</b>	<b>1 573 857</b>	<b>(21 495)</b>	<b>-</b>	<b>(1 005 973)</b>	<b>4 881 133</b>

### Property, Plant and Equipment pledged as security

There are no restrictions on Property, Plant, and Equipment; there are also none pledged as security for liabilities.

## 5.2 RE-ASSESSMENT OF USEFUL LIVES AND RESIDUAL VALUES

The useful lives and residual values of all the property, plant and equipment were assessed during the year under review and revisions were necessary as disclosed in Note 31.

## 6. INTANGIBLE ASSETS

	2024			2023		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer software - Internally generated	2 766 434	(2 204 944)	561 490	2 766 434	(2 017 781)	748 653
Computer software - Other	584 069	(454 276)	129 793	584 069	(259 586)	324 483
<b>Total</b>	<b>3 350 503</b>	<b>(2 659 220)</b>	<b>691 283</b>	<b>3 350 503</b>	<b>(2 277 367)</b>	<b>1 073 136</b>



<b>Reconciliation of intangible assets – 2024</b>				
	Opening balance	Additions	Amortisation	Closing balance
Computer software – Internally generated	748 653	-	(187 164)	561 489
Computer software – Other	324 483	-	(194 689)	129 794
<b>Total</b>	<b>1 073 136</b>	<b>-</b>	<b>(381 853)</b>	<b>691 283</b>

<b>Reconciliation of intangible assets – 2023</b>				
	Opening balance	Additions	Assets sold	Closing balance
Computer software – Internally generated	935 817	-	(187 164)	748 653
Computer software – Other	519 172	-	(194 689)	324 483
<b>Total</b>	<b>1 454 989</b>	<b>-</b>	<b>(381 853)</b>	<b>1 073 136</b>

## 6.2 RE-ASSESSMENT OF USEFUL LIVES AND RESIDUAL VALUES

The useful lives of all intangible assets were assessed during the year under review and no revision was necessary.

### Intangible Assets pledged as security

There are no restrictions on Intangible Assets; there are also none pledged as security for liabilities.

## 7. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	Note	2024 Rands	2023 Rands
Trade payables		1 743 049	1 237 041
Income received in advance – Filing fees		2 334 661	1 378 073
Salary deductions – PAYE, UIF, Garnishees and Union membership fees		46	-
Other payables – Permanent and temporary staff		844 755	45 340
Accrued expenses – Tribunal members' costs		677 071	766 693
Accrued expenses – Governance Committee members' costs		212 384	33 611
Straight lining of leases		370 345	364 373
		<b>6 182 311</b>	<b>3 825 131</b>

## 8. PROVISIONS

<b>PROVISION</b>	<b>333 209</b>	<b>148 672</b>
<b>Provisions utilised during the year</b>		
Opening balance	148 672	-
Provisions utilised during the year	-	-
	148 672	-
Provisions made during the year	184 537	148 672
Provision at the end of the year	<b>333 209</b>	<b>148 672</b>

The provision relates to the Part Time Tribunal Members' daily fee, which is subject to Ministerial approval. A provision has been raised as we await Ministerial approval. Historically approval has always been obtained.

## 9. EMPLOYEE BENEFITS

	Note	2024 Rands	2023 Rands
Leave pay		1 486 277	2 284 152
Performance bonuses		5 334 085	4 185 219
		<b>6 820 362</b>	<b>6 469 371</b>

Provision for performance bonuses relates to the possible payment of performance bonuses to senior management, Full-time Tribunal members, and other staff for services rendered during the current financial year.

## 10. TOTAL REVENUE

<b>TOTAL REVENUE</b>		<b>83 967 419</b>	<b>73 027 373</b>
<b>Non-exchange revenue</b>		<b>55 295 000</b>	<b>54 756 000</b>
Government grants		55 295 000	54 756 000
<b>Exchange revenue</b>		<b>24 453 521</b>	<b>16 446 485</b>
Filing fees	10.1	23 957 239	15 606 088
Service fees		1 163	6 968
Sundry income		479 092	812 420
Proceeds from insurance		16 027	21 009
<b>Investment income</b>		<b>4 218 898</b>	<b>1 824 888</b>
Interest earned		4 218 898	1 824 888

10.1 The filing fee (transaction amount) per debt re-arrangement matter brought before the Tribunal for Adjudication has increased from R 537.50 per case to R 577.81 per case effective from 1 April 2023 (2023: R537.50).

## 11. AUDIT FEES

External audit fees		<b>777 307</b>	<b>730 086</b>
---------------------	--	----------------	----------------

## 12. ADMINISTRATIVE EXPENSES

	Note	2024 Rands	2023 Rands
Advertising		169 296	35 551
Audit and Risk Committee members' remuneration		381 515	354 997
Bank charges		53 213	56 336
Computer expenses, ICT support and annual software licences		2 628 852	3 181 199
CSI Contribution		108 414	3 868
Entertainment, refreshments and staff welfare		177 014	208 758
Fraud hotline and whistleblowing		45 644	43 470
General expenses, gifts, flowers, first aid, cleaning costs, cutlery and crockery		115 980	26 762
HR Governance Committee members' remuneration		167 932	102 432
ICT Governance Committee members' remuneration		198 704	200 855
Internal audit fees and secretariat services		815 406	796 604
Legal and related fees		2 744 860	1 371 266
Membership fees, subscriptions, books and resource materials		109 469	26 280
News monitoring		-	103 500
Printing, stationery and publications		287 740	429 670
Storage costs, online backup services, mail archiving and disaster recovery		740 548	648 308
Training, bursaries and staff development		804 182	388 304
Venues and facilities for workshops, conferences and meetings		-	52 800
		<b>9 548 769</b>	<b>8 030 960</b>

## 13. OTHER OPERATING EXPENSES

Amortisation	381 853	381 853
Assets written off	110 350	21 495
Consulting fees	1 077 301	2 166 096
Courier costs, postage and stamps	53 319	126 783
Data costs and 3G connectivity	316 540	291 874
Depreciation	1 169 020	1 005 973
Insurance	399 997	338 114
Lease rentals on premises and parking	2 502 954	2 520 419
Recording, transcription, interpreters, witnesses and translation services	50 792	67 895
Rentals - Equipment and furniture	232 025	233 871
Repairs and maintenance (refer to Note 13.1)	92 250	19 349
Telephone, fax and fibre optic communications	692 178	549 859
Travel and accommodation	26 868	178 350
Utilities - Water, electricity, rates and taxes	1 065 988	629 151
	<b>8 171 435</b>	<b>8 531 082</b>

### 13.1 REPAIRS AND MAINTENANCE

Computer equipment	<b>92 250</b>	<b>19 349</b>
--------------------	---------------	---------------

## 14. PART-TIME TRIBUNAL MEMBERS' FEES

	2024			2023		
	Members' fees, etc.	Travel Expenses	Total costs	Members' fees, etc.	Travel Expenses	Total costs
L Best	-	-	-	174 649	-	174 649
BC Dumisa	-	-	-	157 316	-	157 316
PA Beck	-	-	-	280 780	-	280 780
X May	-	-	-	6 468	-	6 468
T Woker	-	-	-	129 370	-	129 370
FK Manamela	-	-	-	26 816	-	26 816
DR Terblanche	-	-	-	169 499	-	169 499
FK Sibanda	-	-	-	136 969	-	136 969
TA Bailey	-	-	-	226 774	351	227 125
MC Peenze	1 445 054	-	1 445 054	1 171 142	1 170	1 172 312
NS Maseti (Deputy Chairperson)	820 181	-	820 181	443 279	188	443 467
K Moodaliyar'	138 455	-	138 455	364 548	-	364 548
P Manzi-Ntshingila	777 705	-	777 705	328 961	-	328 961
CJ Ntsoane	627 903	-	627 903	353 610	2 316	355 926
C Sassman	1 360 603	-	1 360 603	679 222	-	679 222
S Mbhele	569 886	-	569 886	252 271	-	252 271
S Hockey	1 229 094	-	1 229 094	193 246	201	193 447
<b>Total</b>	<b>6 968 881</b>	<b>-</b>	<b>6 968 881</b>	<b>5 094 920</b>	<b>4 226</b>	<b>5 099 146</b>

### 14.1 INCREASE IN PART-TIME TRIBUNAL MEMBERS' COSTS

The Tribunal generated more filing fee income due to the increase in filings, as a result there was an increase in the Tribunal member costs compared to the previous financial year.

## 15. EMPLOYEE-RELATED COSTS

	Note	2024	2023
		Rands	Rands
Senior management emoluments		13 064 076	10 605 790
Full-time Tribunal members' emoluments		7 054 553	6 364 494
Other staff emoluments		19 982 236	19 753 964
Leave paid out		1 732 354	1 403 179
Other staff performance bonuses for previous performance period and accrued bonuses		2 473 174	1 893 114
<b>Subtotal for payments made to permanent staff and interns</b>		<b>44 306 393</b>	<b>40 020 541</b>
Temporary staff emoluments		4 243 841	353 025
Employer's contribution to statutory levies (refer to Note a)		294 227	277 666
Movement in employee benefit - leave pay		(797 874)	(957 691)
Movement in employee benefit - performance bonuses		1 148 866	4 185 219
<b>Total for employee-related costs</b>		<b>49 195 453</b>	<b>43 878 760</b>
<b>a) Statutory levies</b>			
Workmen's Compensation Fund		170 861	155 749
Unemployment Insurance Fund (UIF)		123 366	121 917
<b>Total statutory levies</b>		<b>294 227</b>	<b>277 666</b>

## 15.1 SENIOR MANAGEMENT EMOLUMENTS

### **Executive Chairperson (Trevor Bailey from 13 July 2022)**

	2024 Rands	2023 Rands
Annual remuneration	2 375 365	1 715 176
Performance bonus for previous performance period	-	-
Other fringe benefits	20 400	13 600

### **Executive Chairperson (JM Maseko until 30 June 2022)**

Annual remuneration	-	1 292 570
Leave paid out	-	613 150
Other fringe benefits	-	674 320
		5 100

### **Chief Operating Officer (Gijimane Dladla from 06 June 2022 to 22 February 2024)**

Annual remuneration	2 145 876	1 577 354
Performance bonus for previous performance period	1 803 996	1 562 640
Leave paid out	132 813	-
Other fringe benefits	192 925	-
	16 143	14 714

### **Chief Financial Officer (A Moolla)**

Annual remuneration	2 012 578	1 748 410
Performance bonus for previous performance period	1 787 074	1 729 010
Leave paid out	141 189	-
Other fringe benefits	69 915	-
	14 400	19 400

### **Registrar (LL Rabotapi) resigned May 2023**

Annual remuneration	729 697	1 847 519
Performance bonus for previous performance period	603 149	1 634 195
Leave paid out	-	149 622
Other fringe benefits	124 857	48 645
	1 691	15 057

### **Acting Registrar (P Moodley: From 01 June 2023)**

Annual remuneration	1 683 794	52 335
Acting allowance	1 162 608	-
Performance bonus for previous performance period	263 254	51 578
Leave paid out	197 409	-
Other fringe benefits	45 484	-
	15 039	757

### **Acting Chief Financial Officer (N Nziyane from 01 July 2022 to 31 August 2022)**

Annual remuneration	-	54 507
Other fringe benefits	-	53 807
	-	700



	2024 Rands	2023 Rands
<b>Corporate Services Executive (V Tsako: from 12 July 2021 and 30 April 2022)</b>	-	<b>263 177</b>
Annual remuneration	-	120 575
Leave paid out	-	55 650
Performance bonus for previous performance period	-	85 752
Other fringe benefits	-	1 200
<b>Corporate Services Executive V Srineevassan (Appointed CSE 1 December 2022 to 31 March 2024)</b>	<b>2 397 443</b>	<b>645 837</b>
Annual remuneration	1 567 096	495 299
Performance bonus for previous performance period	118 308	-
Leave paid out	261 882	144 988
Mutual separation agreement payment	434 791	-
Other fringe benefits	15 365	5 550
<b>Chief Information Officer (BX Nomvete) (resigned 30 November 2022, reappointed 28 August 2023)</b>	<b>1 145 146</b>	<b>1 293 744</b>
Annual remuneration	965 331	1 075 305
Performance bonus for previous performance period	171 415	127 011
Leave paid out	-	81 828
Other fringe benefits	8 400	9 600
<b>Chief Information Officer (Zac Malumedzha acted from 1 December 2022 to 30 June 2023 and CIO from 01 July 2023 to 31 July 2023)</b>	<b>553 777</b>	<b>101 560</b>
Annual remuneration	313 033	98 660
Performance bonus for previous performance period	147 090	-
Acting allowance	74 172	-
Leave paid out	8 797	-
Other fringe benefits	10 685	2 900
<b>15.2 FULL-TIME TRIBUNAL MEMBERS' EMOLUMENTS</b>	<b>7 054 553</b>	<b>6 364 494</b>
<b>Full-time Tribunal Member (HV Alwar) and Strategic Oversight Executive</b>	<b>2 570 287</b>	<b>2 067 753</b>
Remuneration as Full-time Tribunal Member	1 748 049	1 886 190
Remuneration as Strategic Oversight Executive	159 298	-
Performance bonus for previous performance period	323 228	166 413
Leave paid out	323 811	-
Other fringe benefits	15 900	15 150
<b>Full-time Tribunal Member (JR Simpson Resigned 31 October 2022)</b>	<b>187 584</b>	<b>1 699 887</b>
Annual remuneration	-	1 095 038
Performance bonus for previous performance period	187 584	166 860
Leave paid out	-	429 589
Other fringe benefits	-	8 400

	2024 Rands	2023 Rands
<b>Full-time Tribunal Member LA Potwana (New contract 13 July 2022)</b>	<b>2 297 181</b>	<b>2 115 359</b>
Annual remuneration	1 911 579	1 851 694
Performance bonus for previous performance period	305 032	152 993
Leave paid out	66 170	96 729
Other fringe benefits	14 400	13 943
<b>Full-time Tribunal Member (Z Ntuli from 01 January 2023)</b>	<b>1 999 501</b>	<b>481 495</b>
Annual remuneration	1 911 579	477 895
Leave paid out	73 522	-
Other fringe benefits	14 400	3 600
<b>15.3 EXPENSE ALLOWANCES INCLUDED UNDER TRAVEL COSTS</b>		
<b>Corporate Services Executive (V Srineevassan)</b>	<b>-</b>	<b>493</b>
Expense allowance paid to senior management	-	493
Expense allowance paid to other staff	24 111	7 320
<b>Total expense allowance paid to employees</b>	<b>24 111</b>	<b>7 813</b>

## 16. SEGMENT INFORMATION

The NCT is a National Public Entity which functions as one functional segment and operates from one geographic location, Centurion, Pretoria, South Africa.

## 17. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES

<b>Net surplus for the year</b>	<b>7 646 574</b>	<b>6 761 565</b>
<b>Adjusted for:</b>	<b>1 845 760</b>	<b>1 557 993</b>
Amortisation	381 853	381 853
Depreciation	1 169 020	1 005 973
Assets written off	110 350	21 495
Finance costs – Finance leases	-	-
Movement in provisions	184 537	148 672
<b>Operating surplus before working capital changes</b>	<b>9 492 334</b>	<b>8 319 558</b>
<b>Changes in Working Capital</b>	<b>907 403</b>	<b>(83 134)</b>
Decrease/(increase) in accounts receivable	(1 798 608)	1 022 887
Decrease/(Increase) in inventory	(2 160)	(47 519)
Increase/(Decrease) in accounts payable	2 708 171	(1 058 502)
<b>Cash generated in operations</b>	<b>10 399 737</b>	<b>8 236 425</b>

## 18. PRESENTATION OF BUDGET INFORMATION

The approved budget covers the period 1 April 2023 to 31 March 2024.

The NCT prepares its annual budget primarily on a cash basis. Items such as depreciation, amortisation, loss on sale of assets, scrapping of assets, finance costs and accrual for leave pay are not budgeted. 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 R442 800 for this financial year (2023: R418 032).

### Changes to the approved budget (refer to Statement of Comparison of budget and actual amounts)

The National Treasury in October 2023 approved that the NCT carry over R12 966 363 into the 2023/24 financial year. Furthermore, grant funds of R1 659 000 had to be paid back to the dtic. Due to these revenue changes, the annual budget was adjusted.

### 18.1 INCOME FROM NON-EXCHANGE TRANSACTIONS

This relates to the grant from the Department of Trade, Industry, and Competition (dtic). The NCT received its full grant allocation of R55 295 000 for the 2023/24 financial year from the dtic during April 2023 and was requested to return R1 659 000 during November 2023 due to shortfalls experienced by the fiscus.

### 18.2 ROLL-OVER

Treasury approved a roll-over of R12 966 363 in October 2023. This amount was thus included in the revised budget. The roll-over relates to capital expenditure and other goods and services.

### 18.3 INCOME FROM EXCHANGE TRANSACTIONS

#### Filing Fees

Income from exchange transactions is earned through filing fees from debt counsellors for cases brought before the Tribunal. The filing fee increased by 7.5%, from R537.50 to R577.81 per case, effective 1 April 2023. The NCT

earned more filing fees than budgeted as we received more applications.

#### Sundry Income

Sundry Income relates to recoveries from employees.

#### Interest received

Interest received was more than budgeted due to additional funds available to earn more interest. We carried over surplus funds from the prior financial year and grant was paid in one tranche in the beginning of the year resulting in more funds available to earn interest.

### 18.4 ADMINISTRATIVE EXPENSES

Administrative expenses are underspent due to cost saving measures.

### 18.5 OTHER OPERATING EXPENSES.

Other operating expenditure is underspent due to the implementation of cost-saving measures.

### 18.6 TRIBUNAL MEMBERS' COSTS

Savings in Tribunal Member costs were due to more cases are being adjudicated per day due to system efficiencies, and most of the DRAs allocated to Full-Time Tribunal Members. Furthermore, cases are grouped together so that between 2 - 4 cases can be heard in one day. The revised billing guidelines also contributed to savings. If all cases are removed before 8 a.m. on the day prior to the hearing, members are instead allocated DRA matters for that day or not paid for the matters. Many cases were set down but were removed from the roll due to requests from the parties in the cases, settlement negotiations, and condonation applications filed.

### 18.7 EMPLOYEE RELATED COSTS

The actuals are adjusted to ensure comparability, and thus, the non-cash adjustments are not reflected and thus the significant variance. If the employee benefit liabilities are taken into account the variance is not significant.

### 18.8 CAPITAL EXPENDITURE

Capital expenditure was underspent mainly due to the National Credit Amendment Act (NCAA) rules and regulations not yet Gazetted; the budget and spending for implementing the NCAA project depend on finalizing the rules and regulations, a process that is out of the control of the NCT.

## 19. LEASES

### 19.1 OPERATING LEASES – BUILDINGS

	2024 Rands	2023 Rands
Lease payments under operating leases recognised in the surplus for the year	2 502 954	2 520 419
<b><i>Future minimum lease payments</i></b>		
Payable within one year	2 512 807	2 512 807
Payable after one year	2 512 807	5 025 614
	<b>5 025 614</b>	<b>7 538 421</b>

The operating lease relates to the Centurion office building premises situated at 272 West Avenue and used by the National Consumer Tribunal. The future operating lease payments above relate to the lease. The lease has an annual escalation of 5%.

### 19.2 OPERATING LEASES - OFFICE EQUIPMENT

Lease payments under operating leases recognised in the surplus for the year	232 025	233 871
The operating leases for office equipment relate to leases of photocopiers. When all the finance leases came to end during the prior year, new agreements were entered into and the assets of the old contracts were returned to the supplier. As the risks and rewards of ownership does not vest with NCT, they have been classified as operating leases.		
<b><i>Future minimum lease payments</i></b>		
Payable within one year	218 268	106 914
Payable after one year	54 567	-
	<b>272 835</b>	<b>106 914</b>

## 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 Department of Trade, Industry and Competition (**the dtic**). The transaction with **the dtic** is as follows:

Department of Trade, Industry and Competition ( <b>the dtic</b> ) – Grant received	55 295 000	54 756 000
Department of Trade, Industry and Competition ( <b>the dtic</b> ) – Grant repayment	1 659 000	-

## 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 that 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)

Tshwane Automotive Hub Special Economic Zone (Pty) Ltd (TAHSEZ)

National Regulator for Compulsory Specifications (NRCS)

2024 Rands	2023 Rands
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	751 591
-	-

### 20.2.2 ACCOUNTING AUTHORITY

TA Bailey (Executive Chairperson)	Aggregate remuneration	2 395 765	1 728 776
JM Maseko (Executive Chairperson)	Aggregate remuneration	-	1 292 570

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

### 20.2.3 PART-TIME TRIBUNAL MEMBERS

L Best	Aggregate fee for services rendered	-	174 649
BC Dumisa	Aggregate fee for services rendered	-	157 316
PA Beck	Aggregate fee for services rendered	-	280 780
X May	Aggregate fee for services rendered	-	6 468
T Woker	Aggregate fee for services rendered	-	129 370
FK Manamela	Aggregate fee for services rendered	-	26 816
DR Terblanche	Aggregate fee for services rendered	-	169 499
FK Sibanda	Aggregate fee for services rendered	-	136 969
TA Bailey	Aggregate fee for services rendered	-	227 125
MC Peenze	Aggregate fee for services rendered	1 445 054	1 172 312
NS Maseti (Deputy Chairperson)	Aggregate fee for services rendered	820 181	443 467
K Moodaliyar	Aggregate fee for services rendered	138 455	364 548
P Manzi-Ntshingila	Aggregate fee for services rendered	777 705	328 961
C Ntsoane	Aggregate fee for services rendered	627 903	355 926
C Sassman	Aggregate fee for services rendered	1 360 603	679 222
S Mbhele	Aggregate fee for services rendered	569 886	252 271
S Hockey	Aggregate fee for services rendered	1 229 094	193 447

**Note:** Aggregate fee for services rendered includes travel expenses. Also, refer to Note 14 for more detail.

2024 Rands	2023 Rands
2 570 287	2 067 753
187 584	1 699 887
2 297 181	2 115 359
1 999 501	481 495
2 145 876	1 577 354
729 697	1 847 519
2 012 578	1 748 410
-	54 507
1 145 146	1 293 744
1 683 794	52 335
-	263 177
2 397 443	645 837
553 777	101 560

HV Alwar - (Full-time Tribunal Member) (Strategic Oversight Executive)	Aggregate remuneration	2 570 287	2 067 753
JR Simpson (Full-time Tribunal Member)	Aggregate remuneration	187 584	1 699 887
LA Potwana (Full-time Tribunal Member)	Aggregate remuneration	2 297 181	2 115 359
Z Ntuli (Full-time Tribunal Member)	Aggregate remuneration	1 999 501	481 495
G Dladla (Chief Operating Officer)	Aggregate remuneration	2 145 876	1 577 354
LL Rabotapi (Acting Chief Operating Officer & Registrar)	Aggregate remuneration	729 697	1 847 519
A Moolla (Chief Financial Officer)	Aggregate remuneration	2 012 578	1 748 410
N Nziyane (Acting Chief Financial Officer)	Aggregate remuneration	-	54 507
BX Nomvete (Chief Information Officer)	Aggregate remuneration	1 145 146	1 293 744
P Moodley (Acting Registrar)	Aggregate remuneration	1 683 794	52 335
V Tsako (Corporate Services Executive)	Aggregate remuneration	-	263 177
V Srineevassan (Corporate Services Executive)	Aggregate remuneration	2 397 443	645 837
Z Malumedzha (Acting Chief Information Officer)	Aggregate remuneration	553 777	101 560

## 20.3 AMOUNTS INCLUDED IN TRADE RECEIVABLES/(TRADE PAYABLES) REGARDING RELATED PARTIES

## 21. FINANCIAL INSTRUMENTS

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

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 NCT's risks, set appropriate risk limits and controls, and 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.

	2024 Rands	2023 Rands
<b>Financial assets at amortised cost</b>	<b>31 487 147</b>	<b>22 528 589</b>
Cash and cash equivalents (refer to Note 2)	31 109 658	22 528 089
Trade and other receivables (refer to Note 3)	377 489	500
<b>Financial liabilities at amortised cost</b>	<b>3 477 305</b>	<b>2 082 685</b>
Trade and other payables (refer to Note 7)	1 743 049	1 237 041
Accruals (refer to Note 7)	1 734 256	845 644

### 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 as per the table below. The amounts disclosed are contractual cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
<b>At 31 March 2024</b>			
Trade and other payables (refer to Note 7)	3 477 305	-	-
	<b>3 477 305</b>	-	-
<b>At 31 March 2023</b>			
Trade and other payables (refer to Note 7)	2 082 685	-	-
	<b>2 082 685</b>	-	-

### 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.

<b>Balances exposed to interest rate risk</b>	31 109 658	22 528 089
Cash and cash equivalents (refer to Note 2)	<b>31 109 658</b>	<b>22 528 089</b>

### 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

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

Trade and other receivables - Unrated

2024 Rands	2023 Rands
31 109 658	22 528 089
377 489	500
<b>31 487 147</b>	<b>22 528 589</b>

### 21.2 FAIR VALUES

The carrying amounts of financial instruments approximate fair value due to the relatively short-term maturity of these financial instruments.

## 22. FEES PAID TO GOVERNANCE COMMITTEE MEMBERS

### 2024

#### Audit and Risk Committee

	Number of meetings	Committee fees	Other	Total
S Badat (Chairperson)	6	185 379.52	-	185 379.52
R Rasikhinya (partial attendance of meetings)	5	47 487.50	-	47 487.50
A Chowan	6	156 016.50	-	156 016.50
<b>Total</b>		<b>388 883.52</b>	<b>-</b>	<b>388 883.52</b>

#### ICT Governance Committee

P Dala (Chairperson)	3	121 944.06	-	121 944.06
S Ndaba	3	76 760.00	-	76 760.00
<b>Total</b>		<b>198 704.06</b>		<b>198 704.06</b>

#### HR Governance Committee

R Jock (Chairperson)	2	55 083.00	-	55 083.00
N Ali	2	81 283.00	-	81 283.00
<b>Total</b>		<b>136 366.00</b>	<b>-</b>	<b>136 366.00</b>

## 2023

### Audit and Risk Committee

	Number of meetings	Committee fees	Other	Total
S Badat (Chairperson)	6	152 390.26	-	152 390.26
R Rasikhinya	4	94 829.63	-	94 829.63
A Chowan	4	76 824.00	-	76 824.00
<b>Total</b>		<b>324 043.89</b>	<b>-</b>	<b>324 043.89</b>

### ICT Governance Committee

P Dala (Chairperson)	3	115 956.24	-	115 956.24
S Ndaba	3	76 896.00	-	76 896.00
<b>Total</b>		<b>192 852.24</b>	<b>-</b>	<b>192 852.24</b>

### HR Governance Committee

R Jock (Chairperson)	2	51 216.00	-	51 216.00
N Ali	2	51 216.00	-	51 216.00
<b>Total</b>		<b>102 432.00</b>		<b>102 432.00</b>

## 23. FRUITLESS AND WASTEFUL EXPENDITURE

Management has not identified any fruitless and wasteful expenditure in the years ended 31 March 2023 and 31 March 2024.

## 24. IRREGULAR EXPENDITURE

Management has not identified any irregular expenditure in the years ended 31 March 2023 and 31 March 2024.

## 25. EVENTS AFTER THE REPORTING DATE

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.

## 26. 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.

## 27. CONTINGENT LIABILITIES

### 27.1 ACCUMULATED SURPLUS

As per Section 53(3) of the PFMA, NCT, as a Schedule 3A Public Entity, may not accumulate a surplus without the prior written approval of the National Treasury. Therefore, regarding this section and National Treasury's instruction No.12 of 2020/2021, the NCT will submit to National Treasury to retain surpluses for 2023/2024 in line with this instruction during August/September 2024 based on the final audited figures. In the past, the NCT has received approval from the National Treasury to retain surpluses. At 31 March 2024, the NCT had an adjusted cash surplus of R20 453 832.

### 27.2 LABOUR RELATED MATTERS

The first matter relates to an employee who was dismissed and is challenging the NCT on numerous matters at the CCMA. The NCT estimates that the maximum cost is compensation of 3 months salary which is valued at R512 542.08. The NCT is confident the matter will be set aside.

The second matter relates to an employee who referred a case of constructive dismissal against the NCT. The relief sought is financial compensation and the NCT estimates that this will cost a maximum of 12 months salary which is valued at R800 000. The NCT is confident the matter will be set aside.

## 28. CAPITAL COMMITMENTS

Commitments as at the 31 March 2024 amounts to R 3 874 436 (2023: R1 658 593). R1 747 404 relate to capital commitments.

## 29. 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.

## 30. BROAD BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) PERFORMANCE

In terms Act 13G(1) all spheres of government, public entities and organs of state must report on their compliance with the broad-based black economic empowerment in their audited annual financial statements and annual reports. During the financial period ended 31 March 2023,

the NCT was measured for Broad-Based Black Economic Empowerment (B-BBEE) compliance in accordance with the dtic Codes of Good Practice, Gazette number 38766 and 36928. The applicable scorecard used to determine the NCT compliance with the B-BBEE Act, 2013 (Act 46 of 2013) was the Codes of Good Practice - Specialised Generic (Revised codes). The NCT was found to be a non-compliant contributor to the B-BBEE Act, 2013. The B-BBEE certificate is valid from 15 November 2023 to 14 November 2024. The NCT is committed to implementing measures to improve its compliance with the B-BBEE Act, 2013.

## 31. CHANGE IN ACCOUNTING ESTIMATE

"Depreciable assets' consisting of computer equipment useful life has been increased by an additional three years in the beginning of the current period to reflect the actual pattern of service potential derived from the assets. The effect on the current and future periods will be a decrease in the depreciation charge of R58 782 in the current period and an increase in the depreciation charge of R29 391 per year over the next 2 periods."

## 32. RECLASSIFICATION OF ACCRUAL TO PROVISION

During the financial year ended 2024, the NCT identified that a certain liability previously recorded as an accrual now meets the criteria for classification as a provision. This reclassification is in accordance with GRAP 19 - Provisions, Contingent Liabilities and Contingent Assets.

### Details of Reclassification:

The reclassification pertains to the Part-Time Tribunal Members daily fee. The original accrual was recognised in the financial statements for the period ended March 2023.

Amount Reclassified: The total amount reclassified from accruals to provisions is R148 672.

**Financial Statement Impact:**

The impact of this reclassification on the financial statements is as follows:

**Statement of Financial Position:**

A decrease in Accrued Liabilities by R148 672.

An increase in Provisions by R148 672.

**Statement of Financial Performance**

There is no impact on the Statement of Financial Performance for the current period as this reclassification is a Statement of Financial Position reallocation.





# ANNEXURE A





# STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

All information and amounts disclosed in the annual report are consistent with the Annual financial Statements audited by the Auditor-General. The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury. The Annual Financial Statements (Part F) have been prepared in accordance with the standards applicable to the public entity. 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, which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged 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 entity for the financial year ended 31 March 2024.

Yours faithfully



**Mr Trevor Bailey**  
Executive Chairperson  
31 August 2024

# FULL-TIME AND PART-TIME TRIBUNAL MEMBERS



**MR TREVOR BAILEY**  
EXECUTIVE CHAIRPERSON

**Qualifications:**

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



**MS HAZEL ALWAR**  
FULL-TIME TRIBUNAL MEMBER

**Qualifications:**

B. Soc. Science Psychology and Industrial Psychology, B. Soc. Science (Honours) (University of KwaZulu-Natal); LLB (University of South Africa)



**MS ZODWA NTULI**  
FULL-TIME TRIBUNAL MEMBER

**Qualifications:**

Diploma in Project Management (Damelin Management School); Bachelor of Civil Law (University of Pretoria); Post-Graduate Diploma in Intellectual Property Law and Management (University of South Africa)



**MR SITHEMBISO MBHELE**  
PART-TIME TRIBUNAL MEMBER

**Qualifications:**

B.Proc Law, LLM Business Law, MBA (University of KwaZulu-Natal)



**ADV CRAIG SASSMAN**  
PART-TIME TRIBUNAL MEMBER

**Qualifications:**

LLB, LLM Corporate Law (University of South Africa); Credit Management Certificate (ICMSA)



**MRS PHUMLA MANZI-NTSHINGILA**  
PART-TIME TRIBUNAL MEMBER

**Qualifications:**

LLB (University of South Africa); Admitted Attorney, Notary Public and Conveyancer



**DR ANDISA POTWANA**  
**FULL-TIME TRIBUNAL MEMBER**

**Qualifications:**

Qualifications: B. Juris, LLB (University of Transkei); Certificate in Legislative, Drafting, LLM Consumer Protection Law, LLD (University of Pretoria)



**MS NOMFUNDO MASETI**  
**DEPUTY CHAIRPERSON**  
**PART-TIME TRIBUNAL MEMBER**

**Qualifications:**

BA Economics (University of South Africa); Postgraduate Diploma in Economics for Competition Law (King's College London)



**MR CJ NTSOANE**  
**PART-TIME TRIBUNAL MEMBER**

**Qualifications:**

LLB (University of Limpopo); B-Tech Marketing Management (then Technikon Pretoria, now Tshwane University of Technology)



**PROF KASTURI MOODALIYAR**  
**PART-TIME TRIBUNAL MEMBER**

**Qualifications:**

B. Proc., LLB. LLM (University of Natal); M. Phil. (Cambridge University, UK); Prog. Economics and Public Finance (University of South Africa); Prog. Legislative Drafting (University of Pretoria); Conflict Dynamics Accredited Mediator (CEDRS Center For Effective Dispute Resolution Services)



**DR MARIA PEENZE**  
**PART-TIME TRIBUNAL MEMBER**

**Qualifications:**

B. Luris (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); Certified Fraud Examiner (ACFE New York)



**MR SELWYN HOCKEY**  
**PART-TIME TRIBUNAL MEMBER**

**Qualifications:**

BA Social Sciences (University of Cape Town); BA LLB (University of the Western Cape); Postgraduate Diploma in Labour Law (University of Potchefstroom); Certificate in Arbitration Skills (The Arbitration Forum); Certificate in Mediation (London School of Mediation)





# GLOSSARY OF TERMS



## COMPLETE FILING

A 'complete' filing is 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 NCT published under GN789 in GG30225 of 28 August 2007, as amended by GenN428 in GG34405 of 29 June 2011.

## 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 towards clarifying an issue with regard to an application filed.

## 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 by means of 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 deciding on whether to make the DRA a (consent) order of the Tribunal, the Tribunal considers all aspects relating to the legality of the agreement. Among others, it considers interest rates agreed upon and affordability.

## 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.

## NOTES

[illegible]





national consumer tribunal

WE ARE  
HERE TO  
SERVE  
YOU



#### PHYSICAL ADDRESS

Ground floor, Block B,  
Lakefield Office Park  
272 West Avenue  
(Cnr West Ave and Lenchen Ave North)  
Centurion

#### POSTAL ADDRESS

Private Bag X110  
Centurion, 0046

#### CONTACT DETAILS

**Telephone:** 010 006 0484  
**Email:** [registry@thenct.org.za](mailto:registry@thenct.org.za)  
**Website:** [www.thenct.org.za](http://www.thenct.org.za)

**RPN** RP263/2024

**ISBN** 978-1-77997-224-8