



ANNUAL REPORT

| 2022 - 23



ANNUAL REPORT

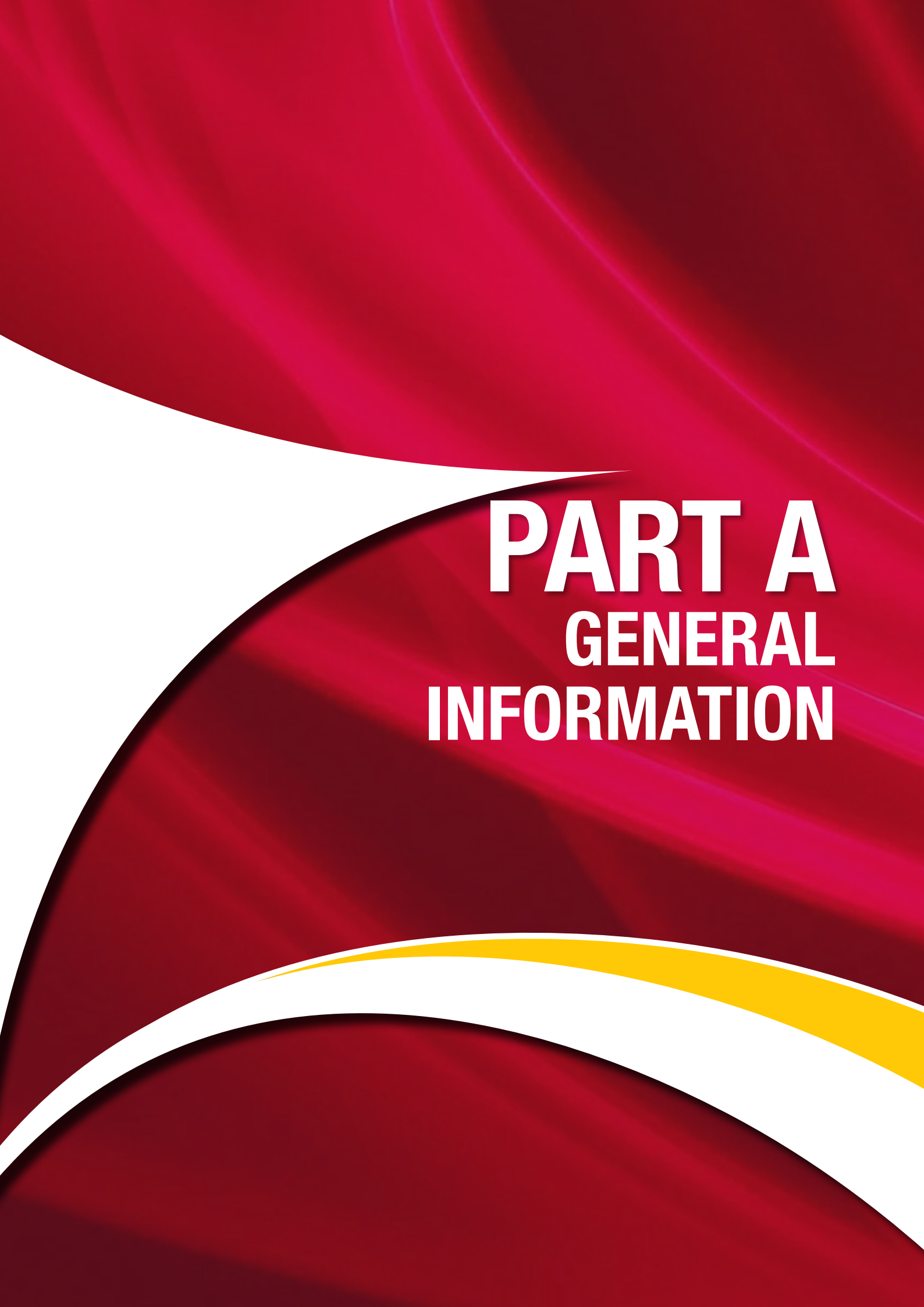
(For the year ended 31 March 2023)

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PART A

GENERAL INFORMATION

PART A: GENERAL INFORMATION

1.1 Abbreviations and acronyms

Advocom	Advocacy and Communications Unit
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGE	Commission on Gender Equality
CHRC	Community Human Rights Champions
COO	Chief Operations Officer
CTA	Complaints Trends Analysis
FISD	Financial Information Services Connection
HCMP	Human Capital Management Plan
HOA	Home Owners' Allowance
HRE	Human Rights Engagement
HREM	Human Rights Educational Material
HRM	Human Rights Monitoring
IA	Internal Audit
ICT	Information Communication Technology
IES	Impact Evaluation Study
IRHR	International and Regional Human Rights Research
KMP	Knowledge Management Plan
MoU	Memorandum of Understanding
NHRI	National Human Rights Institution
NPM	National Preventive Mechanism
NSMCC	National Schools Moot Court Competition
OCRCP	Organisational Culture Renewal Plan
OPCAT	Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment

PAA	Public Audit Act
PAIA	Promotion of Access to Information Act 2000
PEPUDA	Promotion of Equality and Prevention of Unfair Discrimination Act 2022
POPIA	Protection of Personal Information Act 2013
PSCBC	Public Service Coordinating Bargaining Council
PSOHR	Provincial State of Human Rights
RMR	Recommendations' Monitoring Report
RSCSR	Remuneration Structure and Conditions of Service Report
SAHRC	South African Human Rights Commission
SAHRCA	South African Human Rights Commission Act
SALGA	South African Local Government Association
SAP	Systems Application and Production
SCMP	Supply Chain Management Plan
SCMT	Supply Chain Management Turnaround
SIL	Strategic Impact Litigation
SMS	Senior Management Service
SOHR	State of Human Rights in South Africa
S RTP	Strategic Risk Treatment Plan



1.2 Foreword by the Chairperson

As we come to the end of yet another financial year, it is my pleasure to present the annual report of the South African Human Rights Commission (SAHRC or Commission). This report highlights the achievements, challenges and progress made in promoting, protecting and monitoring human rights in our country during the year under review.

In this period, the world and South African began returning to “normal” as we witnessed a decline in the number of infections and severity of the impact of COVID-19. At the start of the COVID-19 pandemic, movement restrictions imposed by governments to curb the spread of the coronavirus had necessitated places of work to adapt to virtual platforms to carry out their work. The Commission was no exception.

Although the Commission also returned to working from the office, it continued to make use of these virtual platforms to carry out its promotion mandate, where possible. This has been beneficial in sparing already stretched financial resources at its disposal.

One of the highlights and achievements in the year under review was the Supreme Court of Appeal decision in *Afriforum NPC v Nelson Mandela Foundation Trust and Others*. The Commission was the second applicant in the matter. The judgment is a victory for constitutional democracy, for the promotion of equality and for our efforts as a country to redress the legacy of our past. I hope we will all glean lessons and precedents from the judgment to use as we continue working together towards an open and democratic society.

The main activity of the Commission during the period under review has been investigating and resolving complaints alleging violations of human rights, as required by the South African Human Rights Commission Act, 2013. The Commission received and resolved thousands of complaints during the year, mostly from members of the public. While the effect of the COVID-19 pandemic reduced the numbers of complaints received and those resolved by the Commission during the 2020/21 and 2021/22 financial years, the Commission saw a rise in the number of complaints for the 2022/23 financial year due to the gradual easing and eventual removal of the COVID-19 restrictions and the return of staff to working from various offices of the Commission. Many of the complaints related to service delivery issues, including the lack of access to water and sanitation, housing, and health care. The Commission anticipates that the number of complaints received and attended to will further increase in the 2023/24 financial year.

There has also been a steady increase in litigation despite the reality that litigation is very expensive. Efforts are often hindered by the lack of financial resources to hire legal services. In addition to having to deal with unexpected phenomena, such as the effects of the July 2021 unrest, the devastating floods in KwaZulu-Natal, Gauteng and North West,

and debilitating load shedding, the Commission experienced a significant loss of senior staff, many of whom either found better-paying employment elsewhere or went into business and private legal practice.

On the international stage, the Commission continues to maintain an “A” status, which means that it continued to be compliant with the Paris Principles and remained resolute to maintaining such status. This is despite budgetary and capacity constraints impacted on our outputs. Vacancies in senior management positions mean the loss of expertise and skills, and an increased workload for staff within those business units. Fortunately, we were able to fill the vacant position of Chief Executive Officer (CEO). As head of the Secretariat, the CEO will provide much-needed support as the institution works towards strengthening its human capital.

During the year under review, the human rights landscape was distressed by natural disasters that necessitated responses from the Commission. The provinces of the Eastern Cape, KwaZulu-Natal and North West were hit hard by torrential rains and resultant floods. Emergencies often required the Commission to undertake a review and even some modification in the implementation of the institutional strategies, methods, and operations to ensure an appropriate and effective response. This comes from our experience with the abovementioned floods and the July 2021 unrest. Consequently, the Commission considers including the development of a rapid response strategy to emergencies in its future plans.

The floods caused by heavy rains in KwaZulu-Natal, Eastern Cape and North West highlighted yet again the extent of inequality in our society. The impact of the floods was most severe and extreme in the poorest regions of these provinces. While poor communities contribute the least to global pollution, they are often the ones to suffer the most from its impact. Climate change response implementation plans have become a matter of urgency.

As we reflect on the achievements, progress and challenges of the past year outlined in this annual report, we must also acknowledge that the Commission has done much work. However, much remains to be done in promoting, protecting, and monitoring human rights in the country. The human rights challenges facing our country are complex and ongoing. However, we remain committed to the cause and will continue to work towards ensuring that all individuals in our country are able to live with dignity and respect for their human rights.

The end of the year under review also saw the departure of our long-serving Commissioner, Bokakantla Joseph Malatji. His departure means that we began the 2023/24 financial year with seven Commissioners instead of eight. His focus area, that dealt with elderly persons and persons with disabilities, has temporarily been shared among the remaining Commissioners until the Commission has a full complement of Commissioners again.

I hope that this report serves as a reminder of the importance of the work of the SAHRC and inspires us all to continue working towards a society where human rights are upheld, progressively realised, and protected.

The Commission wishes to extend its gratitude to all our stakeholders and other partners who continue to support and work with us and strengthen our work through collaboration and strategic engagements that advance human rights and move society forward. Sincere gratitude also goes to all the staff and Commissioners for their hard work and dedication to the advancement and protection of human rights.



Advocate Bongani Majola
Chairperson of the SAHRC
Date:



1.3 Report of the Accounting Officer

The SAHRC, like many institutions throughout the world, experienced a year characterised by challenges, particularly natural disasters, and the COVID-19 pandemic. It was within this context that the SAHRC found itself during the 2022/23 financial year. Some of the external challenges included the ongoing war between Russia and Ukraine, and the Tigray War in Ethiopia. A key challenge was the slow recovery phase from the coronavirus from which many institutions are emerging. The impact of these upheavals will continue for many years to come.

The SAHRC experienced a high staff turnover, particularly for senior and strategic positions, which negatively affected the overall institutional performance. Coupled with a high staff turnover,

the SAHRC's responsiveness to the emerging environmental crisis of the floods in KwaZulu-Natal and other parts of the country required a strategic shift from its annual performance targets. In addition, the need to provide an immediate response to the increasing levels of racial disharmony, which stemmed from the July 2021 unrest, necessitated the need for an initiative that would sow the seeds of hope in our broken country. The SAHRC launched a Social Harmony National Effort (SHiNE) initiative as part of its contribution to bridging the gaps to unity. This was the context that informed the start of my journey as the new incumbent of the position of Accounting Officer of the SAHRC.

The SAHRC operates within an expansive constitutional and legislative mandate. Its constitutional mandate requires a multifaceted approach to addressing section 184 of the Constitution. This multifaceted approach began at the SAHRC's planning phase of defining its annual plan for 2022/23. Key to this approach was the need to include partnerships at government and civil society level. Partnerships at government level did not compromise of the Commission's constitutional independence, but rather sought to strengthen its promotional mandate. One of the SAHRC's key partnerships was the National Schools Moot Court Competition (NSMCC) which, through a tripartite arrangement with the Department of Justice and Constitutional Development, the Department of Basic Education and the SAHRC, was able to bring together over 400 public schools to participate in a programme that introduced a human rights perspective to social issues facing our youth.

Human rights violations are often more prominent within social spaces. Research undertaken by the University of Witwatersrand in 2018 found that over 85% of school learners in Gauteng had experienced some form of cyber-bullying and harassment. The SAHRC's intervention of developing a social media Charter in 2022 will support the much-needed understanding of how to respond to harmful expressions of cyber-bullying, defamation, privacy and crimen injuria. The development of the social media Charter was a significant achievement for the

SAHRC, which will benefit everyone who has access to the internet and a cell phone.

Another key partnership that the SAHRC explored in 2022/23 was with institutions of higher education. Essentially, locating the need for universities to expand their contribution to human rights education and training informed the need for partnerships with universities throughout the country. Through memoranda of understanding, the SAHRC was able to lay the foundation for collaboration into the next financial year.

The partnership with the South African Local Government Association (SALGA) was critical to the SAHRC's monitoring mandate. Given the importance of local government to the lives of all people living in South Africa, the SAHRC confronted reported incidences of poor governance, corruption, and political instability in local government by convening a national conference in August 2022 to address these issues. Conference resolutions will inform the SAHRC's monitoring work for the next financial year. Work undertaken in the monitoring mandate enabled the SAHRC to convene provincial hearings into human rights violations. Hearings that were held in KwaZulu-Natal in 2022/23 into access to water and the hearing into alleged police brutality in the Western Cape will culminate in reports that will be monitored in the next financial year.

The Racism and Discrimination in Advertising inquiry that was held in Gauteng in 2022 was another important initiative in the SAHRC's protection mandate work. Because inequality continues to be among the top five human rights violations, as reported through an analysis of complaints and enquiries, the hearing, together with court action addressing hate speech and incitement to violence instituted by the SAHRC against alleged perpetrators of hate speech, demonstrated the SAHRC's unwavering fight to build a culture of human rights.

Despite the challenges that beset the SAHRC during the year under review, there were significant highlights. In the Administration Programme, the SAHRC was able to procure a Systems Application

and Production (SAP) in data processing system during the year under review. This system will not only address audit findings but will ensure that the SAHRC's operations are streamlined.

The year under review provided the SAHRC with important lessons. One of these is aptly articulated by former President Nelson Mandela, who encouraged people to be hopeful about the future; that despite challenges, there is opportunity for learning and growth. The SAHRC's challenging year is over. What is required is for the SAHRC to "show the people of South Africa and government that [we] are unbroken and unbowed, and that [we] are beginning anew in a new form".

The SAHRC will take the lessons learnt over 2022/23 into the next financial year as we continue to play a critical role in protecting, promoting, and monitoring human rights. We will strengthen our resolve to steadfastly continue to fulfil our constitutional and legislative mandate and contribute to make South Africa a place where human rights are upheld, irrespective of the challenges we faced in 2022/23.



Mr Vusumuzi Mkhize
Chief Executive Officer: South African Human Rights Commission
Date: 31 July 2023

1.4 Statement of responsibility and confirmation of the accuracy of the annual report

The CEO is responsible for the preparation of the institution's performance information and for the judgments made in this report.

The CEO is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance of the institution for the financial year ended 31 March 2023.



Mr Vusumuzi Mkhize

Chief Executive Officer: South African Human Rights Commission

Date: 31 July 2023

1.5 Strategic overview

The South African Human Rights Commission's strategic intent is informed by various instruments and policy mechanisms. These include the Constitution, as well as other founding and supporting legislation.



1.5.1 Vision

Together, respecting and realising human rights



1.5.2 Mission

To empower all to honour and assert human rights through effective promotion, monitoring and protection.



1.5.3 Values

The values of the Commission are:

- Integrity
- Honesty
- Respect
- Objectivity
- Batho Pele principles
- Equality

1.6 Legislative and other mandates

The Commission is an independent institution that supports constitutional democracy and is established in terms of Chapter 9 of the Constitution. Its specific mandate is stipulated in section 184 of the Constitution. The following subsections broadly describe the parameters of the Commission.

1.6.1 Constitutional mandate

The mandate of the Commission, as contained in section 184 of the Constitution of the Republic of South Africa, 1996, is as follows:

- a) The South African Human Rights Commission must:
 - i. Promote respect for human rights and a culture of human rights.
 - ii. Promote the protection, development, and attainment of human rights.
 - iii. Monitor and assess the observance of human rights in the Republic of South Africa
- b) The Commission has the necessary powers, as regulated by national legislation, to perform its functions, including the power to:
 - i. Investigate and report on the observance of human rights
 - ii. Take steps to secure appropriate redress where human rights have been violated
 - iii. Carry out research.
 - iv. Educate
- c) Each year, the Commission must require relevant organs of state to provide it with information on the measures they have taken towards the realisation of the rights in the Bill of Rights concerning housing, health care, food, water, social security, education and the environment.
- d) The Commission has additional powers and functions prescribed by other national legislation.

1.6.2 Other legislative and policy mandates

The Commission has additional powers and functions prescribed by specific legislative obligations in terms of the South African Human Rights Commission Act, the Promotion of Access to Information Act and the Promotion of Equality and Prevention of Unfair Discrimination Act.

In this respect, the Commission must:

- a) Promote awareness of the statutes
- b) Monitor compliance with the statutes.
- c) Report to Parliament in relation to these statutes
- d) Develop recommendations with regard to persisting challenges related to these statutes and any necessary reform

South African Human Rights Commission Act, 2013 (Act No. 40 of 2013)

While the Commission fulfils the obligations set out in the South African Human Rights Commission Act (SAHRCA), it has suggested a number of amendments to bring the SAHRCA in line with the Constitution and subsequent legislation. The Commission awaits the tabling in Parliament of amendments to the SAHRCA occasioned by the adoption of the Constitution in 1996.

Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)

The Commission promotes compliance with the Promotion of Access to Information Act (PAIA) and produces an annual report in this regard in line with sections 83 and 84 of the PAIA. Key prescripts of the PAIA are the development of transparency frameworks and increasing institutional responsiveness to information requests, with a view to promote access to information.

Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)

The Commission continues to promote compliance with the the Promotion of Equality and Prevention of Unfair Discrimination Act (PEPUDA) and will start producing a thematic equality report on an annual basis. Section 25(5)(a) of PEPUDA prescribes the submission of equality plans to the SAHRC to be dealt with in the prescribed manner, in consultation with the Commission on Gender Equality (CGE). Section 28(2) requires the SAHRC to assess and report on the extent to which unfair discrimination on the grounds of race, gender and disability persists in the Republic, its effects, and recommendations on how best to address the problems. The Commission continues to assess and report on the state of equality, notwithstanding that sections 25 and 28 are not yet in operation.

International and regional instruments

The Commission is actively involved in ensuring the ratification and domestication of international and regional human rights instruments through, among others, advocacy, and policy influence.

At an international level, United Nations Office of the High Commissioner recognises the SAHRC as a national human rights institution (NHRI) with an “A” status. The Commission has thus adhered to the Paris Principles, which are the guiding principles that set out the nature and functioning of NHRIs. These principles emphasise the independent nature of NHRIs and guide the manner in which they should conduct their work.

Summarised, the principles state, among others, that national human rights institutions should:

- a) Monitor any situation of violation of human rights
- b) Be able to advise the government, Parliament, and any other competent body on specific violations
- c) Educate and inform on issues of human rights
- d) Be able to use their quasi-judicial powers where these exist

The mentioned legislation and policies form the basis on which the Commission plans its strategy and operations.

1.7 Organisational structure

The execution of the Commission’s constitutional and legislative mandate is supported by an organisational structure constituted at the head office in Johannesburg and supported by provincial offices across all nine provinces.

Figure 1: Head office structure

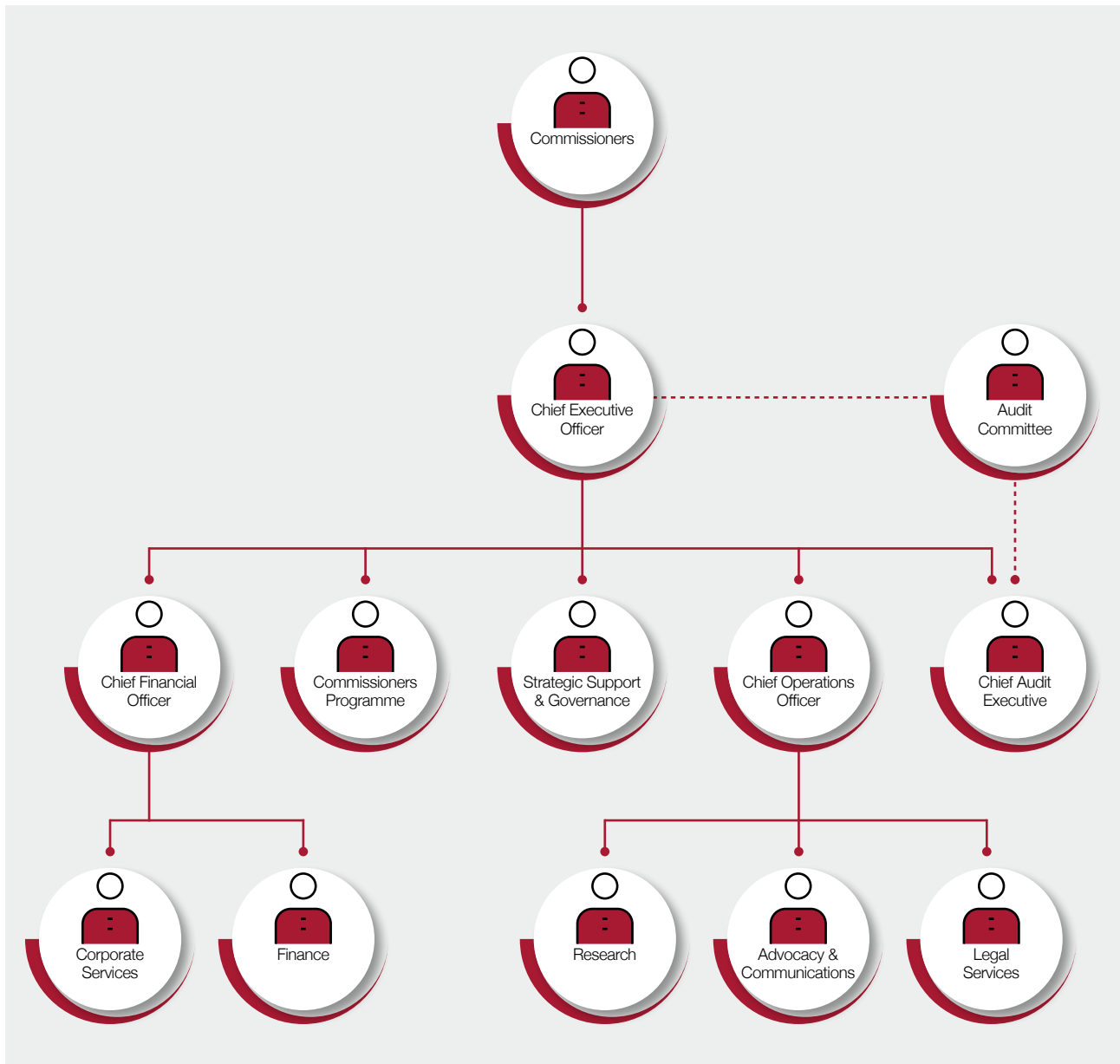
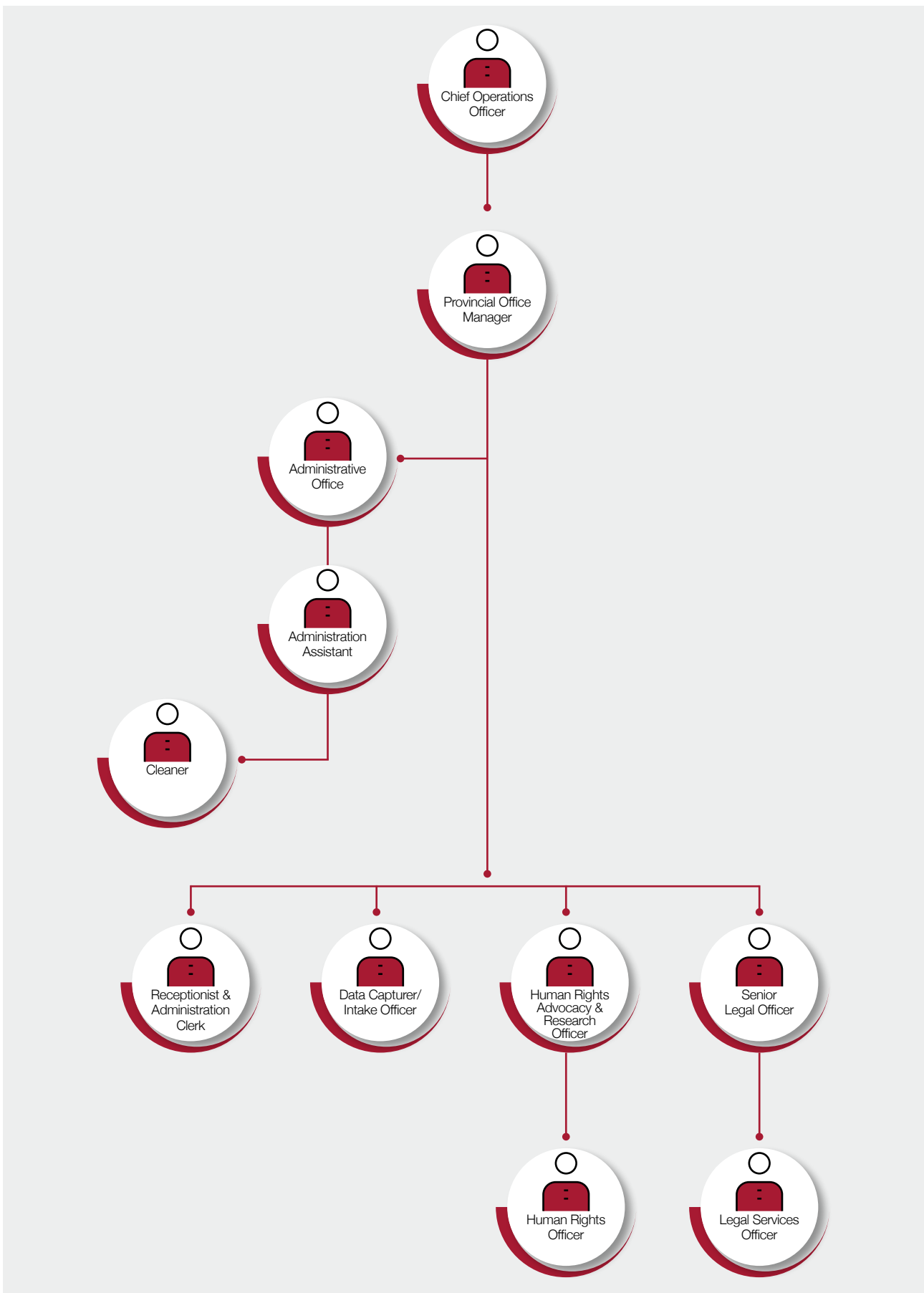


Figure 2: Provincial-level generic structure



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PART B
PERFORMANCE
INFORMATION

PART B:

PERFORMANCE INFORMATION

2.1 Auditor-General's Report: Predetermined objectives

Report on the Audit of the Annual Performance Report

In accordance with the Public Audit Act No. 25 of 2004 (PAA) and the General Notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The Accounting Officer is responsible for the preparation of the annual performance report.

I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the constitutional institution's performance on its primary mandated functions that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Promotion of Human Rights	30	This programme is responsible for the promotional aspects of the Commission's mandate.
Protection of Human Rights	32	This programme is responsible for carrying out the protective component of the Commission's constitutional mandate.
Monitoring of Human Rights	33	This programme is responsible for the Commission's constitutional monitoring and reporting mandate.

I evaluated the reported performance information for the selected programmes 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 constitutional institution's planning and delivery on its mandate and objectives.

I performed procedures to test whether:

- The indicators used for planning and reporting on performance can be linked directly to the constitutional institution's mandate and the achievement of its planned objectives.
- The indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I 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 what was 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.

I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

The material findings on the performance information of the selected programmes are as follows:

Promotion of Human Rights

Number of stakeholder engagements conducted.

An achievement of 560 engagements was reported against a target of 216 engagements. However, the audit evidence did not support this achievement. I could not determine the actual achievement but estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Various indicators

Based on audit evidence, the actual achievement for two indicators did not agree with the achievements reported. Consequently, the targets were not achieved.

Indicator	Target	Reported achievement	Actual achievement
Number of reports completed on SAHRC annual human rights engagements held with the provincial governments.	9 reports	9 reports	7 reports
Number of human rights educational material completed.	8 materials	8 materials	7 materials

Number of workshops conducted to empower community human rights champions

An achievement of 27 workshops was reported against a target of 18 workshops. However, some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Percentage implementation of Media and Communications Plan

An achievement of 80% implementation of the Media and Communications Plan was reported against a target of 80% implementation of the Plan. I could not determine if the reported achievement was correct, as the processes established to consistently measure and report achievements were inadequate. Adequate supporting evidence was also not provided for auditing. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Protection of Human Rights

Number of complaints and enquiries finalised

An achievement of 6 662 complaints and enquiries finalised was reported against a target of 3 000 complaints and enquiries to be finalised. However, some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Various indicators

Based on audit evidence, the actual achievements for two indicators did not agree with the achievements reported, but the targets were still achieved.

Indicator	Target	Reported achievement	Actual achievement
Number of initiatives undertaken to address systemic human rights violations	39 initiatives	44 initiatives	55 initiatives
Number of strategic impact litigation (SIL) matters instituted.	3 SIL matters	16 SIL matters	9 SIL matters

Number of Memoranda of Understanding signed with universities.

An achievement of eight memoranda of understanding (MoUs) was reported against a target of nine MoUs. However, the audit evidence showed the actual achievement to be only seven MoUs. Consequently, the underachievement on the target was more than reported.

Monitoring of Human Rights

Various indicators

An achievement was reported against a target for three indicators. I could not determine if the reported achievement was correct, as the processes established to consistently measure and report achievements were inadequate. Adequate supporting evidence was also not provided for auditing. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target had been achieved. This was for the following indicators:

No.	Indicator name	Target	Reported achievement
1.	Percentage implementation of Human Rights Monitoring (HRM) Plan	Implement 90% of HRM Plan	90% implementation
2.	Percentage submission of identified NHRI reports by deadline	100% submission of identified NHRI reports by deadline	100% submission done
3.	Percentage submission on identified legislation by deadline	100% submission on identified legislative by deadline	100% submissions by deadline

Other matters

I draw attention to the matters below.

Achievement of planned targets

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

Material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the selected programmes. Management did not correct the misstatements and I reported material findings in this regard.

2.2 Overview of departmental performance

2.2.1 Service delivery environment

For the period under review, the SAHRC continued to operate under constraints, which included financial and human resources constraints. In addition to internal environmental challenges that impacted on the Commission’s ability to deliver services efficiently, the external environment also affected its service delivery. The external environment placed high demands on the SAHRC, as was evident in the number of complaints and enquiries that the SAHRC received in 2022/23. In consideration of the annual target of complaints and enquiries, the number of complaints and enquiries received far exceeded the target.

The SAHRC initiated a number of new initiatives during the year under review. Two initiatives included the social harmony initiative (SHINE) and the digitisation project. Both initiatives were informed by the external environment, which required the SAHRC to respond to issues of social disharmony in the country; and secondly, the need for the SAHRC to respond to the changing environment necessitated by the Fourth Industrial Revolution.

2.2.2 Service delivery environment

The SAHRC’s broad constitutional mandate requires it to provide services that bring about legal redress to citizens, and further educates citizens about human rights.

The tables below provide fuller details about the main services provided by the SAHRC and the desired minimum standards of performance:

Table 1: Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievements
Provide legal redress for human rights violations	Members of the public	Responses to complaint provided within seven days	Responses to complaint were provided within seven days	Achieved
Provide information and awareness about human rights	Members of the public	Workshops held every quarter of the financial year	Workshops were conducted in all quarters of the financial year	Achieved
Conduct research on government’s realisation of human rights	People living in South Africa Research Institutions Monitoring bodies	Annual research report completed	Annual research report completed	Achieved
Monitor compliance with human rights findings and recommendations	People living in South Africa	Status reports on compliance with recommendations	Status report incomplete	Not achieved

Batho Pele arrangements with beneficiaries

Current/actual arrangements	Desired arrangements	Actual achievements
Access to information	Updated PAIA manual	Annual PAIA manual updated
SAHRC web site	Accessibility to web site users with disabilities	Web site accessibility

Service delivery information tool

Current/actual information tools	Desired arrangements	Actual achievement
Information – community workshops	18 workshops	27 workshops

Complaints mechanisms

Current/actual complaints mechanisms	Desired arrangements	Actual achievement
Fraud hotline	Decrease in reported cases	Achieved

2.2.3 Organisational environment

Important developments that impacted on the SAHRC’s ability to deliver on its strategic and annual plan included the high staff turnover. Eleven senior managers resigned from the SAHRC. Most notably, key positions included that of Chief Executive Office, Chief Financial Officer (CFO), Head of Supply Chain, Head of Strategic Support and Governance, and Head of Legal. The resignation of staff had a direct impact on the delivery on targets. The SAHRC is committed to filling vacancies and has developed a recruitment drive for the next financial year to fill vacancies within six months after being vacant.

2.2.4 Key policy development and legislative changes

With the establishment of the Information Regulator in terms of the Protection of Personal Information Act, 2013 (Act No. 4 of 2013), the legislative mandate for the Promotion of Access to Information Act has been transferred to the Information Regulator. The Commission, however, continues to receive and deal with complaints in this regard, as part of its broader human rights mandate.

2.3 Progress towards the achievement of institutional impacts and outcomes

2.3.1 Human rights priority areas

In pursuit of its constitutional mandate, the Commission has adopted the following priority human rights focus areas for the planning period 2020-2025:

- a) Pro-human rights budgeting
- b) Governance, anti-corruption and human rights
- c) Health
- d) Education
- e) Human settlements, water and sanitation
- f) Land and food security
- g) Environment and food security
- h) Civil and political rights, with specific emphasis on the National Preventive Mechanism (NPM) under the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT)

2.3.2 Transversal or cross-cutting issues for special attention

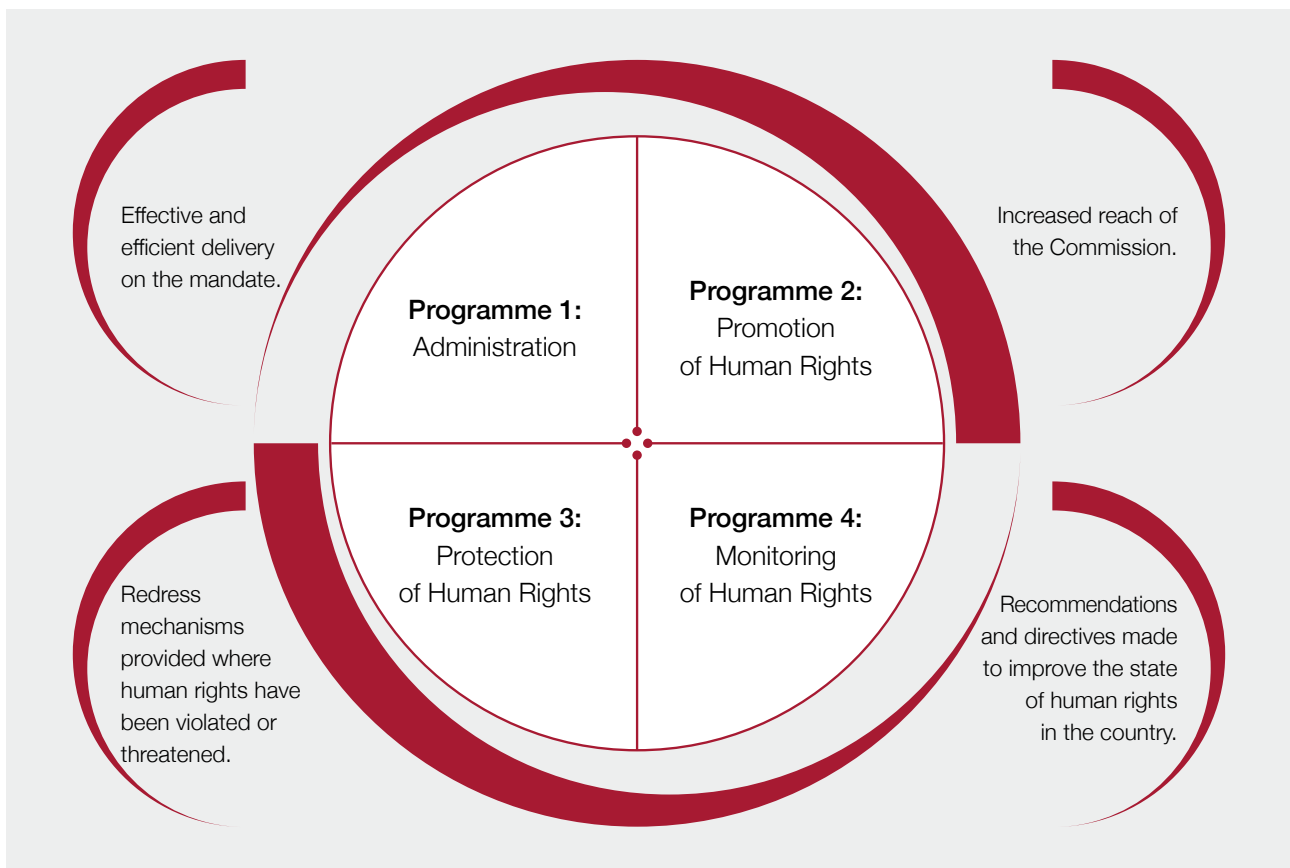
Within the priority focus areas identified above, the Commission would also give particular attention to the following transversal or cross-cutting issues:

- a) **Inequality:** Promoting practices that improve the state of equality and prevent and eliminate situations that perpetuate inequalities across all the identified priority focus areas.
- b) **Children:** Promoting, protecting, and monitoring the observance of the rights of children across all the identified priority focus areas.
- c) **Gender:** Promoting, protecting, and monitoring the observance of gender rights, including the rights of women, across all the identified priority focus areas.
- d) **Disability:** Promoting, protecting and monitoring the observance of people with disabilities across all the identified priority focus areas.
- e) **Older persons:** Promoting, protecting and monitoring the observance of the rights of older persons across all the identified priority focus areas.
- f) **Migrants:** Promoting, protecting and monitoring the observance of the rights of migrants across all the identified priority focus areas.
- g) **Business and human rights:** Monitoring the role and practices of business to ensure that the observance of human rights is promoted and protected across all the identified priority areas.

2.3.3 Outcome-oriented goals

The Commission's planning and internal evaluation exercises resulted in the identification of the following programme outcomes:

Figure 3: Programme outcomes



2.4 Institutional programme performance information

2.4.1 Summary of programmes

In order to deliver on the constitutional mandate, the Commission is structured into four programmes:

- a) Programme 1: Administration
- b) Programme 2: Promotion of Human Rights
- c) Programme 3: Protection of Human Rights
- d) Programme 4: Monitoring of Human Rights

These programmes are further structured into subprograms, commonly known in the Commission as business units. They are responsible for operations in the realization of programme outcomes. It must be noted that some of the business units' work cuts across the core programmes (Programme 2 to Programme 4) and related strategic objectives. However, for programme budgeting purposes, these have been allocated to specific programmes and include the Commissioners' Unit, Office of the Chief Operations Officer, and the Provincial Offices. It must also be noted that the Office of the CEO contributes to all four of the Commission's programmes.

Programme 1: Administration

This programme consists of the following business units:

Finance

Finance provides for the effective and efficient management of the budget to allow for the successful achievement of strategic objectives within limited resources. The unit also facilitates and monitors the management of identified organizational risks to minimize threats to operations.

Corporate Services

This unit encompasses the functions of human resource management, administration and supply chain management, and information communication technology. The unit aligns the Commission's human resource objectives to its planning processes,

enabling the recruitment and retention of staff with the capacity to support the achievement of strategic objectives. It establishes and manages integrated supply chain management, asset management and the coordination of all the Commission's administrative functions within defined regulatory frameworks. It is also responsible for ensuring effective and efficient information communication technology systems and services.

Internal Audit

The Internal Audit Unit assesses the adequacy and reliability of internal controls and governance processes. It identifies gaps and recommends corrective actions to the controls and processes.

Strategic Support and Governance

The unit is responsible for coordinating processes, including institutional strategic planning, performance monitoring, evaluation, and reporting. In addition, the unit is responsible for supporting institutional governance.

Office of the Chief Executive Officer

The CEO is responsible for establishing and maintaining an effective and efficient corporate governance framework that ensures management accountability through improved mechanisms for controlling and directing management activities. It further provides guidance and oversight to the core operations programmes.

Programme 2: Promotion of Human Rights

This programme consists of the following business units, which are responsible for the promotional and protective aspects of the Commission's mandate:

Commissioners' Programme (Office of the Commissioners)

The Commissioners provide leadership and guidance on the professional work of the Commission through facilitating the South African human rights agenda at international, regional, national, provincial, and local levels.

Human Rights Advocacy and Communications

The Human Rights Advocacy and Communications Unit (Advocom) promotes awareness of human rights and contributes to the development of a sustainable human rights culture in South Africa. It also serves to promote the Commission's activities and enhance understanding through comprehensive communications and media relations.

Provincial Offices

Provincial Offices are responsible for carrying out the Commission's mandate through core operations and actual implementation at provincial level.

Programme 3: Protection of Human Rights

This programme consists of the following business units:

Legal Services

Legal Services is responsible for providing quality legal services in the protection of human rights in the Republic of South Africa through the efficient and effective investigation of complaints of human rights violations, the provision of quality legal advice and assistance, as well as seeking redress through the courts for victims of human rights violations.

Office of the Chief Operations Officer

The Chief Operations Officer (COO) coordinates core operations business units (Legal Services, Research, Advocacy and Communications, and Provincial Offices), as well as operational process improvements to ensure the efficient delivery on the Commission's core business.

Programme 4: Monitoring of Human Rights

This programme consists of the following business unit, which is responsible for the institution's constitutional monitoring and reporting mandate:

Research

The unit plans, designs, conducts and manages research on the promotion and protection of human rights aimed at monitoring, assessing and documenting developments in human rights policy within the Republic of South Africa.

Some of the programme and business units' operations contribute across the strategic objectives, hence the presentation of performance based on its alignment with the Commission's strategic objectives.

2.4.2 Outcomes, outputs, output indicators, targets and actual achievements

This section reports on performance achievements against the planned organisational performance targets set for the 2022/23 financial year. The overview breakdown of target achievement according to programme is presented in Table 2. The Commission achieved 50% (19 out of 381) of its annual targets for the period under review.

¹ The annual indicator of 'clean audit' will only be determined at the end of the audit period.

Table 2: Summary of overall target achievement

Programme	Total number of targets	Number of targets achieved	Number of targets not achieved	Percentage achievement
Programme 1: Administration	14 ²	1	13	7%
Programme 2: Promotion of Human Rights	10	9	1	90%
Programme 3: Protection of Human Rights	6	3	3	50%
Programme 4: Monitoring of Human Rights	9	6	3	67%
Total	39	19	19	50%

Programme 1: Administration – Effective and efficient delivery on the mandate

Table 3: Achievements on effective and efficient delivery on the mandate

Performance indicator	Audited actual achievement 2021/22	Annual planned target 2022/23	Actual achievement 2022/23	Deviation from planned target for 2022/23	Variance from 2021/22 to 2022/23	Comment on variances/ corrective measures ³
Outcome: Effective and efficient delivery on the mandate						
1.1	Percentage compliance with key legislative requirements	100% compliance	90%	Target not achieved	Decreased by 5%	Non-compliance due to procurement for legal services. Revisions to the Supply Chain Policy have been done so as to ensure future compliance.
1.2	Percentage expenditure against total budget ⁴	98-100% expenditure	94.1%	Target not achieved	None.	Overlapping projects with a duration of more than two years budgeted in the year under review. Higher vacancy rate under personnel, which resulted in less spending.

² Indicator 1.9 is excluded from the total number as it relates to the audit outcome.

³ See pages 29–30 for detailed information on corrective measures.

⁴ In addition to expenditure management, quarterly monitoring activities will also focus on the reduction of fruitless and wasteful expenditure.

Performance indicator	Audited actual achievement 2021/22	Annual planned target 2022/23	Actual achievement 2022/23	Deviation from planned target for 2022/23	Variance from 2021/22 to 2022/23	Comment on variances/ corrective measures ³
Outcome: Effective and efficient delivery on the mandate						
1.3	Percentage implementation of Strategic Risk Treatment Plan	80-100% Implementation	64.3%	Target not achieved	Decreased by 3.2%	Capacity constraints with resignation of two senior managers and delays in the procurement of external service providers.
1.4	Percentage implementation of identified recommendations from 2020/21 Remuneration Structure and Conditions of Service Report (RSCSR)	80-100% implementation	45%	Target not achieved	Increased by 30%	Delays in implementing the project due to a delay in starting the tender procurement process.
1.5	Percentage implementation of Human Capital Management (HCM) Plan	80% - 100% implementation of HCM Plan	60%	Target not achieved	Decreased by 31%	Performance Management Policy was not done. Automation of the system for performance management was not done. Innovative recruitment methods not implemented.
1.6	Percentage implementation of Organisational Culture Renewal Plan	80% - 100% implementation of Culture Renewal Plan	65%	Target not achieved	Increased by 5%	Delay in appointment of service provider.
1.7	Percentage implementation of Information and Communications Technology (ICT) Plan	80% - 100% implementation of ICT Plan	78%	Target not achieved	Decreased by 2%	Delayed SharePoint migration.
1.8	Percentage implementation of Knowledge Management (KM) Plan	80% - 100% implementation of KM Plan	67%	Target not achieved	Decreased by 17%	Delays in implementation of Digitisation element of the KMP.

Performance indicator	Audited actual achievement 2021/22	Annual planned target 2022/23	Actual achievement 2022/23	Deviation from planned target for 2022/23	Variance from 2021/22 to 2022/23	Comment on variances/ corrective measures ³
Outcome: Effective and efficient delivery on the mandate						
1.9	Percentage implementation of Internal Audit Plan 63%	100% implementation	91%	Target not achieved	Increased by 28%	Delays in the provision of information and processes at the various business unit levels. Considering outsourcing some of the due Internal Audit activities. Corrective measure: Internal Audit has been given some funds and will be able to appoint an Internal Auditor and some interns. We are planning on reviewing performance information on a more regular basis. The business units have been requested to provide performance evidence and report monthly.
1.10	Audit opinion Unqualified audit with findings	Clean audit for 2022-23	Unqualified Audit Opinion with findings	Not achieving a clean audit outcome	Compliance, payment of creditors and performance information	The Commission will put together an audit action plan, and regularly monitor it
1.11	Complete Governance Compliance Monitoring Report Report completed	Complete Governance Assessment Report by 31 March 2023	Governance Report completed	Target achieved	None	None
1.12	Complete one (1) Impact Evaluation Study (IES) Report Report not completed	Complete one (1) IES Report	Report not completed	Target not met	None	Delay by service provider in finalizing the report.
1.13	Number of submissions made on the sufficiency of the SAHRC Budget Report not achieved	Make 3 submissions on the sufficiency of the SAHRC Budget	0 submissions	Target not met	None	Capacity constraints – impact of suspension of the former Acting CEO and resignation of the Acting CFO on completion of the project.
1.14	Percentage implementation of Supply Chain Management Turnaround (SCMT) Plan New indicator	100% implementation of SCMT Plan	61%	Target not achieved	New indicator	Training on policies not achieved.

Programme 2: Promotion of Human Rights

Table 4: Achievement of increased reach of the Commission

Performance indicator	Audited actual achievement 2021/22	Annual planned target 2022/23	Audited actual achievement 2022/23	Deviation from planned target for 2022/23	Variance from 2021/22 to 2022/23	Comment on variances/ corrective measures
Outcome: Increased reach of the Commission through promotional mechanisms						
2.1	Number of stakeholder engagements conducted	Conduct 216 engagements	560 engagements conducted	Overachieved target	New indicator	Ongoing human rights challenges necessitate engagement beyond plans.
2.2	Number of reports completed on SAHRC annual human rights engagements (HRE) held with the provincial governments	Complete 9 reports on SAHRC annual HRE held with the provincial governments	9 reports completed on SAHRC annual HRE held with provincial government	Target achieved	New indicator	None
2.3	Number of human rights conference reports completed	Complete 1 human rights conference report	Completed 1 human rights conference report	Target achieved	Decrease by 1	None
2.4	Number of human rights educational material (HREM) completed	Complete 8 human rights educational material	Completed 8 human rights educational material	Target achieved	New indicator	None
2.5	Number of Human Rights Dialogues hosted	Host 9 human rights dialogues (1 per province)	Hosted 9 human rights dialogues (1 per province)	Target achieved	New indicator	None
2.6	Number of Human Rights Calendar Events	Host 29 human rights calendar day events ⁵	Hosted 34 calendar days – provincial and one calendar day – national	Target not achieved	Increase in number of provincial offices – 13 Decline in number of events hosted for national office – 1	The indicator required two (2) calendar days from the national office. Only one was achieved for the national office. The reasons for non-achievement included an external speaker cancelling the appearance at the last minute.

⁵ Three per province, two of which would include International Human Rights Day on 10 Dec, and National Human Rights Day in March. The third provincial event would be at the discretion of each province. Additional two events (including March HR Day) would be hosted by the national advocacy office.

Performance indicator	Audited actual achievement 2021/22	Annual planned target 2022/23	Audited actual achievement 2022/23	Deviation from planned target for 2022/23	Variance from 2021/22 to 2022/23	Comment on variances/ corrective measures	
Outcome: Increased reach of the Commission through promotional mechanisms							
2.7	Number of workshops conducted to empower community human rights champions (CHRCs) ⁶	98% of Plan to empower CHRC	Conduct 18 workshops to empower CHRC. (2 per province)	Conducted 27 workshops to empower CHRC. GP – 3 LP – 2 NW – 4 KZN – 4 WC – 4 MP – 2 NC – 2 FS – 3 EC – 3	Overachieved target.	None	Increased demand for workshops.
2.8	Percentage implementation of Media and Communications Plan	100%	Implement minimum 80% - of Media & Communications Plan	Implemented 80% of Media & Communications Plan	Target achieved	Decrease by 20%	None
2.9	Number of Human Rights Advocacy and Communications (HR Advocom) Report completed	1 Report completed	Complete 1 HR Advocom Report by June 2022	Completed 1 HR Advocom Report by June 2022	Target achieved.	None	None
2.10	Number of National Schools Moot Court Competition hosted	Hosted by September 2021	Host 1 NSMCC by October 2022	Hosted 1 NSMCC in October 2022	Target achieved	None	None

⁶ Empowerment refers to training and / or orientation on human rights topics as selected by each province.

Programme 3: Protection of Human Rights

Table 5: Achievement on s redress mechanisms provided where human rights have been violated or threatened.

Performance indicator	Audited actual achievement 2021/22	Annual planned target 2022/23	Audited actual achievement 2022/23	Deviation from planned target for 2022/23	Variance from 2021/22 to 2022/23	Comment on variances/ corrective measures
Outcome: Redress mechanisms provided where human rights have been violated or threatened						
3.1	Number of complaints and enquiries finalised	Finalised 3 000 complaints and enquiries	Finalised 6 662 complaints and enquiries	Overachieved target by 3 662	Increased by 39	Target exceeded due to arising human rights violations that required attention.
3.2	Number of initiatives undertaken to address systemic human rights violations	Undertake 39 initiatives to address systemic violation	Undertook 44 initiatives to address systemic violations	Overachieved target	Decreased by 44	Target exceeded due to arising human rights violations that required attention.
3.3	Number of strategic impact litigation (SIL) matters instituted	Institute 3 strategic impact litigation matters	Instituted 16 strategic impact litigation matters	Overachieved target	Increased by 7	Target exceeded due to arising human rights violations that required attention.
3.4	Number of Complaints Trends Analysis (CTA) completed	Complete 1 Annual (2021-22) CTA Report by 30 Sep 2022	1 Annual (2021-22) CTA Report not completed by 30 Sep 2009	Target not achieved	Decreased by 1	Capacity constraints and delay in securing additional capacity.
3.5	Hold 2 National Inquiries	Hold 2 National inquiries ⁷	0 National inquiries held	Target not achieved	Decrease by 2	Capacity constraints and delays in securing additional capacity.
3.6	Number of Memoranda of Understanding (MoU) signed with universities	Sign 9 MoU with Universities (1 per province)	Signed 8 MOU with Universities (1 per province except NC which did not sign any MOU with universities.	Target not achieved	New indicator	One MoU with universities was not signed by the Northern Cape due to delays with the university.

⁷ While it was the initial intention to hold one of the inquiries on social cohesion and the prevention of unfair discrimination in schools, it must be noted that issues of focus may change based on arising human rights challenges that require urgent attention, as determined by the Commission during the financial year.

Programme 4: Monitoring of Human Rights

Table 6: Achievement on recommendations and directives made to improve the state of human rights in the country

Performance indicator	Audited actual achievement 2021/22	Annual planned target 2022/23	Audited actual achievement 2022/23	Deviation from planned target for 2022/23	Variance from 2021/22 to 2022/23	Comment on variances/ corrective measures
Outcome: Recommendations and directives made to improve the state of human rights in the country						
4.1	Number of integrated human rights monitoring (HRM) frameworks completed	Complete 1 integrated HRM framework	Completed 0 integrated HRM framework	Target not achieved	New Indicator	Delay in appointment of service provider
4.2	Percentage implementation of Human Rights Monitoring Plan	Implement 90% of HRM Plan ⁸	Implemented 90% of HRM plan	Target achieved	New indicator	None.
4.3	Number of State of Human Rights in South Africa (SOHR) Research outputs completed	Complete 3 SOHR in SA Research Outputs	Completed 3 SOHR in SA Research outputs completed	Target achieved	None	None.
4.4	Number of Provincial State of Human Rights (PSOHR) Reports completed	Complete 9 PSOHR Reports by February 2023 ⁹	Completed 5 PSOHR Reports completed by February 2023	Target not achieved	Decrease by 4	Delays in finalisation of editing and layout of report. Capacity constraints with completing report.
4.5	Number of International and Regional Human Rights (IRHR) Research outputs	Complete 1 IRHR Research Output by 31 March 2023	Completed 1 IRHR Research Output by 31 March 2023	Target achieved	None	None.
4.6	Submission of NPM-OPCAT Monitoring Report	Submit NPM-OPCAT Monitoring Report by December 2022	Submitted NPM-OPCAT Monitoring Report by December 2022	Target achieved	None	None.
4.7	Percentage submission of identified NHRI Reports	Submit 100% of identified NHRI Reports by deadline ¹⁰	Submitted 100% of identified NHRI Reports by deadline	Target achieved	None.	None.
4.8	Percentage submission on identified legislation by deadline	100% of identified legislative submissions by deadline	100% of identified legislative submissions by deadline	Target achieved	None	None.
4.9	Number of SAHRC Recommendations Monitoring Reports (RMR) completed	Complete 11 SAHRC RMR ¹¹ by 31 March 2023	Completed 6 SAHRC RMR by 31 March 2023	Target not achieved	New indicator	Capacity constraints.

8 The monitoring plan would include the following areas: monitoring the implementation of reports' recommendations, persons with a disability, older persons, schools, health care, child rights, local government and the National Preventive Mechanism. The monitoring findings at the provincial level, while they may be utilised to inform various focus areas, would also be consolidated and reported through the provincial state of human rights reports.

9 The monitoring plan would include the following areas: monitoring the implementation of reports' recommendations, persons with a disability, older persons, schools, health care, child rights, local government and the National Preventive Mechanism. The monitoring findings at the provincial level, while they may be utilised to inform various focus areas, would also be consolidated and reported through the provincial state of human rights reports.

10 The NHRI reports could include questionnaires and accreditation processes, requested for submission by the NHRIs to various bodies.

11 Commissioners' Programme completes at least one report per focus area nationally, (except for the NPM, as it produces a report annually in any case and has specific reporting requirements).

2.4.3 Strategies to deal with areas of underperformance.

The following planned performance targets were not achieved during the 2022/23 financial year:

Table 7: Areas of underperformance and strategies to deal with underperformance.

PPI	Programme 1: Administration indicator	Annual target	Achievement by 31 March 2023	Reasons for underachievement and strategies to deal with underperformance
1.1	Percentage compliance with key legislative requirements	100% compliance with key legislative requirements	90%	Non-compliance due to procurement for legal services. Revisions to the Supply Chain Policy have been done to ensure future compliance.
1.2	Percentage expenditure against total budget	98–100% expenditure	96%	Overlapping projects with a duration of more than two years budgeted in the year under review. Higher vacancy rate under personnel, which resulted to less spending. Establishment of internal budget committee and monthly, quarterly budget monitoring.
1.3	Percentage implementation of Strategic Risks Treatment Plan (SRTP)	100% implementation of SRTP	64.3%	Capacity constraints with resignation of two senior managers, and delays in the procurement of external service providers. Align the 2023/24 strategic risk register developed by a risk assessment exercise during the strategic planning session with the 2022/23 detailed risk register. Allocate the Risk Management Committee members and risk champions to certain risks areas. Review the 2022/23 risk descriptions, risk treatment plans, and percentage targets and achieved percentages. Outline the Risk Treatment Plan set against their percentages to ensure their accuracy and completeness.
1.4	Percentage implementation of identified recommendations from 2020/21 Remuneration Structure and Conditions of Service Report	Minimum 80% implementation of identified recommendations from 2020/21 RSCSR	45%	Delays in implementing the project due to a delay in starting the tender procurement process. Service provider has been appointed and work will be finalised in the new financial year.
1.5	Percentage implementation of Human Capital Management Plan	Minimum 80% implementation of HCMPlan	60%	Performance Management Policy was not done. Automation of the system for performance management was not done. Innovative recruitment methods not implemented. HCMP 2023/24 has taken into account constraints with limited capacity and has developed the plan according to capacity.
1.6	Percentage implementation of Organisational Culture Renewal Plan (OCRP)	Minimum 80% implementation of OCRP	65%	Delay in appointment of service provider. Service provider has been appointed and the OCRP 2023/24 has been developed to complete work from the previous financial year.
1.7	Percentage implementation of ICT Plan	Minimum 80% implementation of ICT Plan	78%	Delayed Sharepoint migration. ICT 2023/24 Plan will focus on three key deliverables, unlike the previous financial year.

PPI	Programme 1: Administration indicator	Annual target	Achievement by 31 March 2023	Reasons for underachievement and strategies to deal with underperformance
1.8	Percentage implementation of the Knowledge Management Plan	80%	67%	Delays in implementation of the Digitisation element of the KMP. A service provider has been procured for digitisation. KMP 2023/24 will address the outstanding element.
1.9	Percentage implementation of the Internal Audit (IA) Plan	100% implementation of IA Plan	91%	Delays in the provision of information and processes at the various business unit levels. Considering outsourcing some of the due IA activities. Internal Audit has been given some funds and will be able to appoint an internal auditor and some interns. We are planning on reviewing performance information on a more regular basis. The business units have been requested to provide performance evidence and report on a monthly basis.
1.11	Number of IES reports completed	Complete one IES report	None	Delay by service provider in finalising the report. Impact evaluation will be done in-house.
1.13	Number of submissions made on the sufficiency of the SAHRC's budget	Make three submissions on the sufficiency of the SAHRC's budget	No submissions	Capacity constraints – impact of the suspension of the former Acting CEO and resignation of the Acting CFO on completion of the project. Project will be managed through FISD in 2023/24.
1.14	Percentage implementation of SCMT Plan	100% implementation of SCMT Plan	61%	Training on policies not achieved. SAP has been procured and will assist with the turnaround strategy for Supply Chain.

PPI	Programme 2: Promotion indicator	Annual target	Achievement by 31 March 2023	Reasons for underachievement and strategies to deal with underperformance
2.6	Number of human rights calendar day events hosted	Host 29 human rights calendar day events (27 for province two national)	33 for province one national	The indicator required two calendar days from the national office. Only one was achieved for the national office. Reasons for non-achievement included the external speaker cancelling the appearance at the last minute. Indicator in 2023/24 has been revised to reflect the collective contribution to the achievement of calendar days.

PPI	Programme 3: Promotion indicator	Annual target	Achievement by 31 March 2023	Reasons for underachievement

3.4	Number of annual CTA reports completed.	Complete one annual (2021/22) CTA report by 30 September 2022	None	Capacity constraints. Additional capacity has been secured for the new financial year.
3.5	Number of national inquiries held	Hold two national inquiries	None	Delays in internal approval processes. Revision of the Terms of Reference for the Legal Subcommittee to ensure more efficient decision making.
3.6	Number of MoUs signed with universities	Sign nine MoUs (one per province)	4	Delays from external stakeholders signing MoUs. The outstanding MoU is to be signed in the new financial year.
PPI	Programme 4: Indicator	Annual target	Achievement by 31 March 2023	Reasons for underachievement
4.1	Number of integrated HRM frameworks completed	Complete one integrated HRM Framework	None	Delays with service provider appointment. Draft HRM framework will be completed in 2023/24.
4.4	Number of PSOHR reports completed	Complete nine PSOHR reports by February 2023	6	Internal delays in meeting deadline of 28 February 2023. All reports were completed, but not on deadline. In future, the indicator will be extended to the end of the financial year.
4.9	Number of SAHRC RMRs completed	Complete 11 SAHRC RMRs by 31 March 2023	6	Internal delays The SAHRC procured an electronic database for monitoring report recommendations. The database will support the achievement of monitoring reports for the next financial year.

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PART C

GOVERNANCE

PART C:

GOVERNANCE

3.1 Institutional governance

3.1.1 Commissioners

The Commissioners provide leadership and guidance concerning the professional work of the Commission by facilitating the South African human rights agenda at the international, regional, national and provincial levels. The Commissioners are committed to business integrity, transparency, and professionalism in all activities. As part of this commitment, the Commissioners support the highest standards of corporate governance and the ongoing development of best practice.

The members of the Commission for the year under review include the following:

Table 8: Members of the Commission 2022/23

	Name	Appointment status
1.	Adv. BC Majola	Chairperson – Full-time – appointed 3 January 2017
2.	Ms. F Chohan	Deputy Chairperson – Full-time – appointed 1 July 2021
3.	Adv. AH Gaum	Full-time – appointed 3 January 2017
4.	Ms. P Ntuli	Full-time – appointed 1 July 2021
5.	Ms MA Makwetla	Full-time – appointed 3 January 2017
6.	Adv. JB Malatji ¹²	Full-time – appointed 3 January 2017
7.	Mr AC Nissen	Part-time – appointed 3 January 2017
8.	Mr J Sibanyoni	Part-time – appointed 3 January 2017

3.1.2 Risk management

Legislating the implementation of risk management in public sector institutions is part of a macro strategy of the government to ensure the achievement of public sector institutional goals and objectives. For the Commission, this mandate can be found in section 77 of the Public Finance Management Act (Act No. 1 of 1999, as amended by Act No. 29 of 1999), Treasury Regulations TR3.1.10 and Treasury Regulations TR3.1.13. Risk management, therefore, forms an integral part of the Commission's plan to deliver effectively and efficiently on its mandate.

During the period under review, the Commission revised and produced a more comprehensive risk management policy and strategy. Linked with this process was risk profiling and the development of a risk appetite statement.

¹² Resigned in March 2023.

The Risk Management Committee, consisting of senior management, and chaired by the CFO, advises on arising risks and mitigation mechanisms, and monitors the ongoing implementation of treatment plans.

The Audit Committee independently reviews the Commission's Strategic Risk Register and advises the Commission where necessary.

The Risk Register and Risk Management Plan capture institutional strategic risks and mitigating actions and are reviewed for progress on a quarterly basis.

3.1.3 Compliance with laws and regulations

The function of legislative and regulatory compliance has been delegated to the heads of units to ensure compliance with the relevant legislation and statutes pertaining to their programmes. Compliance in relation to core operations is the responsibility of the COO, while corporate and finance-related compliance issues are the responsibility of the CFO. The CEO has the ultimate responsibility to monitor and ensure institutional and financial compliance as the Accounting Officer. The Chairperson, as the Executive Authority, is responsible for overall strategic and governance oversight.

3.1.4 Institutional Governance Framework

The Commission established various governance structures to enhance delivery on the constitutional mandate through the provision of strategic direction and oversight, ensuring operational effectiveness and efficiencies, as well as legislative compliance. These governance structures include committees of Commissioners, the Audit Committee, the Risk Management Committee, Senior Management Meetings, and various other committees set up in response to legislative requirements and operational effectiveness.

3.1.4 Audit Committee

The Audit Committee Report, reflecting on the composition and responsibilities of the Audit Committee, is included in the Annual Financial Statements.



PART D
HUMAN RESOURCE
MANAGEMENT

PART D:

HUMAN RESOURCE MANAGEMENT

4.1 Human resource management

4.1.1 Expenditure

The following tables summarise final audited expenditure by programme (Table 9) and by salary bands (Table 10). In particular, these tables provide an indication of the amount spent on personnel costs in terms of each programme or salary band within the Commission.

Table 9: Personnel costs by programme for 2022 and 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as a percentage of total expenditure	Average personnel cost per employee (R'000)
Chief Executive Officer	18 929	11 671	-	7 258	62%	1 061
Commissioners	26 795	23 091	21 335.00	(17 631)	86%	855
Corporate and financial support services	50 974	22 228	119 834.75	(91 089)	44%	570
Programme Support	107 254	80 795	623 272.250	(596 813)	75%	709
Total	203 952	137 785	764 442.000	(698 275)	68%	721

Table 10: Personnel costs by salary bands for 2022 and 2023

Salary bands	Personnel expenditure (R'000)	Percentage of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	2 877	2%	11
Skilled (levels 3-5)	1 422	1%	6
Highly skilled production (levels 6-8)	36 654	27%	70
Highly skilled supervision (levels 9-12)	70 909	51%	73
Senior management (levels 13-16)	25 924	19%	26
Total	137 785	100%	186

The following tables provide a summary per programme (Table 11) and salary bands (Table 12) of expenditure incurred as a result of salaries, overtime, homeowners' allowance (HOA), and medical assistance. In each case, the table provides an indication of the percentage of personnel budget used for these items.

Table 11: Salaries, overtime, homeowners' allowance, and medical assistance by programme for 2022 and 2023

Programme	Salaries		Overtime		Home owners' allowance		Medical assistance	
	Amount (R'000)	Salaries as a percentage of personnel cost	Amount (R'000)	Overtime as a percentage of personnel cost	Amount (R'000)	HOA as a percentage of personnel cost	Amount (R'000)	Medical assistance as a percentage of personnel cost
Chief Executive Officer	11 671	8%		0%	73	1%	364	3%
Commissioners	23 091	17%		0%	311	1%	315	1%
Corporate and financial support Services	22 228	16%	34	0.15%	446	2%	1 230	6%
Programme Support	80 795	59%	1	0%	1 338	2%	2 705	3%
Total	137 785	100%	35	0%	2 167	2%	4 614	3%

Table 12: Salaries, overtime, homeowners' allowance and medical assistance by salary bands for 2022 and 2023

Salary bands	Salaries		Overtime		Home owners' allowance		Medical assistance	
	Amount (R'000)	Salaries as a percentage of personnel cost	Amount (R'000)	Overtime as a percentage of personnel cost	Amount (R'000)	HOA as a percentage of personnel cost	Amount (R'000)	Medical assistance as a percentage of personnel cost
Lower skilled (levels 1-2)	2 877	2%		0%	201	7%	205	7%
Skilled (levels 3-5)	1 422	1%		0.0%	73	5%	139	10%
Highly skilled production (levels 6-8)	36 654	27%	1	0.0%	990	3%	2158	6%
Highly skilled supervision (levels 9-12)	70 909	51%	34	0.05%	835	1%	1769	2%
Senior management (levels 13-16)	25 924	19%		0.0%	68	0%	342	1%
Total	137 785	100%	35	0.1%	2 167	2%	4 614	3%

4.1.2 Employment and vacancies

The following tables summarise the number of posts on the Commission's establishment, the number of employees, the vacancy rate and whether there are any staff additional to those on the establishment. This information is presented in terms of three key variables: programme (Table 13), salary band (Table 14) and critical occupations (Table 15). Commissions have identified critical occupations that need to be monitored. Table 15 provides establishment and vacancy information for the Commission's key critical occupations.

Table 13: Employment and vacancies by programme at 31 March 2023

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Chief Executive Officer	10	8	20%	-
Commissioners	24	21	12.5%	-
Corporate and financial Support Services	41	35	14.63%	-
Programme Support	123	104	13.93%	-
Total	198	168	15.15%	-

Table 14: Employment and vacancies by salary bands at 31 March 2023

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (levels 1-2)	11	11	0%	-
Skilled (levels 3-5)	6	4	33%	-
Highly skilled production (levels 6-8)	74	64	13.51%	-
Highly skilled supervision (levels 9-12)	78	69	11.54%	-
Senior management (levels 13-16)	29	20	31.03%	-
Total	198	158	15.15%	-

Table 15: Employment and vacancies by critical occupation as at 31 March 2023

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Legal	55	50	9.09%	-
Advocacy and Communications	24	16	33.33%	-
Research	13	9	30.77%	-
Total	92	75	18.47%	-

4.1.3 Job evaluation

The Public Service Regulations of 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in an organisation. In terms of the regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled.

The following table (Table 16) summarises the number of jobs evaluated during the year under review. The table also provides statistics on the posts that were upgraded or downgraded.

Table 16: Job evaluation for 1 April 2022 to 31 March 2023 (including vacant positions)

No job evaluations were conducted for the financial year.

4.1.4 Employment changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the Commission’s employment profile. The following tables provide a summary of turnover rates by salary band (Table 17) and by critical occupation (Table 18).

Table 17: Annual turnover rates by salary band for 1 April 2022 to 31 March 2023

Salary band	Number of employees per band at 1 April 2022	Appointments and transfers into the Commission	Terminations and transfers out of the Commission	Turnover rate
Lower skilled (levels 1-2)	11	-	-	0%
Skilled (levels 3-5)	4	-	-	0%
Highly skilled production (levels 6-8)	62	2	2	3.22%
Highly skilled supervision (levels 9-12)	79	2	10	12.65%
Senior management service, Band A (Level 13)	22	5	7	31.81%
Senior management service, Band B (Level 14)				
Senior management service, Band C (levels 15-16)				
Total	178	9	19	10.67%

Table 18: Annual turnover rates by critical occupation for 1 April 2022 to 31 March 2023

Occupation	Number of employees per occupation at 1 April 2022	Appointments and transfers into the Commission	Terminations and transfers out of the Commission	Turnover rate
Legal Services	55	50	5	9%
Advocacy and Communications	24	16	8	33%
Research	13	9	7	54%
Total	92	75	20	22%

Table 19: Reasons why staff are leaving the Commission

Termination type		
Death	0	
Resignation	14	73.68%
Retrenchment	3	15.78%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	2	10.52%
Transfers to other Commissions on the public service	-	
Other (voluntary separation package)	-	
Total	19	100%
Total number of employees who left as a percentage of total employment	10.67%	

Table 20: Promotions by critical occupation

Occupation	Employees at 1 April 2022	Promotions to another salary level	Salary level promotions as a percentage of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a percentage of employees by occupation
Legal Services	55	2	3.6%	50	83%
Advocacy and Communications	24	-	-	22	91.67%
Research	13	2	16.67%	13	100%
Total	92	4	4.34%	85	92%

Table 21: Promotions by salary band

Salary band	Employees at 1 April 2022	Promotions to another salary level	Salary band promotions as a percentage of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a percentage of employees by salary band
Lower skilled (levels 1-2)	11	-	-	10	90.9%
Skilled (levels 3-5)	4	-	-	4	100%
Highly skilled production (levels 6-8)	62	1	1.6%	61	98.38%
Highly skilled supervision (levels 9-12)	79	3	3.89%	55	71.42%
Senior management (levels 13-16)	22	-	-	3	13.63%
Total	178	4	2.27%	133	75.56%

4.1.5 Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 1998 (Act No. 55 of 1998).

Table 21: Total number of employees in each of the following occupational bands at 31 March 2023 (including part-time Commissioners)

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	-	0	-	-	-	-	-	5
Senior management	7	1	0	1	4	1	1	1	15
Professionally qualified and experienced specialists and mid-management	27	2	0	1	30	5	5	1	69
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	10	0	1	1	49	3	3	0	64
Semi-skilled and discretionary decision making	2	0	0	0	2	-	-	0	4
Unskilled and defined decision making	-	0	0	0	10	1	1	0	11
Total	48	3	1	3	95	10	6	2	168

Table 22: Recruitment (including employees with disabilities and research associates) for 1 April 2022 to 31 March 2023

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	-	-	-	-	-	-	-	1
Senior management	-	-	-	-	1	-	1	-	2
Professionally qualified and experienced specialists and mid-management	1	-	-	-	2	-	-	1	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	-	-	-	1	-	-	-	2
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	3				4		1	1	9

Table 23: Terminations (including employees with disabilities and research associates) for 1 April 2022 to 31 March 2023

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	0	0	1	0	2
Senior management	2	0	0	0	0	1	0	0	3
Professionally qualified and experienced specialists and mid-management	6	1	-	-	5	-	-	-	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	1	1	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	9	1	-	-	6	2	1	0	19
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 24: Disciplinary action for 1 April 2022 to 31 March 2023

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	0	0	0	0	0	0	1	0	1

Table 25: Skills development for 1 April 2022 to 31 March 2023

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	1	2	1	5	1	3	1	26
Professionals	20	2	0	0	25	6	2	2	58
Technicians and associate professionals	30	1	4	1	63	4	1	1	105
Clerks	11	0	0	1	28	1	1	0	42
Elementary occupations	7	0	0	0	20	1	0	0	28
Total	80	4	6	4	141	13	7	4	259
Employees with disabilities	3	0	0	0	1	0	1	0	5

4.1.6 Performance rewards

No performance rewards were given for the year under review.

4.1.7 Foreign workers

The tables below summarise the employment of foreign nationals in the Commission in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 26: Foreign workers for 1 April 2022 to 31 March 2023 by salary band

Salary band	1 April 2022		31 March 2023		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage change
Lower skilled (levels 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	1	12.5%	1	-	0	0%
Highly skilled production (levels 6-8)	8	-	-	-	1	12.5%
Highly skilled supervision (levels 9-12)	-	88.8%	7	83%	-	-
Senior management (levels 13-16)	1	17%	-	17%	-	-
Total	6	100%	8	100%	-	-

Table 27: Foreign workers for 1 April 2022 to 31 March 2023 by major occupation

Major occupation	1 April 2022		31 March 2023		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage change
Legal	2		1		1	0%
Education	2		2		0	0%
Research	5		5		0	0%
Total	9		8		1	0%

4.1.8 Leave utilisation for 1 January 2022 to 31 March 2023

The Public Service Commission identified the need for the careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 28: Sick leave for 1 January 2022 to 31 March 2023

Salary band	Total days	Percentage days with medical certification	Number of employees using sick leave	Percentage of total employees using sick leave	Average days per employee
Lower skilled (levels 1-2)	15	-	7	0%	5 058,56
Skilled (levels 3-5)	10	-	2	0%	4 764,92
Highly skilled production (levels 6-8)	265	-	42	0%	219 685,73
Highly skilled supervision (levels 9-12)	223	-	51	0%	421 498,80
Senior management (levels 13-16)	26	-	6	0%	109 644, 00
Total	539	-	108	0%	760 652,01

Table 29 summarises the use of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council (PSCBC) in 2000 requires management to take annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 29: Annual leave for 1 January 2022 to 31 March 2023

Salary bands	Total days taken	Average per employee
Lower skilled (levels 1-2)	127	12
Skilled (levels 3-5)	70	18
Highly skilled production (levels 6-8)	701	13
Highly skilled supervision (levels 9-12)	995	13
Senior management (levels 13-16)	200	56
Total	2 093	13

The following table summarises payments made to employees as a result of leave that was not taken.

Table 30: Leave pay-outs for 1 April 2022 to 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R'000)
Leave pay-out for 2022 to 2023 for the non-use of leave in previous cycle	-	-	-
Capped leave pay-outs on termination of service for 2022 to 2023	-	-	-
Current leave pay-out on termination of service for 2021 to 2023	448 078,36	20	1 677 065, 73
Total	448 078,36	20	1 677 065,73

4.1.9 HIV/AIDS and health promotion programmes

Table 31: Steps taken to reduce the risk of occupational exposure.

Units/categories of employees identified to be at high risk of contracting HIV/AIDS and related diseases (if any)	Key steps taken to reduce the risk
None. Discovery Health Company (EAP Programme) has a full-fledged HIV/AIDS Unit that the Commission's staff members may access 24 hours a day, seven days a week. Contact details are readily available to staff.	On a regular basis the Commission enlist the services of experts to conduct awareness, test and provide counselling to employees.

Table 32: Details of health promotion and HIV/AIDS programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Commission designated a member of the Senior Management Service (SMS) to implement the provisions contained in Part VI, section E of Chapter 1 of the Public Service Regulations, 2001? If so, provide the name and position.		x	
2. Does the Commission have a dedicated unit, or has it designated specific staff members to promote the health and wellbeing of employees? If so, indicate the number of employees involved in this task and the annual budget available for this purpose.		x	
3. Has the Commission introduced an employee assistance or health promotion programme for employees? If so, indicate the key elements and/or services of this programme.	x		Discovery Health Company counselling, wellness, health and financial advice
4. Has the Commission established (a) committee(s) as contemplated in Part VI, section E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) they represent.		x	
5. Has the Commission reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies and/or practices so reviewed.	x		The Employee Handbook.
6. Has the Commission introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		Wellness Day, health education and voluntary screening
7. Does the Commission encourage its employees to undergo voluntary counselling and testing? If so, list the results achieved.	x		Employees were given time to undertake voluntary counselling and testing, and to interact with the health officials during an annual Wellness Day.
8. Has the Commission developed measures and/or indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures and/or indicators.	x		Health promotion is done through ICAS services. Quarterly reports are provided and analysed.

Table 33 summarises the outcome of disciplinary hearings conducted within the Commission for the year under review.

Table 33: Misconduct and disciplinary hearings finalised for 1 April 2022 to 31 March 2023

Outcomes of disciplinary hearings	Number	Percentage of total
Correctional counselling	0	0%
Verbal warning	1	33%
Written warning	0	0%
Final written warning	2	67%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	0	0%
Total	3	100%

Table 34: Types of misconduct addressed at disciplinary hearings.

Type of misconduct	Number	Percentage of total
Insolence and disobedience	1	100%
Poor performance termination	0	0%
Gross dishonesty	0	0%
Total	1	100%

Table 35: Grievances lodged for 1 April 2022 to 31 March 2023

	Number	Percentage of total
Number of grievances resolved	2	100%
Number of grievances not resolved	0	0%
Total number of grievances lodged	2	100%

4.1.10 Skills development

This section highlights the efforts of the Commission with regard to skills development.

Table 36: Training needs identified for 1 April 2022 to 31 March 2023

Occupational categories	Gender	Number of employees at 1 April 2022	Training needs identified at start of reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials, and managers (levels 13-16)	Female	8	-	8	-	8
	Male	15	-	15	-	15
Professionals (levels 11-12)	Female	12	-	12	-	12
	Male	13	-	13	-	13
Technicians and associate professionals (levels 8-10)	Female	26	-	26	-	26
	Male	11	-	11	-	11
Clerks (levels 4-7)	Female	8	-	8	-	8
	Male	3	-	3	-	3
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations (levels 1-3)	Female	6	-	6	-	6
	Male	-	-	-	-	-
Subtotal	Female	60	-	60	-	60
	Male	42	-	42	-	42
Total		102	-	102	-	102

Table 37: Training provided for 1 April 2022 to 31 March 2023

Occupational categories	Gender	Number of employees at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials, and managers (level 13-16)	Female	6	-	6	-	6
	Male	11	-	11	-	11
Professionals (levels 11-12)	Female	5	-	5	-	5
	Male	8	-	8	-	8
Technicians and associate professionals (levels 8-10)	Female	3	-	3	-	3
	Male	4	-	4	-	4
Clerks (levels 4-7)	Female	2	-	2	-	2
	Male	1	-	1	-	1
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations (levels 1-3)	Female	-	-	-	-	-
	Male	-	-	-	-	-
Subtotal	Female	16	-	16	-	16
	Male	24	-	24	-	24
Total		40		40		40

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PART E
PFMA COMPLIANCE
REPORT

PART E:

PFMA COMPLIANCE REPORT

5.1 Information on irregular, fruitless and wasteful, unauthorised expenditure, and material losses

Table 38: Irregular expenditure

5.1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023 R'000	2022 R'000
Opening balance	20 120	8 701
Add: Irregular expenditure confirmed	11 156	11 419
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	31 276	20 120

Include discussion here where deemed relevant.

Irregular expenditure to the value of R31 275 380,54 (2022: R20 119 510,39) was assessed in the current year. Irregular expenditure emanates from non-compliance with National Treasury Note 8 of 2007 and Treasury Regulation 16A 9.1(d) and 16A 6.3(b).

Detail variances in terms of the opening balance to closing balance is part of the reconciliation notes

b) Reconciling notes

Description	2023 R'000	2022 R'000
Irregular expenditure that was under assessment in 2022	-	-
Irregular expenditure that relates to 2022 and identified in 2023	-	-
Irregular expenditure for the current year	11 156	11 419
Total	11156	11419

Description	2023 R'000	2022 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

c) Details of current and previous year irregular expenditure condoned

Description	2023 R'000	2022 R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of current and previous year irregular expenditure removed (not condoned)

Description	2023 R'000	2022 R'000
Irregular expenditure not condoned and removed	-	-
Total	-	-

e) Details of current and previous year irregular expenditure recovered

Description	2023 R'000	2022 R'000
Irregular expenditure recovered	-	-
Total	-	-

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2023 R'000	2022 R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to inter-institutional arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

None

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

None

i) Details of current and previous-year disciplinary or criminal steps taken as a result of irregular expenditure

None

5.1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023 R'000	2022 R'000
Opening balance	116	116
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	116	116

Include discussion here where deemed relevant.

There has been no change to fruitless and wasteful expenditure identified from the prior years to the current year of assessment.

Reconciling notes

Description	2023 R'000	2022 R'000
Fruitless and wasteful expenditure that was under assessment in 2022	-	-
Fruitless and wasteful expenditure that relates to 2022 and identified in 2023	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	0	0

b) Details of current and previous-year fruitless and wasteful expenditure (under assessment, determination and investigation)

Description	2023 R'000	2022 R'000
Fruitless and wasteful expenditure under assessment	116	116
Fruitless and wasteful expenditure under determination		
Fruitless and wasteful expenditure under investigation		
Total	116	116

c) Details of current and previous-year fruitless and wasteful expenditure recovered

Description	2023 R'000	2022 R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

d) Details of current and previous-year fruitless and wasteful expenditure not recovered and written off

Description	2023 R'000	2022 R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

e) Details of current and previous-year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Not applicable

The fruitless and wasteful expenditure is to still undergo determination testing before disciplinary steps can be taken.

5.1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2023 R'000	2022 R'000
Opening balance	-	-
Add: Unauthorised expenditure confirmed	-	-
Less: Unauthorised expenditure approved with funding	-	-
Less: Unauthorised expenditure approved without funding	-	-
Less: Unauthorised expenditure recoverable	-	-
Less: Unauthorised not recovered and written off	-	-
Closing balance	0	0

Include discussion here where deemed relevant.

There has been no unauthorised expenditure at the South African Human Rights Commission.

Reconciling notes

Description	2023 R'000	2022 R'000
Unauthorised expenditure that was under assessment in 2022	-	-
Unauthorised expenditure that relates to 2022 and identified in 2023	-	-
Unauthorised expenditure for the current year	-	-
Total	0	0

b) Details of current and previous-year unauthorised expenditure (under assessment, determination, and investigation)

Description	2023 R'000	2022 R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	0	0

Additional disclosure relating to material losses in terms of PFMA section 40(3)(b)(i) and (iii)

c) Details of current and previous-year material losses through criminal conduct

Material losses through criminal conduct	2023 R'000	2022 R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

d) Details of other material losses

Nature of other material losses	2023 R'000	2022 R'000
	-	-
Total	-	-

e) Other material losses recovered

Nature of losses	2023 R'000	2022 R'000
	-	-
Total	-	-

f) Other material losses written off

Nature of losses	2023 R'000	2022 R'000
	-	-
Total	-	-



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PART F
FINANCIAL
INFORMATION



South African Human Rights Commission
Annual Financial Statements
for the year ended 31 March 2023
Auditor General South Africa
Registered Auditors

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile

South Africa

Member

Adv BC Majola (Chairperson)
Adv F Chohan (Deputy)
Adv. AH Gaum
Ms P Ntuli
Ms MA Makwella
Adv. JB Malatji
Mr AC Nissen
Mr JB Sibanyoni

Registered office

27 Stiemens Street
JD Building
Braamfontein
2001

Business address

27 Stiemens Street
JD Buidling
Braamfontein
2017

Postal address

Private Bag x2700
Houghton
2041

Telephone

011 877 3600

Website

www.sahrc.org.za

Bankers

First National Bank South Africa

Auditors

Auditor General South Africa
Registered Auditors
4 Daventry Street
Lynnwood Bridge Office Park
Lynnwood Manor
0081

Chief Executive Officer

Sunrise V Mkhize
Lutendo Siphugu

Acting Chief Financial Officer

Reporting Framework

Relevant Framework

Generally Recognized Accounting Practice
Public Finance Management Amendment Act (Act No.1 of 1999)
South African Human Rights Commission Act, 40 of 2013
Constitution of SA
Promotion of Access to Information Act 2 of 2000 (PAIA)
Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000 (PEPUDA)
Promotion of Administrative Justice Act 3 of 2000 (PAJA)
Employment Equity Act & Basic Conditions of Employment

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

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The reports and statements set out below comprise the annual financial statements presented to the portfolio committee:

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Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
SA GAAP	South African Statements of Generally Accepted Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
CRR	Capital Replacement Reserve
DOJCD	Department of Justice and Constitutional Development
IPSAS	International Public Sector Accounting Standards
DPWI	Department of Public Works and Infrastructure

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Audit Committee Report

The Audit Committee is pleased to present its report for the financial year ended 31 March 2023.

Audit committee members and attendance

The Audit Committee consists of the members listed hereunder and should meet four times per annum as per its approved terms of reference and makes provision for two (2) extra special audit committee meetings as might be required. During the current year four (4) quarterly meetings were held.

Name of member	Number of meetings attended
Mr B. Modise**	4
Mr G. Paulse *	1
Mr N. Nxasana *	1
Ms. L. Mtshali	4

** Appointed as Chairperson on 01 November 2022

*Appointed as member on 01 November 2022

Audit committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 76 and 77 of the Public Finance Management Act and Treasury Regulation 3.1.8 to 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Corporate Governance

The Committee is of the opinion that South African Human Rights Commission (SAHRC) continues to strive towards complying with sound principles of corporate governance. The Commission recently roll-out a an online governance framework from Corporate Governance Framework (CGF) service provider. CGF made a number of recommendations, which are currently be considered for implementation in the new financial period i.e 2023-24. Audit Committee will monitor the implementation of these recommendations through out the financial year 2023-24.

Compliance

During the current financial year, the Committee monitored and was comfortable with the compliance of various pieces of legislation impacting the SAHRC. There are areas of non-compliance identified within the Supply Chain Management area which requires improvement in the monitoring control systems in place. Internal controls systems are currently undergoing process improvements to address the weaknesses identified. CGF also assessed the institutional compliance universe and provided recommendations. The Committee will also monitor the implementation of these recommendations during the 2023-24 financial year.

Effectiveness of Internal Controls

The systems of internal controls are designed to provide reasonable assurance on the policies, procedures, behaviours and other aspects of the Commission. This enables effective and efficient operation, to ensure the quality of internal and external reporting, and ensure compliance with applicable laws and regulations.

In line with the PFMA and King Report on Corporate Governance requirements, Internal Audit provides the Committee with reasonable assurance that the internal controls are adequate and effective. This is achieved by means of reviews and testing of the design and effectiveness of implemented internal controls as well as the identification of corrective actions and suggested enhancement to the internal controls and processes.

From the various reports of the Internal Auditors, the audit report on financial statements, and the management letter from the Auditor General South Africa (AGSA), non-compliance with policies and procedures have been reported. Some of these deficiencies were due to procurement system weaknesses and malfunction. It is noted that remedial actions are in progress to address these areas of concern and Internal Audit will review them during the new financial period. Accordingly, we can report that the systems of internal control for the period under review were partially efficient and partially effective.

Risk Management

In fulfilling its oversight responsibilities, in relation to risk management, the Committee reviewed the risk management framework, strategy, policy, and monitored the implementation of risk mitigation strategies.

South African Human Rights Commission

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Audit Committee Report

There is a need to improve the system of risk management, beginning by conducting organisation-wide annual risk assessments, and implementing the risk management strategy. Regular review and assessment of risk treatment plans and percentage implemented as planned. In our opinion the SAHRC's approach to risk management processes is partially adequate and effective.

Performance Management

The predetermined objectives management performance has been declining for the past successive financial period. The AGSA opinion in the prior financial year was disclaimer, which is the worst. The main reasons for this adverse opinion was performance indicators which are not SMART, no adequate evidence for reported achieved performance, and late submission of performance evidence to the external auditors. Internal Audit together with Strategic Support and Governance (SSG) unit adopted One Drive Microsoft platform as an official storage tool for the Commission. The CEO office supported the initiative, and all staff members were trained on the usage of this tool. Strategic Support and Governance unit approached Department of Monitoring and Evaluation (DPME) and the AGSA to review the performance targets for 2023-24 to ensure that are SMART. Internal Audit worked closely with SSG to review reported performance against the targets, and a significant improvement was realised within the promotion and protection programmes.

In-Year Management and Quarterly Reports

The Audit Committee has noted the content and quality of the Quarterly Reports prepared and issued by the Accounting Officer during the year under review.

Evaluation of Financial Statements

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

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Auditor's Report

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Mr B. Modise
Chairperson of the Audit Committee

Date: 31 July 2023

Report of the auditor-general to Parliament on South African Human Rights Commission

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African Human Rights Commission set out on pages 62 to 118, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Human Rights Commission as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standard of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999(PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the constitutional institution in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Irregular expenditure

7. As disclosed in note 31 to the financial statements, irregular expenditure of R11 156 000 was incurred, as procurement processes were not followed.

Other matter

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

9. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 31 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of South African Human Rights Commission. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the constitutional institution'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 constitutional institution or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

12. My 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 my 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.

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

Report on the audit of the annual performance report

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

15. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the constitutional institution's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Promotion of human rights	30	This programme is responsible for the promotional aspects of the Commission's mandate
Protection of human rights	32	The programme is responsible for carrying out the protective component of the Commission's constitutional mandate
Monitoring of human rights	33	This programme is responsible for the Commission's constitutional monitoring and reporting mandate

16. I evaluated the reported performance information for the selected programmes 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 constitutional institution's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the constitutional institution's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I 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 what was 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 are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

18. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

19. The material findings on the performance information of the selected programmes are as follows:

Promotion of human rights

Number of stakeholder engagements conducted

20. An achievement of 560 engagements was reported against a target of 216 engagements. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Various indicators

21. Based on audit evidence, the actual achievement for two indicators did not agree to the achievements reported. Consequently, the targets were not achieved.

Indicator	Target	Reported achievement	Actual achievement
Number of reports completed on SAHRC annual human rights engagements (HRE) held with the provincial governments.	9 Reports	9 Reports	7 Reports
Number of human rights educational material (HREM) completed.	8 Materials	8 Materials	7 Materials

Number of workshops conducted to empower community human rights champions (CHRC)

22. An achievement of 27 workshops was reported against a target of 18 workshops. However, some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Percentage implementation of Media and Communications Plan (MCP)

23. An achievement of 80% implementation of the media & communications plan was reported against a target of 80% implementation of the media & communications plan. I could not determine if the reported achievement was correct, as the processes established to consistently measure and report achievements were inadequate. Adequate supporting evidence was also not provided for auditing. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Protection of human rights

Number of complaints and enquiries finalised

24. An achievement of 6662 complaints and enquiries finalised was reported against a target of 3000 complaints and enquiries to be finalised. However, some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Various indicators

25. Based on audit evidence, the actual achievements for two indicators did not agree to the achievements reported, but the targets were still achieved.

Indicator	Target	Reported achievement	Actual achievement
Number of initiatives undertaken to address systemic human rights violations	39 initiatives	44 initiatives	55 initiatives
Number of strategic impact litigation (SIL) matters instituted.	3 SIL matters	16 SIL matters	9 SIL matters

Number of Memoranda of Understanding (MoU) signed with Universities

26. An achievement of 8 MOUs was reported against a target of 9 MOUs. However, the audit evidence showed the actual achievement to be only 7 MOUs. Consequently, the underachievement on the target was more than reported.

Monitoring of human rights

Various indicators

27. An achievement was reported against a target for three indicators. I could not determine if the reported achievement was correct, as the processes established to consistently measure and report achievements were inadequate. Adequate supporting evidence was also not provided for auditing. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target had been achieved. This was for the following indicators:

No.	Indicator name	Target	Reported achievement
1	Percentage implementation of Human Rights Monitoring Plan.	Implement 90% of HRM Plan	90% implementation
2	Percentage submission of identified NHRI Reports by deadline.	100% submission of identified NHRI Reports by deadline	100% submission done
3	Percentage submission on identified legislation by deadline	100% submission on identified legislative by deadline	100% submissions by deadline

Other matters

28. I draw attention to the matters below.

Achievement of planned targets

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

Material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the selected programmes. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

31. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the constitutional institution's compliance with legislation.

32. I 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, I do not express an assurance opinion or conclusion.

33. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the constitutional institution, 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.

34. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Asset management

35. The constitutional institution did not determine if any state institution involved in education and/or training required computer equipment before disposal of such equipment, as required by treasury regulation 16A.7.7.

Expenditure management

36. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 32 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with Treasury Regulations.

37. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3

Consequence management

38. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1) (h) (iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

39. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1) (h) (iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Procurement and contract management

40. Some of the bid documentation/ invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year.

41. I was unable to obtain sufficient appropriate audit evidence that material number of commodities designated for local content and production, were procured from suppliers who submitted a declaration on local production and content in accordance with paragraph 3.4 of National Treasury Instruction Note 4 of 2015/2016.

42. I was unable to obtain sufficient appropriate audit evidence that commodities designated for local content and production, were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8(5).

<h3>Other information in the annual report</h3>

43. The accounting officer 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 programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

44. My 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 I do not express an audit opinion or any form of assurance conclusion on it.
45. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
46. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
47. I have nothing to report in this regard.

Internal control deficiencies

48. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
49. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
50. Inadequate oversight responsibility over performance management as well as compliance with key legislation and internal controls.
51. Inadequate implementation and monitoring of the action plan to address prior years' findings.
52. Performance reports are not supported and evidenced by reliable information.

Auditor-General

Pretoria

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the constitutional institution's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I 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 my 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 constitutional institution'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. I 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 constitutional institution to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My 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 constitutional institution 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

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); PFMA 38(1)©;38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(4); 44; 44 (1) and (2) ; 45(b)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 8.1.1; 8.2.1; 8.2.2; 8.2.3; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 12.5.1; 15.10.1.2(c'); 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b) &(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A8.2 (1) and (2);16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii);TR 16A 9.2(a)(iii); 17.1.1; 18.2; 19.8.4
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 29; 34(1)
Preferential Procurement Policy Framework Act (PPPFA)	Section 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations (PPR) 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2; 12.1 and 12.2
Preferential Procurement Regulations (PPR) 2022	Regulation 3.1; 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c) ; 3.3 (e) ; 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1;4.1 & 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4 (c) -(d); 4.6; 5.4; 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2; 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2; 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8;4.9;5.1;5.3
Erratum NTI 5 of 202/21	Paragraph 1, Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Practice note 11 of 2008/9 Paragraph 3.1 ; 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Chief Executive Officer Report

The members submit their report for the year ended 31 March 2023.

1. Incorporation

The entity was incorporated on 01 April 1996 and obtained its certificate to commence business on the same day.

As the Accounting Officer I am required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), to maintain adequate accounting records and I am responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is my responsibility as the Accounting Authority to ensure that the Annual Financial Statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the Annual Financial Statements and were given unrestricted access to all financial records and related data.

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and in accordance with the PFMA.

2. Going concern

We draw attention to the fact that at 31 March 2023, the entity had an accumulated surplus of R 70,1m and that the entity's total assets exceed its liabilities by R 70,1m

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

As the Accounting Officer I have reviewed the entity's cash flow forecast for the year to 31 March 2023 and in the light of this review and the current financial position, I am satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

3. Members

The members of the entity during the year and to the date of this report are as follows:

Name	Nationality
Adv BC Majola (Chairperson)	South Africa
Adv F Chohan (Deputy)	South Africa
Adv. AH Gaum	South Africa
Ms P Ntuli	South Africa
Ms MA Makwetla	South Africa
Adv. JB Malatji	South Africa
Mr AC Nissen	South Africa
Mr JB Sibanyoni	South Africa

4. Corporate governance

General

The members are committed to business integrity, transparency and professionalism in all of its activities. As part of this commitment, the members support the highest standards of corporate governance and the ongoing development of best practices.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The members discuss the responsibilities of management in this respect, at Board meetings and monitor the entity's compliance with the code on a three monthly basis.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Chief Executive Officer Report

Corporate governance (continued)

Functioning of the Audit Committee

The SAHRC Audit Committee continues to function and has met four times during the period under review. The Audit Committee is responsible for improving management by providing oversight over the audit functions, internal controls and the financing process

Internal Audit

In line with the PFMA requirements, the internal audit activity provides the Audit Committee and management assurance that the internal controls are appropriate and effective. This is achieved by means of objective appraisal and evaluation of the risk management process, internal control and governance processes. The audit plan is responsive to the Commission's risk profile. For the year under review Internal Audit executed 91% of the approved plan.

The Internal Audit activity is fully supported by management, the Commissioners and the Audit Committee, and has full unrestricted access to all organisational activities records, property and personnel.

5. Auditors

External auditors are responsible for the independent audit of the entity's Annual Financial Statements, compliance and audit of predetermined objectives and subsequently providing an audit opinion on the three audits performed.

6. Risk Management

The legislating of the implementation of risk management in the public sector institutions is part of a macro strategy of the South Africa government towards ensuring the achievement of public sector institutional goals and objectives. For the Commission, this mandate can be found in Section 77 of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999; Treasury Regulation 3.1.10 and Treasury Regulations 3.1.13) Risk management therefore forms an integral part of the Commission's plan to deliver effectively and efficiently on its mandate.

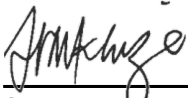
The Commission continues to recognise the importance of risk management in ensuring its objectives are implemented and therefore endeavours to comply with the requisite legislation as it pertains to risk management.

The risk management process is facilitated by the Chief Financial Officer who is also responsible for chairing the Risk Management Committee.

7. Approval of finances

The financial statements fairly represent the state of affairs of the Commission as at 31 March 2023. The statements are the responsibility of the Commission while the auditors are responsible for reporting on the fair presentation of these financial statements. The annual financial statements reflect appropriate accounting policies and adhere to applicable accounting standards.

The annual financial statements set out on page 18 - 54, which have been prepared on the going concern basis, were approved by the members on 28 July 2023 and were signed on its behalf by:



Sunrise V Mkhize
Chief Executive Officer
South African Human Rights Commission

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

	Note(s)	2023 '000	2022 '000
Assets			
Current Assets			
Inventories	7	135	155
Operating lease asset	5	98	19
Receivables from exchange transactions	8	326	435
Prepayments	6	699	814
Cash and cash equivalents	9	61 175	57 314
		62 433	58 737
Non-Current Assets			
Property, plant and equipment	3	20 972	20 874
Intangible assets	4	1 427	1 590
		22 399	22 464
Total Assets		84 832	81 201
Liabilities			
Current Liabilities			
Finance lease obligation	10	-	114
Operating lease liability	5	180	42
Payables from exchange transactions	14	5 390	8 723
Unspent conditional grants and receipts	11	318	318
Employee benefits	13	1 121	1 216
Provision for leave accrued	12	6 776	8 295
		13 785	18 708
Non-Current Liabilities			
Operating lease liability	5	1 427	1 046
Total Liabilities		15 212	19 754
Net Assets		69 620	61 447
Accumulated surplus		69 620	61 447
Total Net Assets		69 620	61 447

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

	Note(s)	2023 '000	2022 '000
Revenue			
Revenue from exchange transactions			
Administrative fees	15	227	236
Interest received - investment	15	3 102	1 486
Total revenue from exchange transactions		3 329	1 722
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	15	208 467	195 031
Donation Income	16	417	375
Total revenue from non-exchange transactions		208 884	195 406
Total revenue		212 213	197 128
Expenditure			
Employee related costs	17	(137 785)	(140 143)
Depreciation and amortisation		(1 916)	(2 278)
Finance costs	18	(5)	(28)
Lease rentals on operating lease		(11 507)	(9 540)
General expenses	19	(52 286)	(44 325)
Total expenditure		(203 499)	(196 314)
Surplus for the year from continuing operations		8 714	814
Profit/loss on disposed of asset	3	(542)	(926)
Surplus (deficit) for the year		8 172	(112)

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Statement of Changes in Net Assets

	Accumulated surplus / deficit '000	Total net assets '000
Opening balance as previously reported	61 679	61 679
Adjustments		
Correction of errors 27	(120)	(120)
Balance at 01 April 2021 as restated*	61 559	61 559
Changes in net assets		
Deficit for the year as per the Statement of Financial Performance	(112)	(112)
Total changes	(112)	(112)
Balance at 01 April 2022 as Restated*	61 448	61 448
Changes in net assets		
Surplus for the year as per the Statement of Financial Performance	8 172	8 172
Total changes	8 172	8 172
Balance at 31 March 2023	69 620	69 620

As at year end the SAHRC has committed and earmarked a large part of its reserves and accumulated surplus towards the Commissions functions under the institutional programmes (Administration, Promotion of human rights, Protection of human rights and Monitoring observance of human rights of the organisation).

The SAHRC is constitutionally mandated to, inter alia, investigate any complaint alleging violation of human rights and to assist any person adversely affected thereby to secure appropriate redress as outlined in the South African Human Rights Commission Act, 40 of 2013 (SAHRCA) and the Section 181 of the Constitution. Hence the nature of the SAHRC is driven by the mandate of human rights and not a profit driven. The SAHRC purpose is not to accumulate large reserves for investments but utilise its funds towards human rights matters and its constitutional mandate. The SAHRC started to utilise both its annual income and accumulated reserves towards funding human rights matters and its improved performance can be clearly noted through its high level of commitments towards the execution of its mandate.

* The opening balance as at 01 April 2021 was restated through adjustments of prior period error which was identified during the reporting date. **Refer to note 27**

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Cash Flow Statement

	Note(s)	2023 '000	2022 '000
Cash flows from operating activities			
Receipts			
Non exchange revenue- Government grant		208 467	195 031
Administrative fees		234	236
Interest income		3 102	1 486
Donation Income		435	272
		212 238	197 025
Payments			
Employee costs		(139 454)	(141 714)
Suppliers		(64 826)	(49 876)
Finance cost		(79)	(28)
		(204 359)	(191 618)
Net cash flows from operating activities	21	7 879	5 407
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(3 184)	(6 398)
Proceeds from sale of PPE	4	831	-
Net cash flows from investing activities		(2 353)	(6 398)
Cash flows from financing activities			
Finance lease payments		(1 665)	(495)
Net increase/(decrease) in cash and cash equivalents		3 861	(1 486)
Cash and cash equivalents at the beginning of the year		57 314	58 800
Cash and cash equivalents at the end of the year	9	61 175	57 314

The accounting policies on pages 23 to 34 and the notes on pages 35 to 54 form an integral part of the annual financial statements.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	'000	'000	'000	'000	'000	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Administrative fees	-	-	-	227	227	
Interest received - investment	1 000	-	1 000	3 102	2 102	33
Total revenue from exchange transactions	1 000	-	1 000	3 329	2 329	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	208 467	-	208 467	208 467	-	33
Total revenue	209 467	-	209 467	211 796	2 329	
Expenditure						
Personnel	(144 353)	-	(144 353)	(139 454)	4 899	33
Finance lease payment	(949)	-	(949)	(1 665)	(716)	33
Finance costs	(50)	-	(50)	(79)	(29)	
Lease rentals on operating lease	(11 697)	-	(11 697)	(11 507)	190	33
General expenses	(43 172)	-	(43 172)	(53 375)	(10 203)	33
Total expenditure	(200 221)	-	(200 221)	(206 080)	(5 859)	
Surplus before taxation	9 246	-	9 246	5 716	(3 474)	
Surplus for the year from continuing operations	9 246	-	9 246	5 716	(3 474)	
Payment of property, plant and equipment and intangible assets	(2 660)	-	(2 660)	(3 184)	(524)	33
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	6 586	-	6 586	2 532	(3 998)	

Reconciliation

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

	Note(s)	2023 '000	2022 '000
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1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. The figures have been rounded off to the nearest R'000.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

Due to the impact of Covid 19, assessment on expense, revenue, assets and liability is required to ensure that the South African Human Rights Commission will continue to operate in the foreseeable future. In assessing the going concern assumption the accounting executive has considered the impact of the grants cuts by National Treasury to the Commission.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of 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.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Judgements include decisions on property plant and equipment.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Property, plant and equipment

Management has made certain estimations and judgments with regards to the determination of estimated useful lives, residual values and impairment assessments of items of property, plant and equipment, as discussed further in note 1.5

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer Equipment	Straight-line	
• Laptops and desktops		10-13
• Servers and Switches		17-22
Office Equipment	Straight-line	
• Printers and fridges etc		17-22
• Audiovisual and equipments and conferencing		17-20
Finance Lease	Straight-line	3-5
Library Materials	Straight-line	20-25
Furniture and fittings	Straight-line	
• Furniture and fittings		20-27
• Gazebo, Flags, Banners and Accessories		17-27
Motor vehicles	Straight-line	12-17
Leasehold improvements	Straight-line	5-10

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.5 Property, plant and equipment (continued)

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	13-17

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.6 Intangible assets (continued)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.7 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost
- Financial instruments at cost

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement consideration

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique.

The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short term receivables and payables are not discounted where the initial credit period is granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Impairment of financial assets

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence, the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.7 Financial instruments (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance. When the receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the Statement of Financial Performance.

Impairment and gains and losses from subsequent measurement

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value shall be recognised in surplus or deficit. For financial assets and financial liabilities measured at amortised cost or cost, again or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Derecognition of financial assets

A financial asset or a portion thereof is derecognised when the SAHRC realises the contractual rights to the benefits specified in the contract, the rights expire, the SAHRC surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in capital and reserves is included in net surplus or deficit for the period.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Derecognition of financial liabilities

A financial liability or a part thereof is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in net surplus or deficit for the period.

Fair value considerations

The fair values at which financial instruments are carried at the reporting date have been determined using available market values. Where market values are not available, fair values have been calculated by discounting expected future cash flows at prevailing interest rates. The fair values have been estimated using available market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that the NSF could realise in the normal course of business. The carrying amounts of financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair value due to the short-term trading cycle of these items.

Risk management of financial assets and liabilities

It is the policy of the entity to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed on the reporting date. Risks and exposure are disclosed as follows:

Credit risk:

- Each class of financial instrument is disclosed separately.
- Maximum exposure to credit risk not covered by collateral is specified.
- Financial instruments covered by collateral are specified.

Liquidity risk:

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.7 Financial instruments (continued)

A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities. Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met. A maturity analysis for financial liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in note 27 to the annual financial statements.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.10 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

The Commission recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

1.11 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.11 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest, royalties and dividends

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Administrative fee is recognised as revenue over the period during which the service is performed.

1.14 Revenue from non-exchange transactions

Revenue from non exchange transaction constitutes transfer receipt from Department of Justice and Constitutional Development.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

Recognition

An inflow of government grant payment from a non-exchange transaction is recognised as revenue.

Donor funds received are managed by the Commission in order to enable facilitation of projects. The funds are recognised as a liability or income based on the nature of donation agreement.

1.15 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.17 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.18 Budget information

The Commission is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

The annual financial statements and the budget are not in the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note .

1.19 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

Only transactions with related parties at arm's length or not in the ordinary course of business are disclosed.

1.20 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.20 Events after reporting date (continued)

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

2023	2022
'000	'000

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

2.2 Standards and Interpretations early adopted

The entity has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	01 April 2009	
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2009	
• GRAP 104 (as revised): Financial Instruments	01 April 2025	

2.3 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2009	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2009	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying Value
Finance Lease	381	(280)	101	1 158	(830)	328
Furniture and fittings	5 269	(1 584)	3 685	4 647	(1 570)	3 077
Motor vehicles	8 302	(2 084)	6 218	9 209	(2 063)	7 146
Office equipment	2 983	(800)	2 183	2 455	(816)	1 639
IT equipment	10 911	(3 139)	7 772	10 280	(2 558)	7 722
Leasehold improvements	517	(150)	367	522	(287)	235
Other property, plant and equipment	1 406	(760)	646	1 515	(788)	727
Total	29 769	(8 797)	20 972	29 786	(8 912)	20 874

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Finance lease	328	-	(96)	(131)	101
Furniture and fittings	3 077	976	(174)	(194)	3 685
Motor vehicles	7 146	-	(445)	(483)	6 218
Office equipment	1 639	926	(233)	(149)	2 183
Computer equipment	7 722	1 096	(329)	(717)	7 772
Leasehold improvements	235	225	(36)	(57)	367
Library Materials	727	-	(31)	(50)	646
	20 874	3 223	(1 344)	(1 781)	20 972

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Finance lease	1 010	-	(63)	(619)	328
Furniture and fittings	2 496	1 100	(347)	(172)	3 077
Motor vehicles	5 142	2 949	(375)	(570)	7 146
Office equipment	1 593	234	(79)	(109)	1 639
Computer equipment	6 323	2 114	(160)	(555)	7 722
Leasehold improvements	393	-	(96)	(62)	235
Library Materials	779	1	-	(53)	727
	17 736	6 398	(1 120)	(2 140)	20 874

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand thousand

4. Intangible assets

	2023		2022	
	Cost / Valuation	Accumulated amortisation and impairment	Cost / Valuation	Accumulated amortisation and impairment
Computer software	2 592	(1 165)	1 427	2 662
				(1 072)
				1 590

Reconciliation of intangible assets - 2023

	Opening balance	Disposals	Amortisation	Total
Computer software	1 590	(29)	(134)	1 427

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Computer software	1 728	(138)	1 590

All intangible assets acquired by Commission are computerised software which consist of Sage 300 for HR Payroll, CRM Sage Software for Legal Service, Sage Evolution for accounting purpose, etc

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
5. Operating lease		
Current assets	98	19
Non-current liabilities	(1 427)	(1 046)
Current liabilities	(180)	(42)
	(1 509)	(1 069)

Operating lease expense consist of:

Head office	5 817	5 437
Provincial offices	3 155	4 103
	8 972	9 540

Terms and conditions

- (i) All the leases are operating for an agreed period. i.e 12, 36, 60 months, within an option of renew.
- (ii) All operating leases excluding Telkom (VPN) are subjected to an escalation ranging between 7% pa and 10% pa

At the reporting date the Commission had outstanding commitments under the operating leases relating to head office and provincial office building which fall due as follows.

Due within one year	8 103	8 350
Due within two year to five years	18 175	23 303
	26 278	31 653

6. Prepayments

Pro-forma invoices	6.1	166	62
Subscriptions and annual licenses	6.2	515	752
		681	814

6.1 The pro-forma invoices as part of the prepayment emanates from suppliers that requires payment in advance and during the reporting date, the Commission had not yet received the service or goods.

6.2 Subscription and annual licenses, the decrease in the year under review is due to less acquisition of additional software as a results of Commission not working remotely.

7. Inventories

Consumable stores	135	155
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8. Receivables from exchange transactions

Trade debtors	326	435
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Trade and other receivables

As of 31 March 2023, trade and other receivables of 326 315 (2022: 434 557) were provided for.

The ageing of these loans is as follows:

3 to 6 months	326	435
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South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
9. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	28	57
Bank balances	795	483
Short-term deposits- call account	60 352	56 774
	61 175	57 314

Cash on hand relates to petty cash balance as presented and at year end the aggregated head office and provincial petty cash bank account retained a balance of R 27 935.22 (2022 R56,593.76)

The Commission's daily activities are financed through the main bank account which retained a balance of R 794 884.00 (2022 R 482,969.02)

Short term deposit as disclosed relates to the call account which the Commission deposits the short term investment to attract variable interest income that is linked to the repo rate as reported by Reserve Bank. Refer to note 15

10. Finance lease obligation

Minimum lease payments due

- within one year	-	118
	-	118
less: future finance charges	-	(4)
Present value of minimum lease payments	-	114

Present value of minimum lease payments due

- within one year	-	114
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Non-current liabilities	-	-
Current liabilities	-	114
	-	114

It is entity policy to lease certain equipment under finance leases.

The average lease term was 3 years and the average effective borrowing rate was 10% (2022: 10%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets..

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Open Society Initiative for West Africa	222	222
ZENEX Foundation	96	96
	318	318

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
11. Unspent conditional grants and receipts (continued)		
Movement during the year		
Balance at the beginning of the year	318	1 132
Additions during the year	435	271
Amount refunded to the donor	(17)	(710)
Income recognition during the year	(418)	(375)
	318	318
Open Society Initiative for West Africa		
Balance at the beginning of the year	222	932
Additions during the year	-	-
Income recognition during the year	-	(710)
	222	222
The South African Human Rights Commission has received conditional grants from the Open Society Initiative for West Africa (OSIWA) for the seminar on the African which will be hosted in June. The conditional grant will be spent on travel, accommodation, venue hire and all the expenses relating to the African seminar.		
ZENEX Foundation		
Balance at the beginning of the year	96	100
Additions during the year	-	-
Income recognition during the year	-	(4)
	96	96
The South African Human Rights Commission has received conditional grants from the board of trustees of ZENEX Foundation towards the right to read and write campaign. The Zenex Foundation is an independent grant-maker investing in mathematics and language education in South Africa since 1995		
Allan Gray Orbis Foundation		
Balance at the beginning of the year	-	100
Additions during the year	-	-
Income recognition during the year	-	(100)
	-	-
The South African Human Rights Commission has received a conditional grant from the Allan Gray Orbis Foundation Endowment towards the right to read and write campaign. In seeking to improve the overall context in which the Allan Gray Orbis Foundation operates, the Endowment additionally supports initiatives that address structural barriers in education which hamper employability.		
The United Nations Children's Fund		
Balance at the beginning of the year	-	-
Additions during the year	83	-
Amount refunded to the donor	(17)	-
Income recognition during the year	(66)	-
	-	-
The United Nations Children's Fund (UNICEF), originally known as the United Nations International Children's Emergency Fund, was created by the United Nations General Assembly on 11 December 1946, to provide emergency food and healthcare to children and mothers in countries that had been devastated by World War II.		
The Swiss Federation		
Balance at the beginning of the year	-	-
Additions during the year	352	-

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
11. Unspent conditional grants and receipts (continued)		
Income recognition during the year	(352)	-
	-	-

The Swiss Confederation, represented by the Swiss Federal Department of Foreign Affairs acting through Peace and Human Rights Division and the South African Human Rights Commission in strengthening the South African National Preventive Mechanism.

12. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Provision for leave pay	8 295	561	(2 080)	6 776

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Provision for leave pay	7 150	2 143	(998)	8 295
Provision for performance bonus	680	-	(680)	-
	7 830	2 143	(1 678)	8 295

Provision for leave is based on leave days accrued to year end for each employee as per Human Resource policy

The Commission's performance management policy entails the percentage that should be allocated to the performance bonus in relation to the budgeted employee cost for that cycle, as published by National Treasury in the Compensation of Employees guidelines.

13. Employee Benefits

13th Cheque accrual	1 121	1 216
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Employee benefits relates to employee's 13th cheque accrued and incurred in the current year R 1,120,560.61 (2022 R 1,215,930.05)

The Commission's 13th cheque accrual cycle as part of the employee benefits runs from January to December and at year end, only three months of the 13th Cheque is accrued to 31 March.

14. Payables from exchange transactions

Trade payables	5 390	8 589
Accrued expense	-	134
	5 390	8 723

Trade payables significant decrease in comparison to the previous financial period is as a result of payment made of the travel invoices received in third quarter.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
15. Revenue		
Administrative Income	227	236
Interest received - investment	3 102	1 486
Government grants & subsidies	208 467	195 031
Donation Income	417	375
	212 213	197 128

The amount included in revenue arising from exchanges of goods or services are as follows:

Administrative Income	227	236
Interest received - investment	3 102	1 486
	3 329	1 722

Administrative income related to mainly other income derived the proceeds received from sales of motor vehicles, other income accrued as a results of unpaid leave from employees when they resigned and insurance income for the lost assets.

Interest received from investment relates to the short term deposit made to the call account to attract interest income at a variable interest rate linked to repo rate.

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue		
Government grants & subsidies	208 467	195 031
Donation Income	417	375
	208 884	195 406

16. Donation Income

The United Nations Children's Fund	65	-
Allan Gray Orbis Foundation	-	100
United Nations International Children's Emergency Fund	-	271
ZENEX Foundation	-	4
The Swiss Federation	352	-
	417	375

The donation income emanates from the deferred liability as a result of conditional donations received by the Commission for a specific project, therefore, in application of GRAP standard, the deferred liability should be reduced through realising the revenue and writing off the expenses in the statement of financial performance in responding to the requirements of the conditional donation received.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
17. Employee related costs		
Basic Salary	104 411	99 189
Performance Bonus (Net movement)	60	3 449
Medical aid - company contributions	4 614	4 693
Unemployment Insurance Fund (UIF)	417	415
Pension Fund Contributions	8 590	9 196
Non pensionable contributions	9 583	10 574
Other Short term benefit	3 044	4 851
13th Cheques	4 487	4 770
Car allowance	412	630
Housing benefits and allowances	2 167	2 376
	137 785	140 143

Number of employees

Permanent employees	143	158
Contractors	48	64
Internship	-	-
	191	222

Movements during the year:

Total number of employees at the beggining of the year	222	211
Resignation/pensions/internships ended	(138)	(69)
Appointments	107	80
	191	222

HR Bursaries

Annual Remuneration	130	243
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The employee bursaries is offered to permanant employees in application of the HR policy and employees that qualifies for the bursary offers their employment services in payment of the bursaries for a specific period as per the signed bursary agreement.

18. Finance costs

Finance leases	5	28
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Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R 5,003.07 (2022: R 28,146.22).

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

		2023 '000	2022 '000
19. General expenses			
Advertising		-	115
Auditors remuneration (External)	19.1	3 177	2 611
Bank charges		79	85
Cleaning		174	218
Computer expenses		26	65
Consulting and professional fees	19.2	791	96
Lease and hire		1 548	1 613
Insurance		838	806
Conferences and seminars		492	5
Municipality service		2 282	2 250
Motor vehicle expenses (Maintenance)		177	99
Motor vehicle expense (Fuel)		836	607
Placement fees	19.3	1 057	219
Postage and courier		30	39
Printing and stationery		395	363
Repairs and maintenance		260	122
Security (Guarding of municipal property)		1 962	1 798
Staff welfare		198	246
Subscriptions and membership fees		882	780
Telephone and fax		2 599	2 509
Training		759	729
Workmen's compensation		132	127
Relocation expense	19.4	693	2 636
Operating expense	19.5	32 899	26 187
		52 286	44 325

- 19.1 The Auditors remuneration fee increase is as a results late submission of proactive APP audit introduced by AGSA in 4th quarter and 2022/24 audit planning which part of the invoice was submitted in the year under review.
- 19.2 Consulting and professional fees increased due to legal fees on the CCMA matters brought against the Commission and the plaintiff.
- 19.3 The placement fee increased as a results of senior managers position that become vacant and recruitment cost in response to the vacant position that attributed to a significant increase
- 19.4 Significant decrease on the relocation fee is attributable to no relocation expenses incurred from April to September. In addition, comparative relocation expense is as a results of Head Office move from Braampark to JD building.
- 19.5 Operating expenditure increased due to the additional activities undertaken utilising surplus funds from the previous year as approved by National Treasury and new projects such as Social Harmony National Effort (SHiNE) and as well as the concluding and wrapping up of the July 2021 Unrest Hearing and the Advertising Hearing.

20. Auditors' remuneration (External)

Fees		3 177	2 611
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South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
21. Cash generated from operations		
Surplus (deficit)	8 172	(112)
Adjustments for:		
Depreciation and amortisation	1 916	2 278
Loss on disposal of assets	542	926
Donation income	-	(375)
Movements in operating lease assets and accruals	-	1 649
Changes in working capital:		
Inventories	20	(52)
Receivables from exchange transactions	109	(345)
Prepayments	115	(162)
Payables from exchange transactions	(3 333)	1 915
Rental and hire	1 528	-
Unspent conditional grants and receipts	-	(814)
Deferred operating lease	424	-
Employee benefit	(95)	34
Provision for leave accrued	(1 519)	1 145
Provision for performance bonus	-	(680)
	7 879	5 407

22. Financial instruments disclosure

Categories of financial instruments

2023

Financial assets

	At fair value	Total
Trade and other receivables from exchange transactions (Refer to note 8)	326	326
Cash and cash equivalents (Refer to note 9)	61 175	61 175
	61 501	61 501

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions (Refer to note 14)	5 303	5 303
Finance lease liability obligations (Refer to note 10)	-	-
	5 303	5 303

2022

Financial assets

	At fair value	Total
Trade and other receivables from exchange transactions	435	435
Cash and cash equivalents	57 314	57 314
	57 749	57 749

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	8 723	8 723
Finance lease liability obligations	114	114
	8 837	8 837

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

		2023 '000	2022 '000
23. Commitments			
Authorised operational and capital expenditure			
Already contracted for but not provided for			
• Acquisition of PPE	23.1	1 161	1 297
• Authorised operating expenditure	23.2	21 060	7 610
		22 221	8 907
Total operational commitments			
Already contracted for but not provided for		22 221	8 907
Total commitments			
Total commitments			
Authorised operational and capital expenditure		22 221	8 907

This committed expenditure relates to open purchase orders issued to suppliers for goods and services not yet received as at 31 March 2023 and will be financed by available funds.

- 23.1 Purchase orders relating to the acquisition of two bakkies for the provincial office and head office and inverter as back up battery for the server.
- 23.2 Other long overdue purchase orders other than purchase orders of capital expenditure relating to operational expenditure of day to day activities in addressing the organisational mandate.

24. Contingencies

Categories of contingent liability

Estimated cash surplus per National Treasury Instruction No 12 of 2020/21	24.1	36 999	10 804
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- 24.1 The SAHRC will be applying for the retention of its accumulated surplus as at the financial year ending 31 March 2023 in terms of section 53(3) of the PFMA from National Treasury. The surplus is significantly made up of the fact that in the updated surplus calculation formula of 2020/21, the inclusion of commitments is no longer catered for. Contingent liability at 31 March 2023 for the 2022/23 year show a balance of **R 37m**. A portion of this is due to projects such as digitization, whistle-blower summit, human rights monitoring framework etc that are planned for the duration of three years and initially budgeted for in the reporting period

Contingent assets

The Commission has no contingent assets at reporting date.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
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25. Related parties

Department of Public Works

Information Regulator

Department of Justice and Constitutional Development and related parties that falls under the department's portfolio

Parliament

Other entity within the Justice Portfolio

Legal Aid South Africa

Public Protector

Guardian's Fund

President's Fund

Special Investigating Unit

Criminal Asset Recovery Account

Third Party Funds

Office of the Chief Justice

National Prosecuting Authority

Rules Board for Courts of Law

South African Boards of Sheriffs

South African Law Reform Commission

Council of Debt Collectors

Related party transactions

Transactions with related parties

Department of public works	25.1	104	195
Department of Justice and Constitutional Development	25.2	208 467	195 031
Information regulator		-	111

25.1 Related party transactions to the value of R 103,752.27 (2022: R 214,340.41) was incurred in the current financial year. Related party transactions emanates from municipal services for Kwazulu Natal and Northern Cape Provincial offices.

25.2 The following amount was the annual allocation received from National Treasury via the Department of Justice and Constitutional Development R 208,467,000 (2022: R 195,031,000) as disclosed in note 15.

For remuneration of Key Management positions refer to note 26 below.

Remuneration of management

South African Human Rights Commission

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Notes to the Annual Financial Statements

Figures in Rand thousand

26. Members' emoluments

Executive

2023

	Salary	Bonuses and performance payments	Expenses allowance	Provident contributions	Termination leave payout and backpay	Acting allowance	3G and cellphone allowance	Total
Accounting Authority (CEO): Adv. T.S. Thipanyane	201	42	92	25	162	-	9	531
Chief Financial Officer: CFO. Mr. Rushay Singh (Contract)	90	-	-	-	91	-	2	183
Acting Chief Financial Officer: Ms LR Lynn	689	-	236	85	115	128	14	1 267
Head of Corporate Services: Ms QR Matsemela	721	-	14	-	16	-	8	759
Head of Strategic Support and Governance: Mr S Giyose	632	63	290	79	-	-	31	1 095
Chief Audit Executive: Mr ZM Moyo	647	-	371	81	42	-	13	1 154
Head Legal Service: Ms N.Fakir	476	-	268	64	73	-	8	889
Provincial Manager: Kwazulu Natal: Adv LC Lotz	109	-	59	14	88	-	6	276
Provincial Manager: Mpumalanga: Mr E Mokonyama	762	63	410	96	32	116	37	1 516
Chief Operation Officer (COO): Ms C Kisoou	837	69	405	106	35	363	42	1 857
Provincial Manager: Western Cape: Ms Z Nair	322	40	158	45	16	-	7	588
Provincial Manager: Limpopo: Mr AV Mavhidula	762	63	410	96	32	-	37	1 400
Provincial Manager: Northern Cape: Ms C Williams	117	25	55	15	41	-	6	259
Provincial Manager: Gauteng Province: Mr B Jones	289	38	132	36	98	-	16	609
Provincial Manager: Free State: Mr TM Kheswa	658	-	380	82	43	-	37	1 200
Head of Research: Dr MS Nsibirwa	698	-	398	88	45	-	37	1 266
Provincial Manager: Eastern Cape: El Carter	647	54	328	81	27	-	37	1 174
Acting Provincial Manager Western Cape: Mr M Du Plessis	678	-	229	83	33	116	-	1 139
Acting Provincial Manager Kwazulu Natal: PD Mewalail	682	57	179	85	19	122	-	1 144
Provincial Manager: North West: NS Mlombo	648	-	338	81	22	23	32	1 144
Acting Provincial Manager Northern Cape: Mr AF Wyrngaard	682	57	179	85	19	122	-	1 144
Acting Head of Corporate Service: L Zulu	303	41	81	37	84	48	6	600
Acting Head of LSU: PK Ka-Siboto	652	-	226	82	19	46	-	1 025
Acting Head of NPM: Dr K Pakati	547	-	196	67	25	87	-	922
Acting Provincial Manager Gauteng: Ms ZPP Khumalo	653	52	166	78	30	78	-	1 057
Acting Provincial Manager North West: Ms Z Luthuli	634	53	168	79	30	45	-	1 009
Acting Head of SS&G: Ms ANP Webster	692	95	175	83	32	18	24	1 119
	14 828	812	5 943	1 753	1 269	1 312	409	26 326

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand thousand

26. Members' emoluments (continued)

	Salary	Bonuses and performance payments	Expenses allowance	Provident contributions	Termination leave payout and backpay	Acting Allowance	3G and Cellphone allowances	Total
Chief Executive Officer (CEO)	1 189	99	545	149	49	-	56	2 087
Chief Financial Officer	438	-	245	47	-	-	25	755
Chief Financial Officer	180	-	-	-	-	-	3	183
Head of Corporate Services	498	-	270	62	115	-	25	970
Head of Strategic Support and Governance	748	118	343	94	75	-	37	1 415
Chief Executive Auditor	635	48	344	79	64	-	13	1 183
Provincial Manager: Kwazulu Natal	645	48	349	81	67	-	37	1 227
Provincial Manager: Mpumalanga	748	118	343	94	75	-	37	1 415
Chief Operational Officer	822	130	377	103	80	-	42	1 554
Provincial Manager: Western Cape	635	109	291	79	66	-	13	1 193
Provincial Manager: Limpopo	748	118	343	94	75	-	37	1 415
Provincial Manager: Northern Cape	716	115	327	87	74	-	40	1 359
Provincial Manager: Gauteng	684	142	314	86	70	-	37	1 333
Provincial Manager: Free State	645	40	349	81	67	-	46	1 228
Provincial Manager: Eastern Cape	709	122	179	90	43	-	24	1 167
Operations Manager	684	-	371	86	53	-	37	1 231
Acting Provincial Manager: Eastern Cape	724	-	248	90	-	129	14	1 205
Provincial Manager: North West	635	8	344	79	153	-	37	1 256
Acting Head of Corporate Service	724	-	248	90	-	60	14	1 136
Acting Head Of LSU	589	-	211	74	-	114	-	988
	13 396	1 215	6 041	1 645	1 126	303	574	24 300

South African Human Rights Commission

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Notes to the Annual Financial Statements

	2023 '000	2022 '000			
26. Members' emoluments (continued)					
Non-executive					
2023					
	Salary	Bonus and performance bonuses	Provident contributions	Other benefits	Total
Adv BC Majola	876	-	-	695	1 571
Adv .F.Chohen	745	-	93	466	1 304
Adv. AH Gaum	683	-	-	540	1 223
Ms P.Ntuli	683	58	85	365	1 191
Ms MA Makwetla	683	58	-	457	1 198
Adv. BJ Malatji	683	58	-	575	1 316
Mr AC Nissen	813	-	-	62	875
Mr J Sibanyoni	813	-	-	62	875
	5 979	174	178	3 222	9 553
2022					
	Salary	Bonuses and performance bonuses	Provident contributions	Other benefits	Total
Adv .B.C.Majola	863	-	-	623	1 486
Adv F. Chohen	549	-	69	307	925
Adv AH Gaum	671	-	-	485	1 156
Adv P Ntuli	502	-	63	267	832
Ms M.A. Makwetla	168	-	-	107	275
BJ Malatji	671	56	-	429	1 156
Mr AC Nissen	799	-	-	28	827
Mr JB Sibanyoni	799	-	-	28	827
	5 022	56	132	2 274	7 484

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023	2022
	'000	'000

27. Prior period errors

During the year under review, management noted that invoices relating to the prior financial period were omitted to be processed in the 2021/22 financial period and such invoices should be recorded in the year they relate, therefore, management took a decision to rectify the error retrospectively and adjust accumulated surplus and general expenditure accordingly with the error incurred.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Property, plant and equipment	-	340
Opening Accumulated Surplus or Deficit	-	120

Statement of financial performance

Increase/(Decrease) General Expenses	-	221
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28. Risk management

Financial risk management

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

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

Financial instrument	2023	2022
Receivable from exchange transactions	326	435
Prepayments	681	820
Cash and cash equivalents	61 175	57 314

29. Going concern and Covid 19

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Commission's ability to continue as a going concern depends on the continued support of government through means of annual appropriation.

We have performed an assessment of the South African Human Rights Commission ability to continue as a going concern. Based on the cash flow forecast linked to the MTEF allocation for foreseeable future, there is no uncertainty that the Commission would not operate within the next 12 months. We are not aware of any new material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Commission.

The impact of COVID-19 on accounting standards that require the assessment at the end of each reporting period of whether there is either objective evidence that assets are impaired or if events or changes in circumstances indicate that the carrying amount of a non-financial asset may not be recoverable, was assessed based on information available as at 31 March 2023. COVID-19 is an unprecedented challenge for humanity and for the economy globally and at the date of this report its effects are subject to significant levels of uncertainty. The impact of COVID-19 is expected to be felt on the Commission objectives to address the operational mandate. At this stage, there is no uncertainty identified about the Commission ability to continue as a going concern.

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
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29. Going concern and Covid 19 (continued)

The pandemic restriction and disruption on operations and supply chains as a result of control measures implemented to control the spread of the virus, may result in a significant increase in operational expenditure and budget cuts implemented as a result of contraction in GDP. We believe that the Commission has adequate financial resources to continue in operation for the foreseeable future and the annual financial statements have been prepared on a going concern basis. We have satisfied ourselves that the Commission is in a sound financial position and that it has government financial support to meet its foreseeable cash requirements. We are not aware of any new material changes that may adversely impact the Commission.

30. Events after the reporting date

There were no events that occurred after the reporting date for the year under review.

31. Irregular, fruitless and wasteful expenditure

Irregular expenditure	11 156	11 419
Fruitless and wasteful expenditure	-	-
	11 156	11 419

Irregular expenditure to the value of R 11,155,870.15 (2022: R 11,418,510.39) was incurred in the current year. Irregular expenditure emanates from non-compliance with National Treasury Note 8 of 2007 and Treasury Regulation 16A 9.1 (d) and 16A 6.3 (b.)

Irregular expenditure incurred is mainly due to the non-adherence to policies and procedures and investigations by the Commission is yet to be conducted to determine the internal control weaknesses, which will then be strengthened with appropriate corrective action. Consequence management is yet to be implemented where applicable to ensure action is taken against officials who caused the irregular expenditure concerned.

The Commission has written to National Treasury requesting condonation of the irregular expenditure reflected above on the opening balance and is still awaiting a response therefore none of the expenditure had been condoned as at year end. No disciplinary proceedings had been taken, since the irregular expenditure did not warrant such action.

32. Budget differences

Budget Reconciliation per GRAP 24

A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cash flow statement for the period ended 31 March 2023 is presented below. The financial statements and budget documents are prepared for the same period. There is a basis difference: the budget is prepared on a cash basis and the financial statements on the accrual basis.

Heading	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the budget and actual comparative statement	(3 998)	-	-	(3 998)
Basis differences	7 879	(1 665)	(2 353)	3 861
Timing differences	-	-	-	-
Entity differences	-	-	-	-
Actual amount in the cash flow statement	3 881	(1 665)	(2 353)	(137)

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The annual financial statements are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The annual financial statements are for the fiscal period from 2022/04/01 to 2023/03/31. The annual financial statements differ from the budget, which is approved on the cash basis.

(i) Interest received- Investment

South African Human Rights Commission

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 '000	2022 '000
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32. Budget differences (continued)

The significant increase in comparison to the budget is due to the increase in the interest rate (repo rate). The cash on hand balance (R 61.175m) is higher than last year (R 57.314m). The cash on hand for 2022/23 includes the balance of the approved rollover amount from 2020/21 (full amount was R 32.910m) that was supposed to be spent in the current financial year, as well as the rollover amount approved from the 2021/22 year (the full amount was R 10.800m) that is spent in (2022/23) as well as next year (2023/24).

(ii) Personnel

Personnel expenditure as at year end is below budget expectations by R 3.4%, mainly due to certain business unit head's (and other) positions being vacant. Contract positions appointed, however not all contract positions directly fill a budgeted-for permanent vacant position. Provision for leave pay decreased from R 8.2m to R 6.7m which contributed to personnel savings as a result of adjusting the leave provision down which was attributable to decision made on reporting to the office full time, most employees applied for annual leave in December which reduced the liability.

(iii) Finance lease payments and interest expense

The higher interest expense are due to an amount of transactions been processed to finance the day to day activities which attracts bank interest charges.

(iv) General expenses

Expenditure relating to ongoing projects which were initially budgeted in the prior financial period and budget committed or ring fenced to fund for this activities.

(v) Payment of property, plant and equipment and intangible assets

The overspending in property plant and equipment is as a result of lithium ion battery and inverter purchased for the head office as well as the province to ensure server non interruptions.



south african
human
rights
commission

27 Stiemens Street,
Braamfontein, 2017

 +27 11 877 3600

 www.sahrc.org.za

 info@sahrc.org.za

 @SAHRCommission

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