



## ANNUAL REPORT



**equality** n., pl. **-ties**. the state of being equal.



# 2015

ISBN: 978-0-621-44120-8  
RP360/2015



## ANNUAL REPORT

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For the year ended 31 March 2015

# CONTENTS

FOREWORD BY THE CHAIRPERSON	3
OVERVIEW BY THE CHIEF EXECUTIVE OFFICER	5
<b>PART A: GENERAL INFORMATION</b>	<b>7</b>
1. STRATEGIC OVERVIEW	8
1.1 Vision	8
1.2 Mission	8
1.3 Values	8
2. LEGISLATIVE AND POLICY MANDATES	8
2.1 Constitutional mandate	8
2.2 Other legislative and policy mandates	9
3. ORGANISATIONAL STRUCTURE	11
<b>PART B: PERFORMANCE INFORMATION</b>	<b>13</b>
STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION	14
1. PERFORMANCE OVERVIEW	15
1.1 Strategic focus areas and outcome-oriented goals	15
1.2 Overview of service delivery environment for 2014/15	16
1.3 Overview of organisational environment for 2014/15	17
1.4 Key policy developments and legislative changes	17
2. PERFORMANCE INFORMATION BY STRATEGIC OBJECTIVES AND PROGRAMMES	18
2.1 Strategic objectives, programmes and budget expenditure by programme	18
2.1.1 Strategic objectives and programmes	18
2.1.2 Summary of programmes	18
(a) Programme 1: Promotion and Protection of Human Rights	18
(b) Programme 2: Research, Monitoring and Reporting	19
(c) Programme 3: Administration	19
2.2 Alignment of programme structure with strategic objectives	19
2.3 Organisational performance by strategic objectives and targets	20
2.3.1 Strategic objective 1: Promote compliance with international and regional obligations	20
2.3.2 Strategic objective 2: Position the Commission as the focal point for human rights in South Africa	25
2.3.3 Strategic objective 3: Enhance and deepen the understanding of human rights and promote a human rights culture	28
2.3.4 Strategic objective 4: Advance the realisation of human rights	32
2.3.5 Strategic objective 5: Use and project a broader constitutional and legislative mandate	36
2.3.6 Strategic objective 6: Optimise the effectiveness and efficiency of the Commission to support delivery on the mandate	38
2.3.7 Strategies to deal with areas of under performance	42



<b>PART C: CORPORATE GOVERNANCE</b>	<b>43</b>
1. EXECUTIVE AUTHORITY: THE COMMISSIONERS	44
2. RISK MANAGEMENT	44
3. INTERNAL AUDIT AND AUDIT COMMITTEES	45
4. COMPLIANCE WITH LAWS AND REGULATIONS	46
 <b>PART D: HUMAN RESOURCE MANAGEMENT</b>	 <b>47</b>
1. HUMAN RESOURCE MANAGEMENT	48
1.1 Expenditure	48
1.2 Employment and vacancies	49
1.3 Job evaluation	50
1.4 Employment changes	51
1.5 Employment equity	53
1.6 Performance rewards	57
1.7 Foreign workers	59
1.8 Leave utilisation for the period 1 January 2014 to 31 March 2015	59
1.9 HIV/AIDS and health promotion programmes	60
1.10 Skills development	62
1.11 Injury on duty	63
1.12 Utilisation of consultants	64
 <b>PART E: ANNUAL FINANCIAL STATEMENTS</b>	 <b>65</b>

## FOREWORD BY THE CHAIRPERSON

Our institutional strategic focus on advocacy and outreach over the period under review has yielded benefits for our communities. The public outreach as well as key stakeholder engagements conducted to ascertain human rights based positions were interactive, informative, responsive and action-oriented. Through these interventions our communities have been made aware of human rights mechanisms available for redress. The advocacy and promotional role is of strategic importance in enhancing and deepening public understanding and entrenching a human rights culture within our nation.

From an institutional perspective we have also benefited widely gathering key issues emanating from the advocacy initiatives and engagements to inform our strategies to better deliver on our mandate and enhance impact. A range of cross cutting issues were highlighted including the rights of people with disabilities, poor delivery of basic services and lack of transparency, inequality and discrimination, poor quality of education, and environmental rights. Various interventions were enacted throughout the year as mandated by the Commissioners' identified strategic focus areas.

In the year under review we undertook an assessment of the functionality of equality courts with a view to enhancing their impact in addressing the challenge of inequality in our society. Our findings indicate poor levels of awareness of the courts amongst the population and therefore underutilisation. We have raised concerns with the Department of Justice over the functioning of the Equality Review Committee, which could play an important role in addressing some of the identified challenges. We request Parliament to call on the Executive to ensure that the committee is fully operational and that equality courts are supported with adequate capacity with respect to judicial officials, as well as public awareness raising initiatives.

It has become clear to the Commission, based on the continued engagements, that collaborative partnerships are vital in addressing human rights concerns and promoting an inclusive culture of human rights. The strategic engagements with experts and role players in the human rights arena seek to effectively realise these collaborative efforts. During the year under review, we expanded on the annual theme of business and human rights and intensified discussions with respective provincial business stakeholders as a way of fostering collaboration. These culminated in the launch of the Human Rights and Business Country Guide South Africa, developed in conjunction with the Danish Institute for Human Rights. The Country Guide seeks to enhance the role of the private sector, in collaboration with labour and government, in upholding human rights based strategies and practices.

In an effort to enforce the protection of rights we have, in addition to alternative dispute resolutions, engaged in strategic impact litigation. Through these methods we have seen the position of the Commission on pertinent human rights matters often upheld and entrenched by the High Court, as an indication of relevance to our society. The cases in point for the year under review were the judgements on the conditions at the Lindela Repatriation Centre following the unconstitutional detention of immigrants; as well as the non-delivery of school learning material including textbooks. In order to ensure that the judgements are not meaningless and enhance impactful interventions in our quest for the observance of human rights, we are developing frameworks for monitoring implementation of the prescriptions thereof in subsequent years. Furthermore, we will expand our role in strategic impact litigation as a way of enforcing protection of rights and contributing to the country jurisprudence.



Advocate Mbedle  
Lawrence Mushwana  
(Chairperson)



Our concerted efforts to realise the strategic objectives set, keeping to constitutional and statutory mandates, and reflecting on the state of human rights in the country, were evident in the release of reports on economic and social rights, equality, and promotion of access to information. Through considerations of equality the rights of marginalised groups – women, children, people with disabilities, older persons, migrants - as well as racial discrimination, remain a concern for the SAHRC.

In sustaining the organisational effectiveness and efficiencies through ensuring a stable audit and compliance environment, the Commission maintained a consecutive unqualified audit opinion by the auditor-general. We had intensified our efforts to ensure that we presented reliable, valid and accurate financial and non-financial information, as well as improved internal controls and records in asset management and other areas highlighted by previous audits.

On the global stage we have remained recognisable as a human rights institution of high standards, with an A status attainment. The SAHRC has been recognised by the International Coordinating Committee for National Human Rights Institutions for work in water and sanitation, as well as by the United Nations on human rights monitoring mechanisms such as the Charter for Children's Basic Education, and the national government on monitoring of the Convention for the Rights of People with Disabilities.

The unwavering commitment of our Commissioners and staff remains pertinent in the struggle for human rights for all South Africans and building a nation that upholds its Constitutional values and principles.

The constitutional mandate of the Commission is quite broad to enable it to cover the range of rights enshrined therein. It is therefore vital to complement the wide need with adequate resources capacity through increased funding to ensure even greater impact. As demonstrated, the strategic importance of advocacy in reaching out to marginalised communities, and the strategic litigation in enforcing protection of rights, cannot be left to chance and undermined by lack of resources, with respect to both financial and human capacity needs. If we are to increasingly realise our vision of transforming society, securing rights and restoring dignity, the support of our Parliament in resource mobilisation becomes more imperative.

**Advocate Mbedle L Mushwana**

Chairperson

31 July 2015

## OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

In 2014/5, the Commission elected to place greater emphasis on its promotional mandate. This strategic decision was informed by a number of qualitative surveys that indicated low levels of awareness of human rights and remedies, and knowledge of the existence of the Commission among a significant proportion of the population in South Africa. This new strategic direction focussed the Commission's emphasis on taking the human rights education to rural and peri-urban areas, engaging with community leaders and community-based organisations in an effort to expand the reach of the Commission's services.

With respect to the exercise of its protective mandate, the Commission has used the complaints handling system to address human rights violations in communities. With the introduction of an Annual Trends Analysis Report, the Commission is now able to draw evidence-based information on the prevalence of different types of human rights violations in specific areas, and the classes of people experiencing violations across the country. This assists the Commission to better monitor and evaluate the effectiveness of its interventions over time.



Lindiwe Khumalo  
(Chief Executive Officer)

At a systemic level, the Commission conducted a number of national investigative hearings as one of the key mechanisms to identify underlying causes of systemic human rights violations in the country. In the year under review, the Commission undertook national hearings on transformation in universities, service delivery challenges and housing, emergency medical services, and safety and security in farming communities. The hearings provided a platform for all stakeholders and partners to contribute to shaping the human rights agenda on the specific issues of concern.

At another level, the Commission acknowledges the work of government in supporting the call for increased compliance with international and regional human rights instruments. In this regard, the Commission continuously engaged with policy makers to provide constructive critique, advice and insight into human rights aspects that were desirable for inclusion in the country's domestic legislation and state reports to treaty bodies.

Concerning internal efficiencies, the Commission has lived up to its statutory and annual performance plan targets. An overall achievement of targets beyond the 90% mark is an indication of how the focussed efforts of improving organisational effectiveness and efficiency through operational process improvement, role clarification, sharpening performance management processes, sustained skills development and training is yielding results.

In the forthcoming year, the Commission will continue to strive to achieve greater results demonstrated by the entrenchment of a human rights culture throughout South African society.

A handwritten signature in black ink, appearing to read 'L. Khumalo', written in a cursive style.

**Lindiwe Khumalo**  
Chief Executive Officer  
31 July 2015





## SAHRC COMMISSIONERS



Commissioner  
Pregs Govender  
(Deputy Chairperson)



Commissioner  
Lindiwe Mokate



Commissioner  
Bokankatla Malatji



Commissioner  
Mohamed Ameer



Commissioner  
Danny Titus  
(Part time)



Commissioner  
Janet Love  
(Part time)



## PART A

### General information

**human right** *n., a right of an individual to liberty, justice, etc.*

*human right*





# 1. 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.

## 1.1 Vision

Transforming society. Securing rights. Restoring dignity.

## 1.2 Mission

The Commission, as an independent national human rights institution, is created to support constitutional democracy through promoting, protecting and monitoring the attainment of everyone's human rights in South Africa without fear, favour or prejudice.

## 1.3 Values

The values of the Commission are:

- a) Integrity
- b) Honesty
- c) Respect
- d) Objectivity
- e) Batho Pele Principles
- f) Equality

# 2. LEGISLATIVE AND POLICY MANDATES

The Commission is an independent institution supporting constitutional democracy, established in terms of Chapter 9 of the Constitution. Its specific mandate is stipulated in section 184 of the Constitution. The following sub-sections broadly describe the parameters of the powers of the institution.

## 2.1 Constitutional mandate

The mandate of the Commission, as contained in section 184 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 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; and
  - iii) monitor and assess the observance of human rights in the Republic.
- b) The Commission has the necessary powers, as regulated by the national legislation, to perform its functions, including the power:
  - i) to investigate and report on the observance of human rights;
  - ii) to take steps to secure appropriate redress where human rights have been violated;
  - iii) to carry out research; and
  - iv) to educate.
- c) Each year, the Commission must require relevant organs of state to provide the Commission with information on the measures that 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.

## 2.2 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, 2013 (Act No. 40 of 2013) (SAHRCA), Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA) and the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000) (PEPUDA).

In this respect, the Commission has to:

- i. promote awareness of the statutes;
- ii) monitor compliance with the statutes;
- iii) report to Parliament in relation to these statutes; and
- iv) develop recommendations on persisting challenges related to these statutes and any necessary reform.

### a) **South African Human Rights Commission Act, 2013 (Act No. 40 of 2013) (SAHRCA)**

The SAHRCA provides for the composition, powers and functions of the SAHRC. The 2013 SAHRCA repealed the 1994 SAHRCA. Certain amendments were suggested by the Commission in order to bring the 1994 Act in line with the Constitution and subsequent legislation. It was then decided that a new Act was a better option than an extensive amendment Bill.

In terms of section 13(1) to (4) of Act, the Commission is competent and obliged to:

- i) make recommendations to organs of state at all levels of government where it considers such action advisable for the adoption of progressive measures for the promotion of human rights within the framework of the Constitution and the law, as well as appropriate measures for the further observance of such rights;
- ii) undertake such studies for reporting on or relating to human rights as it considers advisable in the performance of its functions or to further the objects of the Commission; and
- iii) request any organ of state to supply it with information on any legislative or executive measures adopted by it relating to human rights.

The Commission:

- i) must develop, conduct or manage information and education programmes to foster public understanding and awareness of Chapter 2 of the Constitution, the Act and the role and activities of the Commission;
- ii) must as far as is practicable maintain close liaison with institutions, bodies or authorities with similar objectives to the Commission in order to foster common policies and practices and to promote co-operation in relation to the handling of complaints in cases of overlapping jurisdiction or other appropriate instances;
- iii) must liaise and interact with any organisation which actively promotes respect for human rights and other sectors of civil society to further the objects of the Commission;
- iv) may consider such recommendations, suggestions and requests concerning the promotion of respect for human rights as it may receive from any source;
- v) must review government policies relating to human rights and may make recommendations;
- vi) must monitor the implementation of, and compliance with, international and regional conventions and treaties, international and regional covenants and international and regional charters relating to the objects of the Commission;
- vii) must prepare and submit reports to the National Assembly pertaining to any such convention, treaty, covenant or charter relating to the objects of the Commission; and
- (viii) must carry out or cause to be carried out such studies concerning human rights as may be referred to it by the President, and the Commission must include in a report referred to in section 18(1) a report setting out the results of each study together with such recommendations in relation thereto as it considers appropriate.



In respect of legislation:

- a) The Commission may recommend to Parliament or any other legislature the adoption of new legislation that will promote respect for human rights and a culture of human rights. and
- b) If the Commission is of the opinion that any proposed legislation might be contrary to Chapter 2 of the Constitution or to norms of international human rights law which form part of South African law or to other relevant norms of international law, it must immediately report that fact to the relevant legislature.

The Commission is competent:

- a) to investigate on its own initiative or on receipt of a complaint, any alleged violation of human rights, and if, after due investigation, the Commission is of the opinion that there is substance in any complaint made to it, it must, in so far as it is able to do so, assist the complainant and other persons adversely affected thereby, to secure redress. Where it is necessary for that purpose to do so, it may arrange for or provide financial assistance to enable proceedings to be taken to a competent court for the necessary relief or may direct a complainant to an appropriate forum; and
- b) to bring proceedings in a competent court or tribunal in its own name, or on behalf of a person or a group or class of persons.

All organs of state must afford the Commission such assistance as may be reasonably required for the effective exercising of its powers and performance of its functions.

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

The Commission promotes compliance with PAIA and produces an annual report in this regard in line with Sections 83 and 84. Key prescripts of the PAIA are the development of transparency frameworks and increasing institutional responsiveness to information requests, with a view to promoting access to information.

The assigned powers of the Commission with respect to access to information will be transferred to the information regulator to be established by Parliament during the course of the next strategic planning period. However, the Commission remains with constitutional obligations to promote, protect and monitor the right of access to information.

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

The Commission continues to promote compliance with the PEPUDA and will start producing a thematic equality report on an annual basis. Section 25 (5) (a) of the Act 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. 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, the effects thereof and recommendations on how best to address the problems.

**d) 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, the Commission is recognised by the United Nations Office of the High Commissioner for Human Rights as an 'A' status national human rights institution (NHRI). The Commission has thus adhered to the Paris Principles, 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:

- i) monitor any situation of violation of human rights;
- ii) be able to advise the government, Parliament and any other competent body on specific violations;
- iii) educate and inform on issues of human rights; and
- iv) be able to use their quasi-judicial powers where these exist.

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

### 3. ORGANISATIONAL STRUCTURE

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

Figure 1: Organogram

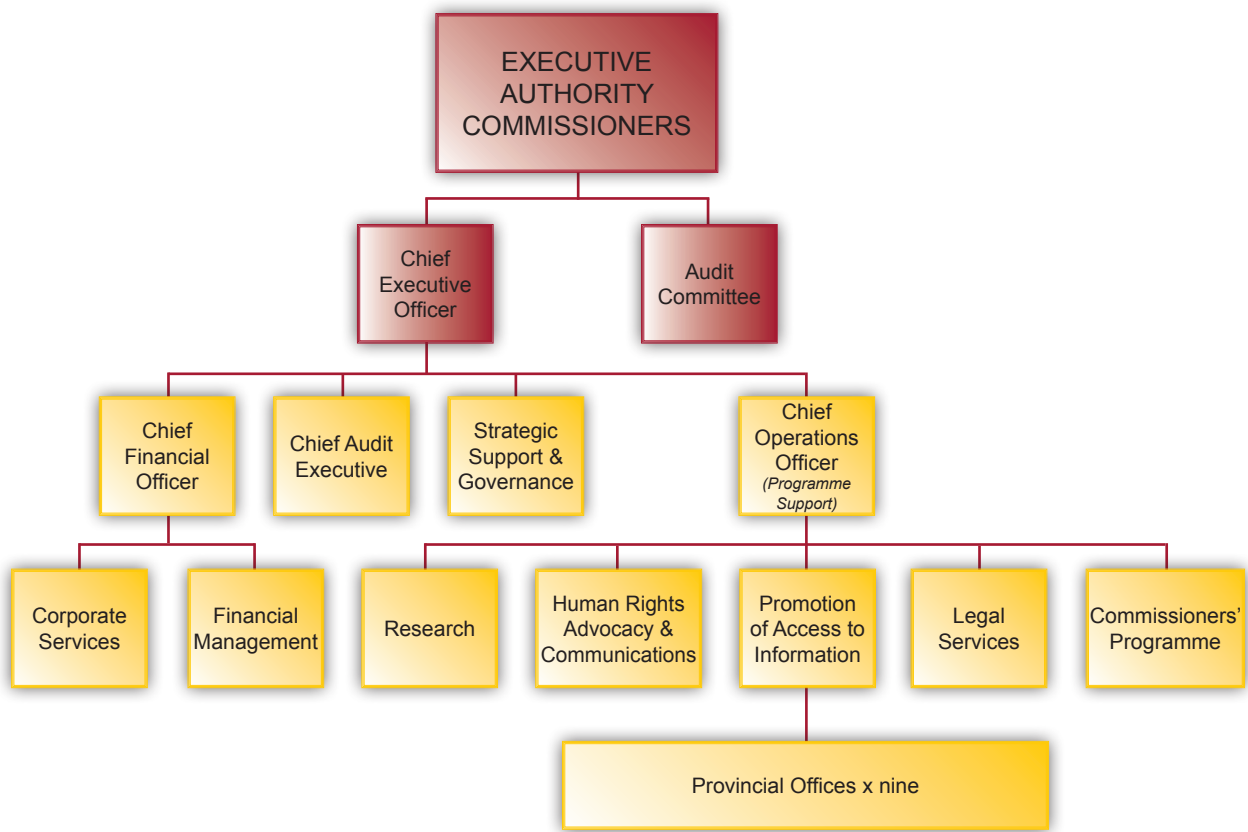
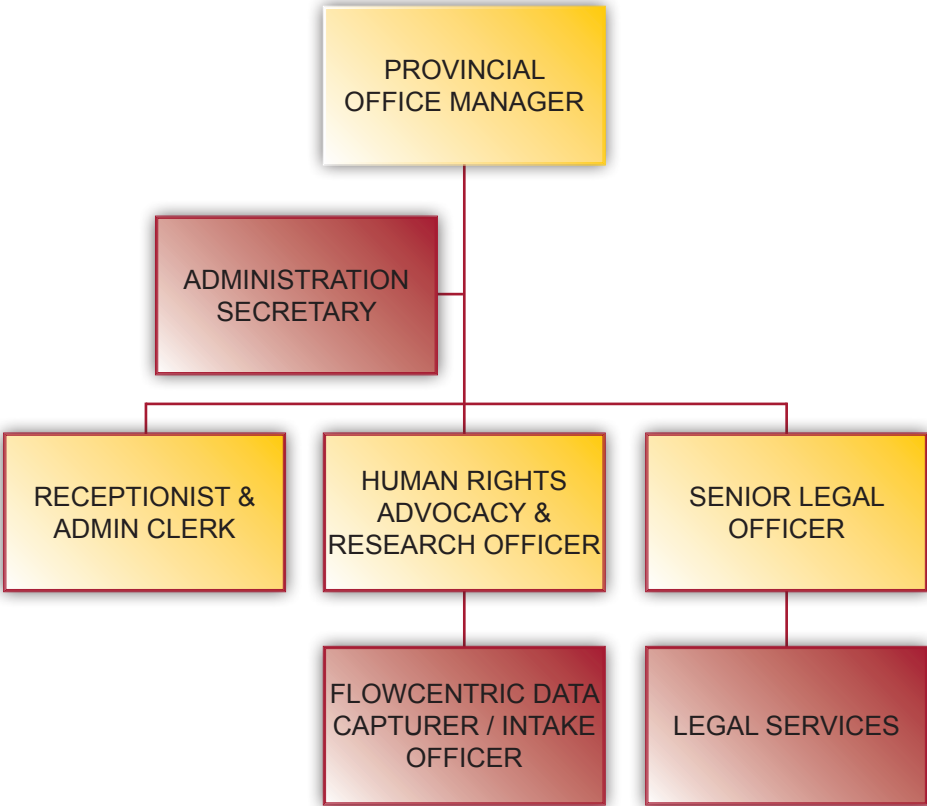




Figure 2: Generic provincial structure





## PART B

### Performance information

**dignity** *n., the state or quality of being worthy of honour or respect.*

*dignity*







## STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of responsibility for performance information for the year ended  
31 March 2015

The Chief Executive Officer is responsible for the preparation of the Commission's performance information and for the judgements made in this information.

The Chief Executive Officer 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 2015.

**Lindiwe Khumalo**  
Chief Executive Officer  
31 July 2015

# 1. PERFORMANCE OVERVIEW

## 1.1 Strategic focus areas and outcome-oriented goals

### **Strategic focus areas**

In pursuit of the Commission's mandate, Commissioners adopted strategic priority focus areas, informed by the human rights obligations of South Africa at international, regional and domestic levels. The Commissioners also assigned specific provinces and United Nations treaty bodies among themselves. These strategic priority areas, treaty bodies and provinces are presented in table 1.

**Table 1: Commissioners' strategic focus areas**

Commissioner	Strategic Focus Area	Province	UN Treaties
Chairperson, Commissioner M L Mushwana	Migration, equality	Mpumalanga	Convention on the Elimination of Racial Discrimination
Deputy Chairperson, Commissioner P Govender	Basic services, health care, access to information	Gauteng and Western Cape	Convention on the Elimination of All Forms of Discrimination against Women
Commissioner B Malatji	Disability, older persons	Limpopo	Convention on the Rights of Persons with Disabilities
Commissioner L Mokate	Basic education, children	KwaZulu-Natal	Convention on the Rights of the Child
Commissioner M Ameerma	Housing, access to justice	Free State and North West	
Commissioner J Love (part-time)	Environment, natural resources, rural development	Eastern Cape	International Covenant on Economic, Social and Cultural Rights
Commissioner D Titus (part-time)	Human rights and law enforcement, prevention of torture	Northern Cape	Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, International Covenant on Civil and Political Rights, Universal Declaration on the Rights of Indigenous Peoples

The Commission's planning and internal evaluation exercises over the three-year Medium-Term Expenditure Framework for the period 2014 to 2017 resulted in the identification of nine key strategic outcomes, as follows:

- Using and projecting a broader Constitutional and legislative mandate;
- Engagement with processes of enacting legislation that promote Constitutional human rights obligations;
- Enhancing understanding of international and regional issues through engagement with stakeholders;
- Enforcing protection of rights through alternative dispute resolutions and litigation;
- Intensifying advocacy as well as public and community outreach;
- Re-clustering strategic focus areas to enhance effectiveness;
- Strengthening key stakeholder relationships;
- Developing the institution as a learning organisation; and
- Strengthening capacity that supports delivery on the mandate.



To achieve these goals, the Commission set out six strategic objectives against which programme performance is measured. A detailed narrative on the realisation of these strategic objectives will be provided under the section on programme performance by strategic objective.

The Commission reconfigured its programme structure in order to allow for meaningful execution and realisation of its outcome-oriented goals and strategic objectives. The Commission has three main programmes:

- a) Promotion and Protection of Human Rights
- b) Research, Monitoring and Reporting; and
- c) Administration.

These programmes have sub-programmes referred to as business units, which contribute towards the realisation of the outcome-oriented goals and strategic objectives.

## 1.2 Overview of service delivery environment for 2014/15

### ***Overall performance achievement***

The performance target achievement of the Commission has slightly improved from 87% in 2013/14 to 92% in 2014/15.

### ***Promoting compliance with international and regional obligations***

The Commission continued its function as an internationally renowned institution, adhering to the Paris Principles by advising the government, Parliament and other bodies on specific human rights violations and making recommendations in respect of these.

Through chairmanship of the International Coordinating Committee for National Human Rights Institutions, and engagements with African human rights mechanisms, the Commission participated in the shaping and advancement of the post-2015 development agenda, ensuring that inequality issues are adequately addressed.

### ***Position the Commission as the focal point for human rights in South Africa***

In the quest to become the focal point for human rights in the country, the Commission conducted strategic engagements across focus areas with key stakeholders including parliamentary portfolio committees, Section 11 committee experts, government, academia, broader civil society, and the media. In excess of 200 such engagements were held in 2014/15. In these engagements the Commission shapes and articulates its positions in accordance with constitutional provisions, and makes findings and recommendations on specific human rights violations under its investigation.

### ***Enhance and deepen the understanding of human rights and promote a human rights culture***

In 2014/15 the Commission increased focus on advocacy and outreach elements, with a view to carrying this through the strategic planning period from 2015 to 2020, to promote a culture of human rights and broaden understanding. In this regard, the Commission has, for the first time, produced a consolidated annual advocacy report based on advocacy interventions undertaken by provincial officers across the country on various human rights thematic areas. These included a focus on the Commission's annual theme of business and human rights, along with a business and human rights guide that was launched in March 2015 to raise awareness on the role of business in the promotion and protection of human rights.

### ***Advance the realisation of human rights***

The protective mandate of the Commission is one approach utilised in advancing the realisation of human rights. The Commission annually handles in excess of 8 000 complaints lodged across the various provincial offices. In 2014/15 more than 7 200 (90% of total cases) of these cases were finalised, above the annual target of 85%. Systems upgrading, improved staffing and operations were some of the mechanisms utilised to strengthen the execution of the protective mandate and realise above-target achievements.

Furthermore, the Commission has continued to monitor and assess the observance, protection and promotion of human rights through a range of methods resulting in outputs such as:

- a) SAHRC Section 184(3) Report on Economic and Social Rights, reflecting on the state of observance of economic and social rights, mainly by state institutions, as mandated by the Constitution;
- b) SAHRC Third Annual Equality Report, 2014, reflecting on the extent of protection of the right to equality, as promulgated in the Promotion of Equality and Prevention of Unfair Discrimination Act; and
- c) SAHRC Promotion of Access to Information Act Annual Report, 2013-2014, reflecting on the state of compliance with the right to access to information by public and private sector institutions.

Through these and other investigative reports, the Commission presents findings and recommendations to relevant role players, aimed at improving the state of human rights in the country.

### 1.3 Overview of organisational environment for 2014/15

#### ***Resolution of audit findings***

Following a qualified audit opinion issued on the Commission two years ago, the Commission remains cautious to maintain the improved state of affairs evident in the unqualified audit obtained in 2013/14. To this end, the mechanisms applied in the previous year were carried through to the 2014/15 financial year and included regular monitoring of the audit action plan by an audit review committee as well as a strengthened internal audit function.

#### ***Organisational restructuring and culture***

Following the restructuring process and appointment of several new staff members during 2013/14 and previously, there was a growing need for organisational rebuilding to enhance team relations and maintain a high performance culture. Organisational climate surveys were undertaken during 2013/14. Based on the results of the climate surveys, an organisational renewal plan was developed for implementation during 2015/16.

#### ***Performance management***

Organisational culture considerations and a need to instill a high performance culture necessitated a revision of the performance management policy. The revision seeks to improve the management of performance while promoting and acknowledging good performance. A revised performance management policy was approved by the end of 2014/15.

### 1.4 Key policy developments and legislative changes

#### ***Submissions on draft legislation***

The Commission made submissions on various draft legislation to ensure human rights based approaches within the country's legislation and policy prescripts. The following submissions and activities were undertaken in this regard:

- a) Submission to the portfolio committee on justice and correctional services on the Criminal Matters (Sexual Offences and Related Matters) Amendment Bill;
- b) Submission to the Department of Higher Education and Training on the social inclusion policy framework;
- c) Submission on the establishment of a national protocol on corporal punishment for submission to the Department of Basic Education;
- d) Presentation on South Africa's international and regional human rights obligations to the portfolio committee on justice and correctional services;
- e) Comments to the Department of Cooperative Governance and Traditional Affairs on initiation policy;
- f) Comments on the Protected Disclosure Amendment Act submitted to the Department of Justice and Correctional Services; and
- g) Responses and comments on the traditional affairs questionnaire for the 20-year review project to the Department of Cooperative Governance and Traditional Affairs.



## 2. PERFORMANCE INFORMATION BY STRATEGIC OBJECTIVES AND PROGRAMMES

### 2.1 Strategic objectives, programmes and budget expenditure by programme

#### 2.1.1 Strategic objectives and programmes

The Commission instituted six strategic objectives towards the realisation of its strategic outcome-oriented goals. A summary of the strategic objectives is presented as follows.

- a) Strategic objective 1: Promote compliance with international and regional obligations;
- b) Strategic objective 2: Position the Commission as the focal point for human rights in South Africa;
- c) Strategic objective 3: Enhance and deepen the understanding of human rights and promote a human rights culture;
- d) Strategic objective 4: Advance the realisation of human rights;
- e) Strategic objective 5: Use and project a broader constitutional and legislative mandate; and
- f) Strategic objective 6: Optimise the effectiveness and efficiency of the Commission to support delivery on the mandate.

#### 2.1.2 Summary of programmes

In support of the strategic objectives, the Commission is broadly structured into three programmes:

- a) Promotion and Protection of Human Rights;
- b) Research, Monitoring and Reporting; and
- c) Administration.

These programmes have business units responsible for operations for the realisation of strategic objectives.

##### (a) Programme 1: Promotion and protection of human rights

This programme consists of five business units: Commissioner's Programme, Legal Services, Human Rights Advocacy, Strategic Support and Governance, and Office of the Chief Executive Officer.

##### **Commissioner's 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 and provincial levels.

##### **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.

##### **Human Rights Advocacy:**

Human Rights Advocacy promotes awareness of human rights and contributes to the development of a sustainable human rights culture in South Africa.

##### **Strategic Support and Governance:**

The unit encompasses the functions of strategic planning, performance monitoring, evaluation, reporting, and communications and media relations.

**Office of the Chief Executive Officer:**

The Chief Executive Officer 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.

**(b) Programme 2: Research, Monitoring and Reporting**

This programme consists of two business units – Research, and Promotion of Access to Information.

**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 in the Republic.

**Promotion of Access to Information:**

The PAIA unit is responsible for monitoring and promoting compliance with and protecting the right to access information. The work of the unit is directed at promoting information flows and good governance to strengthen the participatory nature of democracy.

**(c) Programme 3: Administration**

This programme consists of three business units - Finance, Corporate Services, and Internal Audit.

**Finance:**

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

**Corporate Services:**

This unit encompasses the functions of administration, supply chain management and human resources management. It establishes and manages integrated supply chain management, asset management and coordination of all administrative functions of the Commission within defined regulatory frameworks. The unit aligns the Commission's human resource objectives to its planning processes, enabling recruitment and retention of staff with capacity to support the achievement of strategic objectives.

**Internal Audit:**

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

## **2.2 Alignment of programme structure with strategic objectives**

The programmes of the Commission are aligned with the strategic objectives for meaningful realisation of the Commission's outcome-oriented goals and priorities. It is for this reason that performance information for 2014/15 is presented by strategic objective. The following is a schematic presentation of alignment of programme structure of the Commission with strategic objectives.



Table 2: Alignment of strategic objectives with programmes

Strategic objective	Promotion and Protection of Human Rights (Commissioner's Programme, Legal Services, Human Rights Advocacy, Strategic Support and Governance, and Office of the CEO)	Research, Monitoring and Reporting (Research, and Promotion of Access to Information)	Administration (Finance; Corporate Services, and Internal Audit)
International compliance	X	X	
Focal point for human rights	X	X	
Enhance understanding and human rights culture	X	X	
Realisation of human rights	X	X	
Project a broader legislative mandate	X	X	
Effectiveness and efficiency	X	X	X

As indicated in table 2, most of the programmes and business units' operations contribute to the achievement of strategic objectives, hence the presentation of performance mainly by strategic objective.

2.3 Organisational performance by strategic objectives and targets

The intention of this section is to report on organisational performance against performance indicators and planned targets set for 2014/15. It covers key highlights for each strategic objective and identifies areas of under-performance. An account of actual achievements against planned targets is presented in tabular format.

In summary, the Commission achieved 92% of its annual performance targets for 2014/15. Institutional performance improved slightly from 87% in 2013/14.

2.3.1 Strategic objective 1: Promote compliance with international and regional obligations

(a) Key highlights

The Commission achieved eight of the nine targets planned towards promoting compliance with international and regional obligations.

The South African Human Rights Commission Act, 2013 (Act No. 40 of 2013) (SAHRCA) provides for the establishment and also mandates the SAHRC to monitor South Africa's international obligations. At an international level the Commission is considered an important partner by the International Coordinating Committee of national human rights institutions (NHRIs):

- a) The SAHRC Chairperson holds the chairmanship of the ICC;
- b) It is being considered by the ICC for best practice in dealing with water and sanitation issues;
- c) Recognised by the United Nations as the second NHRI to have issued comprehensive internationally-acknowledged minimum standards on basic education through the Charter of Children's Basic Education Rights; and
- d) Approached by the national government for appointment as a monitoring mechanism in terms of section 33 of the Convention on the Rights of Persons with Disabilities.



### ***Country compliance with international and regional obligations***

At a national level the Commission's activities towards promoting compliance with international and regional obligations seek to influence the human rights landscape in South Africa. To this end the Commission monitors the state of compliance within the country with respect to ratification, reporting and domestication of international instruments and implementation of agreements.

In a report shared with the portfolio committee on justice and correctional services during the financial year, a summary of the findings indicated that South Africa had ratified eight treaties, two of which had several outstanding reports, and had not ratified three treaties. In November 2014, South Africa had submitted six reports to the UN treaty bodies.

One of the measures adopted by the Commission in 2014/15 was to establish collaborative approaches with mandate holders to help the SAHRC ensure that government makes significant progress in complying with human rights obligations. In this regard the Commission seeks to enhance the understanding and role of the mandate holders as well as explore future collaborative engagements.

### ***Submission on human rights instruments and country reports***

Part of the monitoring function with respect to international obligations entails reviews of government implementation of undertakings and agreements reached on the basis of the Commission's critique and recommendations. This work is manifested in the commentaries and submissions made by the Commission on various country reports and international human rights instruments. During 2014/15 the Commission achieved the following:

- a) Review of South Africa's country report under the International Covenant on Civil and Political Rights (ICCPR), and developed an outline of issues to be included in SAHRC's shadow report;
- b) Submission to the Office of the High Commissioner for Human Rights (OHCHR) on the "Right to participate in public affairs";
- c) Submission made to the UN special rapporteur on adequate housing;
- d) Completed article on 25 years of the anniversary of the United Nations Convention on the Rights of the Child (UNCRC). This was published in the *Mail and Guardian* on 21 November 2014;
- e) Participation and input to the Convention on the Rights of the Child (CRC) round-table;
- f) Completed questionnaire for the UN working group on discrimination against women in law and practice on gender responsive NHRIs;
- g) Submission made to the OHCHR on UN Human Rights Council Resolution 25/20 on the right to education of persons with disabilities for the Office of Commissioner Malatji;
- h) Submission on good practice related to human rights and environmental conservation for UN independent expert; and
- i) Submitted response to OHCHR questionnaire on albinism.

### ***International and regional engagement activities***

Some of the more specific international and regional engagements undertaken include:

International:

- a) Several engagements relating to the Chairperson's role as chairperson of the International Coordinating Committee (ICC) of national human rights institutions (NHRIs) were undertaken. These were largely aimed at strengthening NHRIs across the globe, including issues of accreditation, financial states, reprisals, and participation in UN processes. At this level, the Commission further deliberated on the inclusion of human rights elements in the post-2015 development agenda. From an ICC perspective, particular consideration was given to the role of human rights institutions in ensuring that inequality is adequately dealt with;
- b) Participation and delivery of statement at the opening session of the 12<sup>th</sup> session of the Convention on the Rights of Persons with Disabilities (CRPD);
- c) Presented at and participated in the United Nations Development Programme (UNDP) dialogue on extractives;
- d) Panellist at the first meeting between NHRIs national independent monitoring mechanisms designated under article 33.2 of the UNCRPD and the committee on the rights of persons with disabilities; and





- e) Participated at the seventh session of the Conference of States Parties (COSP7) to the UN Convention on the Rights of Persons with Disabilities.

Regional (Network of African National Human Rights Institutions):

- a) Participated at the Network of African National Human Rights Institutions (NANHRI) steering committee engagements dealing with leadership, financial situation, fundraising and reporting;
- b) Participated at the NANHRI and the Association for the Prevention of Torture learning incubator workshop on training of public officials;
- c) Participation at the workshop on monitoring the promotion of the rights of persons with disabilities; and
- d) Delivery of the opening statement at the NANHRI expert accreditation workshop which was the last phase of the three part training of resource persons who will assist African NHRIs build their capacities in specific thematic areas.

Regional (African Commission on Human and People's Rights):

- e) Participated at the African regional forum on business and human rights; and
- f) Hosted the African Commission on Human and People's Rights working group workshop on extractive industries.

### **Conclusion**

While acknowledging the efforts of the Department of International Relations and Cooperation (DIRCO), as well as Justice and Constitutional Development (DOJ&CD), there remain difficulties in promoting South Africa's compliance with international and regional obligations. These generally include:

- a) Delay in the signing and ratification of instruments;
- b) Delays in reporting to treaty bodies; and
- c) Limited opportunities to interact with international (UN) and regional systems in assessing progress towards realisation of human rights.

The SAHRC will continue to monitor compliance and report to Parliament, as well as engage relevant stakeholders with respect to improving ratification, domestication and country reporting on international and regional instruments with human rights implications.

**Table 3: Achievement against planned targets for compliance with international and regional obligations**

<b>Strategic objective 1: Promote compliance with international and regional obligations</b>						
<b>Objective statement: Promote compliance with international human rights obligations within South Africa and the Commission</b>						
<b>Annual performance indicator</b>	<b>Actual achievement 2013/14</b>	<b>Planned target 2014/15</b>	<b>Actual achievement 2014/15</b>	<b>Reasons for deviation from planned target for 2014/15</b>	<b>Variance from 2013/14 to 2014/15 achievements</b>	<b>Comment on variances/ corrective measures</b>
Participation in ICC chairperson's role activities	9	6	10	Target exceeded due to increased responsibility resulting from assumption of ICC chairperson role	Slight increase due to increased responsibility	Slight increase due to increased responsibility
Participation in international SAHRC activities	New indicator	2	8	Target exceeded due to external invitations	New indicator	New indicator
Participation in NANHRI activities	9	2	5	Target exceeded due to external invitations	Activities dependent on external invitations	Activities dependent on external invitations
Participation in ACHPR activities	2	2	2	Target achieved	None	None
Implementation of annual SAHRC action plan based on outcomes of 2013/14 international and regional activities	100%	100%	100%	Target achieved	None	None



Table 3: Achievement against planned targets for compliance with international and regional obligations (continued)

Strategic objective 1: Promote compliance with international and regional obligations						
Objective statement: Promote compliance with international human rights obligations within South Africa and the Commission						
Annual performance indicator	Actual achievement 2013/14	Planned target 2014/15	Actual achievement 2014/15	Reasons for deviation from planned target for 2014/15	Variance from 2013/14 to 2014/15 achievements	Comment on variances/ corrective measures
Number of study tours hosted for capacity development of other national human rights institutions	New indicator	4	3	4 <sup>th</sup> study tour was cancelled by the visiting institution	New indicator	New indicator
Completion of annual international and regional human rights report completed by 31 March 2015	Report completed	Report completed	Report completed	Target achieved	None	None
Percentage draft submissions on relevant international human rights instruments/country reports by 31 March 2015	New indicator	100%	100%	Target achieved	New indicator	New indicator
Meeting with selected United Nations mandate holders by 31 March 2015	New indicator	1	1	None	New indicator	New indicator

### 2.3.2 Strategic objective 2: Position the Commission as the focal point for human rights in South Africa

Positioning the Commission as a focal point for human rights entailed engaging stakeholders and experts, as well as, media engagements to improve profile of the Commission and raise public awareness.

#### (a) Key highlights

The Commission achieved all seven targets for this strategic objective, thus recording 100% achievement in the period under review.

##### ***Stakeholder engagements***

The hosting of engagements with key stakeholders and experts provides opportunities for the Commission to interact strategically on human rights issues of national concern. Through the engagements, the Commission is able to solicit expert input and stakeholder collaborations, which enhance its positioning as a focal point for human rights. This happens through engagements in the form of workshops, dialogues, round-tables, and seminars on the various focus areas of Commissioners and other human rights topics of current concern. Some of the engagements conducted in 2014/15 include:

- a) Hosting of business and human rights round-table on ensuring an inclusive work environment for persons with disabilities;
- b) Participation at the policy dialogue workshop on water governance in traditional communities of South Africa;
- c) Hosting of and panellist at business and human rights on a focus on consumer credit: the implication of micro lending on access to justice;
- d) Assessing the functionality of the equality courts in Mpumalanga, and discussions on best practices;
- e) Engagement with the South African Older Persons Forum board;
- f) Participation at the racism focus group dialogue hosted by the Nelson Mandela Foundation;
- g) Discussions on criminal justice systems with Ms Jennifer Taylor, a visiting researcher at Wits Justice Project from the United States;
- h) Meeting with the Deputy National Commissioner of South African Police Services, Lieutenant General Mbekela, regarding complaints of racism;
- i) Engagement with Prof Ciraj Rassool regarding the Khoisan genocide;
- j) Participation at the emergency meeting of SA UN protection working group in relation to the attacks on foreign nationals, refugees and asylum seekers;
- k) Hosting a round-table discussion on the commemoration of the 25<sup>th</sup> anniversary of the United Nation's Convention on the Rights of the Child; and
- l) Convening the CoGTA/SAHRC meeting on water and sanitation recommendation on budgets, contracts and IDPs.

##### ***Parliamentary and provincial legislature meetings***

While the Commission has committed to its statutory reporting obligations and accountability activities in relation to strategic planning and performance reporting, it has further engaged with Parliamentary structures to advocate for support of human rights based approaches. The following are some of the engagements in this regard:

- a) Presented a report on poverty traps and social exclusions among children in South Africa and the work of the children and basic education portfolio to the portfolio committee on social development;
- b) Engaged with the Northern Cape Premier, Ms Sylvia Lucas, the Speaker, the Hon Mosimanegare K Mmoimaga and the Provincial Commissioner of the South African Police Services;
- c) Presented on the findings of the hearing into systemic challenges affecting the land restitution process in South Africa to a briefing session in Parliament;
- d) Participated in a meeting with the Speaker of the Eastern Cape provincial legislature;
- e) Provided and participated in submissions at the Gauteng provincial legislation oversight committee session;
- f) Participated in the portfolio committee meeting to discuss the Use of Official Languages Act;



- g) Attended and presented at a meeting with the portfolio committee on justice and correctional services on outstanding reporting obligations in relations to international instruments; and
- h) Participated at portfolio committee meeting focusing on cultural and linguistic rights, regarding the intervention required in terms of access to Justice.

### **Section 11 committees**

The Commission has established and hosted Section 11 committee meetings, consisting of experts across a range of fields, aligned with Commissioners' focus areas, and related to the protection of rights, as well as the promotion and monitoring of human rights observance. Several stakeholder experts have contributed and shared their vast knowledge and experience with the Commission. The stakeholder and expert contributions mainly related to expert advisory roles and sharing of experiences to assist and advise the Commission in the development of strategies, implementation of actions, making recommendations, monitoring and evaluation to determine effectiveness and impact. The following committee engagements were convened in 2014/15:

- a) Business obligations for human rights in relation to basic services, health, CEDAW and PAIA;
- b) Advancing human rights in the context of rural development and natural resources management;
- c) Policing and prevention of torture;
- d) Right to health and health care;
- e) Older persons;
- f) Advancing human rights in the context of rural development and natural resources;
- g) Establishment of Section 11 committee on the right of access to justice and hosting of Section 11 committee launch on access to justice and the Know Your Constitution campaign;
- h) Migration issues;
- i) Children and basic education;
- j) Disability;
- k) Rural consultations in East London, Bloemfontein, Pietermaritzburg, KwaZulu-Natal and Hoedspruit;
- l) Engagement with National Commissioner of SAPS; and
- m) Human rights, gender and macro-economic policy.

### **Communications and media relations**

In terms of positioning through public communications and media relations, the Commission has, achieved the following over the past two financial years:

- a) Reduced turnaround response times to media queries to a maximum of one day;
- b) Attracted a generally positive image of the Commission based on public perception from social media (with recent tweets commending the Commission for its involvement in transformation at universities);
- c) Measured a 70% positive feedback about the work and image of the Commission from a Facebook survey of 100 respondents;
- d) Increased social media coverage over the last year to a following of more than 3 000 for Facebook and in excess of 9 000 for Twitter;
- e) Achieved a national potential, indicated by our media monitoring service, of:
  - i) Newspaper readership of above 30 million;
  - ii) Radio listenership of above 35 million; and
  - iii) TV viewership of approximately 66 million; and
- f) Achieved potential international publicity of:
  - i) Newspaper readership of above 400 million;
  - ii) Radio listenership of above 7 million; and
  - iii) TV viewership of approximately 199 million.

Further indicators of improved publicity and positive image are evident in the increased media requests for opinion pieces and queries on various human rights topics and current issues.

**Table 4: Achievements against planned targets for positioning the Commission as the focal point for human rights**

<b>Strategic objective 2: Position the Commission as the focal point for human rights in South Africa</b>							
<b>Objective statement:</b> Expand the visibility of the Commission through improved communication that includes media stakeholder engagement, and increased responsiveness to individuals							
<b>Annual performance indicator</b>	<b>Actual achievement 2013/14</b>	<b>Annual planned target 2014/15</b>	<b>Actual achievement 2014/15</b>	<b>Reasons for deviation from planned target for 2014/15</b>	<b>Variance from 2013/14 to 2014/15 achievements</b>	<b>Comment on variances/ corrective measures</b>	
Number of stakeholder engagements conducted	98	108	251	Target exceeded due to external invitations received	Target exceeded due to external invitations received	Target exceeded due to external invitations received	
Number of provincial human rights clinics hosted	New indicator (plan developed)	18	18	Target achieved	New indicator	Target achieved	
Number of parliamentary and provincial legislature meetings participated in	14	12	15	Target exceeded due to parliamentary schedule	Target exceeded due to parliamentary schedule	Target exceeded due to parliamentary schedule	
Percentage implementation of resolutions from the Forum for Institutions Supporting Democracy (FISD)	100%	100%	100%	Target achieved	None	Target achieved	
Establishing and convening of Section 11 committee meetings	15	Establish and convene Section 11 committees as a mechanism for positioning the Commission as a focal point for human rights	1 established and 14 meetings convened	Target achieved	Committees convened in alignment with strategic focus areas	Committees convened in alignment with strategic focus areas	
Percentage implementation of annual media and communications plan	100%	100%	100%	Target achieved	None	Target achieved	
Hosting of conference on South Africa's 20 years of democracy	New indicator	Host conference on 20 years of democracy	Hosted	Target achieved	None	Target achieved	





### 2.3.3 Strategic objective 3: Enhance and deepen the understanding of human rights and promote a human rights culture

Contribution to this strategic objective includes hosting of events, including conferences, workshops, round-tables, etc, to engage on topical human rights issues, and commemorate human rights calendar days, as well as materials development to promote awareness.

#### (a) Key highlights

The Commission achieved all four targets for this strategic objective. These included hosting of events to commemorate and celebrate human rights calendar days, development and distribution of educational material, as well as an advocacy report, with key focus on the theme of business and human rights.

#### **Annual theme: Business and human rights**

The annual theme of the Commission for 2014/15 was business and human rights. All provincial offices conducted round-table discussions on the theme with a view to:

- a) Establish common understanding of the United Nations guidelines for business and human rights;
- b) Reach consensus on key priority areas of concern; and
- c) Propose possible interventions to address the concerns.

These engagements paved the way for the Commission-led business and human rights interventions, focusing on some of the identified priority areas, with a view to creating a human rights-based business environment across the country.

A number of critical issues emanated from the provincial engagements that took place from April to December 2014. Many of the findings correlated across the various provinces while others spoke specifically to the particular conditions in the province.

#### **Business and Human Rights Country Guide**

By the end of the financial year, the Commission, together with the Danish Institute for Human Rights, produced a Human Rights and Business Country Guide for South Africa to assist companies on how they can promote and respect human rights in South Africa.

The Country Guide provides insight into how businesses in South Africa are currently complying with human rights principles, as well as areas that require corporate engagement to achieve greater levels of compliance.

The guide also makes reference to and reflects on many business and human rights cases in which the Commission is involved, and makes important recommendations to government and other stakeholders on measures to achieve enhanced compliance in key areas such as the environment, setting a minimum wage in sectors such as agriculture, and providing decent housing, amongst others.

Other key human rights challenges highlighted in the guide include:

- a) Ethnic minorities may be at risk of discrimination in the workplace. Particular attention should be given to promotion and wage discrimination for ethnic minorities;
- b) Indigenous peoples may be at risk of access to employment and workplace discrimination. Particular attention is encouraged in the area of hiring and differential treatment in the workplace;
- c) Migrant workers may be at risk of limited access to formal employment and workplace discrimination. Particular attention is encouraged in the areas of working conditions/ occupational health and safety;
- d) Persons with disabilities may be at risk of limited access to employment and workplace discrimination. Particular attention is encouraged in the area of hiring, discrimination and access to workplace facilities;

- e) Sexual minorities: Lesbian, gay, bisexual, transgender or intersex persons may be denied access to employment or discriminated against in the workplace. Particular attention is encouraged in the areas of hiring, privacy and workplace harassment;
- f) Women may be at risk of discrimination in the workplace. Particular attention is encouraged in the area of the informal sector and to the areas of hiring, equal pay, working conditions, sexual harassment, maternity and pregnancy; and
- g) Temporary workers may be at risk of discrimination in the workplace. Particular attention is encouraged in the areas of hiring and working conditions.

Compiled with the assistance of the Centre for Human Rights, University of Pretoria, the South African Human Rights Commission and the Danish Institute for Human Rights, the Commission intends implementing training workshops to assist government and concerned stakeholders to implement the country guide. It is also hoped that a business and human rights action plan, facilitated by government, will be developed.

Going forward, the country guide will be an essential instrument in policing business' compliance with human rights and will empower civil society to measure progress and regression in sectors such as mining, safety and security, and conditions of employment. More importantly, it will provide business with insight about what it can do to positively contribute to the human rights discourse in South Africa.

The Guide, a first of its kind in Africa, has been officially handed to the Department of International Relations and Cooperation with the aim of it developing a national action plan on business and human rights in the country. It will also be sent to Parliament for relevant portfolio committees to monitor its implementation.

#### ***Advocacy and public outreach engagements***

While stakeholder engagements are conducted to position the Commission as a focal point for human rights, they also serve as advocacy vehicles to enhance understanding and promote a human rights culture in South Africa. The outcomes and lessons from these engagements are continuously recorded for consolidation into an advocacy report towards the end of the financial year. This report and documented experiences will also serve to inform ongoing advocacy work throughout the strategic plan period.

The advocacy report showcases the work of the Commission through the various stakeholder engagements. All the engagements carry the operational methodologies of advocacy as set out in the advocacy strategy and all have been interactive, informative, responsive and action-oriented.

An assessment of the recommendations made, as well as the impact of each stakeholder engagement, clearly shows that the work of the Commission has without doubt informed communities about general and specific human rights. Beneficiaries of the engagements have also been made aware of the mechanisms available for redress.

Common cross-cutting themes such as the rights of persons with disabilities have featured prominently under the various themes. It is also clear that, while government is the primary pacesetter, all stakeholders have the responsibility to ensure an inclusive human rights culture within society.

The Charter of Children's Basic Education has an important role to play in addressing the various challenges that continue to be experienced in the education system. As an educative tool, it will assist in bringing more attention to the quality of schooling. The monitoring element of the charter





will play a crucial role in monitoring government policy, school management, SGB operations and the quality of education. The utilisation of the 4As in the charter provide an excellent tool and guideline through which to assess the level of excellence at our schools. The charter, being relatively new and the most comprehensive of the three in the world, is poised to play a prominent role if used widely and effectively. The Commission will continue to make a positive contribution to education through the charter.

Poor or non-delivery of basic services to the public, especially at community level, remains a topical issue for concern. As has been noted in the past, limited capacity of councillors, limited budgets and alienation of the community are an on-going challenge. Participants in stakeholder engagements indicated that councillors need training and skills development, reflecting their lack of confidence in the municipalities under which they live. The lack of communication and involvement by communities in the integrated development plans (IDPs) and other activities leave the community frustrated and has been a large contributor to many of the protests. There is suspicion, anger and desperation. As one analyst indicated, people protest because they want to be heard and to be taken seriously, thus making honest communication and dialogue key to development.

The inequality and discrimination that continues to be felt by sectors of South African society also dominated the theme of the engagements. The rights of women, particularly the elderly and those that are rural based, still needs much attention. Women who fall under traditional leadership have their rights curtailed due to traditional and cultural beliefs and practices. The case of Hosi N'wamitwa II in Limpopo who, after being discriminated against on the basis of her gender, subsequently won her chieftaincy through a Constitutional Court process, is a classic example of how the application of human rights mechanisms can result in victory for marginalised people.

As is the case of other forms of discrimination, the Commission has a huge task to deal with inequality and discrimination. The use of the Promotion of Equality and Prevention of Unfair Discrimination Act (PEPUDA), as well as the easy and inexpensive access to the equality courts, is also another mechanism that communities can use to address discriminatory practices.

In order to increase its reach, collaborative partnerships between the commission and a broad range of stakeholders are therefore vital. In addition, decisive action by government is also required in dealing with cases of discrimination based on race. The education sector appears to be rife with such cases. Calls for national public enquiries and the indication by the Commission of its readiness to conduct an investigation on racism in schools, are steps in the right direction.

Environmental rights featured prominently in stakeholder engagements. The harm to communities affected by the mining industry through pollution, the use of water and the deterioration of the soil, is well documented. Continuous lobbying, education and advocacy must continue to be used to combat these activities.

The human rights message needs to be pervasive throughout society on a continuous basis until it becomes a culture that is deeply embedded in South African society.

**Table 5: Achievements against planned targets for enhancing and deepening the understanding of human rights and promoting a human rights culture**

<b>Strategic objective 3: Enhance and deepen the understanding of human rights and promote a human rights culture</b>							
<b>Objective statement: To enhance understanding and build capacity for human rights</b>							
<b>Annual performance indicator</b>	<b>Actual achievement 2013/14</b>	<b>Annual planned target 2014/15</b>	<b>Actual achievement 2014/15</b>	<b>Reasons for deviation from planned target for 2014/15</b>	<b>Variance from 2013/134 to 2014/15 achievement</b>	<b>Comment on variances/ corrective measures</b>	
Number of national human rights events hosted	2	2	2	Target achieved	None	Target achieved	
Number of provincial human rights calendar day events hosted	19	18	21	Target exceeded as provinces took the initiative to extend their participation for wider reach, using allocated budget	Improved performance as provinces took initiative to extend their participation for wider reach, using allocated budget	Improved performance for wider reach	
Production of promotional material	Target achieved	Produce promotional material: Poster on SAHRC in 11 official languages and publication on a disability rights best practice for the private sector by 31 March 2015	Target achieved	Target achieved	None	Target achieved	
Completion of advocacy report	Completed report on round-table on business, trade and human rights	Complete advocacy report	Advocacy report completed	Target achieved	None	Target achieved	



#### 2.3.4 Strategic objective 4: Advance the realisation of human rights

The objective of advancing the realisation of human rights is carried through the Commission's constitutional mandate of protecting and monitoring the observance of human rights.

##### (a) Key highlights

All the targets (14) that were planned in the period under review with respect to the drafting of the research reports, monitoring and evaluation report, as well as legal services outputs were realised.

##### ***Economic and social rights***

The Commission monitors the state of human rights in the country and makes recommendations for interventions to improve the *status quo* and advance the realisation of human rights. The 2013/14 economic and social rights report was completed, reflecting on the state of economic and social rights in South Africa. The report covers issues of access, policy and legislative development as well as maximisation of resources with respect to the economic and social rights enshrined in the Constitution.

To enhance its function in this regard, the Commission has been working on a matrix of indicators for the monitoring of economic and social rights. The focus this financial year was on environmental and water and sanitation indicators.

##### ***Implementation of recommendations***

One of the key focuses during the financial year was the establishment of a mechanism to monitor implementation of recommendations by relevant stakeholders that arise from the Commission's report findings. The mechanism will enhance assessment of the effectiveness and potential impact of our institutional human rights protective and promotional efforts on society. It is also aimed at improving government accountability for human rights violations and redress. The Commission has consolidated findings and recommendations from the previous three years, and is packaging them for engagement with relevant stakeholders. The nature of recommendations have been broadly clustered into relevant possible action including legislative reform, policy review and development, education and awareness, specific action to improve performance and implementation, litigation based on details of the cases.

Due to the volume of recommendations contained in reports dating back to 2008, it is proposed that the monitoring exercise for 2015/16, as the first of its kind, be used as a pilot to assess effectiveness of the monitoring approach. As such, some of the most recent reports (2012 to 2014) relating particularly to economic and social rights, will be prioritised. In addition, the recommendations from the reports on xenophobia, water and sanitation, and access to health care services will also be included.

##### ***Baseline survey of stakeholder perceptions***

A preliminary survey of key stakeholder perceptions was undertaken in the last quarter of the financial year, in order to ascertain perceptions of the Commission's effectiveness in delivering on its mandate and the impact of its work on society. The results of the survey will be used to develop recommendations that will ensure that the concerns of stakeholders are addressed and integrated into the strategies of the Commission to ensure greater public impact and awareness into the future. The survey is being conducted in two phases, the first of which was in 2014/15 in the form of interviews with selected stakeholders and focus groups with selected communities. The second and more extensive phase of the project will target the general South African public and will be conducted during 2015/16.

The targeted stakeholders during phase one included academics, religious bodies, civil society, section 11 committees, internal staff, constitutional institutions, media, NPOs in education as well as migration, and business.

Findings from the preliminary survey included the following as perceived key issues of concern in the human rights environment:

- a) Xenophobia and migration;
- b) Violations by state entities/SAPS;
- c) Issues of discrimination and prejudice; and
- d) Poverty and economic rights.

Overall, 63% of the perceptions were positive, while 10% were negative, and 27% were neutral. Some of the key issues highlighted for the Commission to continue being engaged with included:

- a) Dealing with xenophobia;
- b) Regional and international participation;
- c) Improving communications; and
- d) Education and advocacy.

Some of the key challenges highlighted for the Commission to consider improving or cease included:

- a) Poor communication;
- b) Concentration in urban areas; and
- c) Inadequate government confrontation.

#### ***Finalisation of cases and complaints analysis***

The finalisation of cases based on complaints received has exceeded the targeted 85%. For the first time, the Commission completed a detailed annual complaints trends analysis report in 2014/15 covering the previous strategic planning period of 2011 to 2014, focusing on profiling the complaints, nature of complaints received, the top five complaints, litigation matters, conciliation cases, appeals, and national hearings. The trends report will enhance the Commission's planning and management of complaints with informed strategies and focus areas into the future. The report will be further strengthened to include an analysis of complaints by urban, peri-urban and rural areas, with a view to enhancing outreach and protecting rights in marginalised areas.

The legal services function has also revised the complaints handling mechanisms and procedures to include the development of a plan to roll out a child-friendly complaints procedure and a customer perception and satisfaction survey element.

#### ***High court rulings***

Some of the key highlights that indicate the Commission's commitment and effectiveness in advancing the realisation of human rights are two high court rulings that were handed over in favour of and in alignment with the Commission's findings. They are:

- a) A ruling on the unconstitutional detention of immigrants at the Lindela Repatriation Centre, against the Department of Home Affairs; and
- b) A ruling on the delivery of school learning materials and/or textbooks, against the Department of Basic Education.

The Commission will continuously engage with key policy makers to advocate for the implementation of its recommendations, monitor compliance levels and evaluate its impact over time.

#### ***National Hearings***

A total of four national hearings were hosted to promote accountability and commitment of respective stakeholders to human rights observance. These included:

- a) The National Hearing into Transformation at Universities in South Africa;
- b) The National Hearing on Service Delivery Challenges and Housing;
- c) The Provincial Hearing in Emergency Medical Services in the Eastern Cape; and
- d) The National Hearing into Safety and Security Challenges in Farming Communities.

Reports on these hearings will be drafted and completed in the 2015/16 financial year and presented to Parliament to enable Parliament to hold the Executive accountable.



**Table 6: Achievements against planned targets for advancing the realisation of human rights**

<b>Strategic objective 4: Advance the realisation of human rights</b>						
<b>Objective statement:</b> Monitor, evaluate and report on the realisation of human rights and in particular, the progressive realisation of economic and social rights as required by Section 184 (3) of the Constitution						
<b>Annual performance indicator</b>	<b>Actual achievement 2013/14</b>	<b>Annual planned target 2014/15</b>	<b>Actual achievement 2014/15</b>	<b>Reasons for deviation from planned target for 2014/15</b>	<b>Variance from 2013/14 to 2014/15 achievements</b>	<b>Comment on variances/ corrective measures</b>
Completion of annual performance monitoring and evaluation report	Report completed	Report completed	Report completed	Target achieved	None	Target achieved
Completion of public perceptions baseline survey	New indicator	Complete public perceptions baseline survey	Completed phase for 2014/15	Target achieved	New indicator	Target achieved
Completion of 2013/14 Section 184 (3) report	2012/13 report completed	Complete 2013/14 Section 184 (3) report by 30 June 2014	Report completed	Target achieved	None	Target achieved
Completion of special focus area report	Report completed	Report completed	Report completed	Target achieved	None	Target achieved
Development of draft matrix for two economic and social rights (ESR) areas	Draft matrix developed for three ESR areas	Develop draft matrix for two ESR areas by 31 March	Matrix developed for two ESR areas	Target achieved	None	Target achieved
Ongoing data gathering for 20 years of SAHRC report and documentary	New indicator	Ongoing data gathering for 20 years of SAHRC report and documentary	Data gathering undertaken – draft inception report	Target achieved	New indicator	Target achieved
Percentage submissions on relevant draft legislation	100%	100%	100%	Target achieved	None	Target achieved

**Table 6: Achievements against planned targets for advancing the realisation of human rights (continued)**

<b>Strategic objective 4: Advance the realisation of human rights</b>							
<b>Objective statement:</b> Monitor, evaluate and report on the realisation of human rights and in particular, the progressive realisation of economic and social rights as required by Section 184 (3) of the Constitution							
<b>Annual performance indicator</b>	<b>Actual achievement 2013/14</b>	<b>Annual planned target 2014/15</b>	<b>Actual achievement 2014/15</b>	<b>Reasons for deviation from planned target for 2014/15</b>	<b>Variance from 2013/14 to 2014/15 achievements</b>	<b>Comment on variances/ corrective measures</b>	
Percentage finalisation of cases	93%	85%	90%	Target exceeded due to performance improvement interventions undertaken in previous years	3%	Target exceeded due to performance improvement interventions undertaken in previous years	
Complete annual complaints trends analysis report	New indicator	Complete annual complaints trends analysis report	Report completed	Target achieved	New indicator	Target achieved	
Feasibility study for establishment of a complaints intake centre	New indicator	Conduct feasibility study for establishment of a complaints intake centre by 31 March 2015	Feasibility study conducted	Target achieved	New indicator	Target achieved	
Review of complaints handling manual and procedures	New indicator	Review complaints handling manual and procedures	Target achieved	Target achieved	New indicator	Target achieved	
Number of strategic impact litigation cases instituted	New indicator	Develop proposal for instituting two strategic impact litigation cases	Target achieved	Target achieved	New indicator	Target achieved	
Percentage completion of a project on corporal punishment	New indicator	100%	100%	Target achieved	New indicator	Target achieved	
Number of national hearings conducted	New indicator	4	4	Target achieved	New indicator	Target achieved	





### 2.3.5 Strategic objective 5: Use and project a broader constitutional and legislative mandate

The Commission achieved all the applicable targets set in the period under review. The strategic objective seeks to advance the right to equality and the right to access to information.

#### (a) Key highlights

The targets met include completion of the annual equality report, submission of the PAIA annual report to Parliament, and the completion of various PAIA reports and activities based on the annual strategy and plan.

##### ***Promotion of Access to Information Act (PAIA)***

The Promotion of Access to Information Act (PAIA) annual report was completed and submitted to Parliament during the year under review. It reflects on the national state of compliance with the PAIA and makes recommendations for improvements. Similarly, implementation of the recommendations will be assessed through the identified mechanisms for monitoring these across the human rights focus areas.

Training sessions were conducted for public and private sector institutions by the Commission as part of the PAIA strategy and annual plan.

The Commission has also considered the implications of the information regulator that is to be established to undertake the PAIA functions. It is deliberating on the implications of this establishment and how to rearrange its operations and plans into the future, as well as continue to provide support with respect to issues of access to information.

##### ***The Third Annual Equality Report***

In 2014/15 the Commission released its Third Annual Equality Report. The focus of the report is on an examination of violations of the right to racial equality in public universities, the Women Empowerment and Gender Equality Bill on promotion of substantive equality, inequality, disability and the implementation of the Convention on the Rights of Persons with Disabilities (CRPD), an exploration of the challenges faced in realising the rights of older persons, as the functionality and impact of equality courts.

In producing this report, a great deal of assistance was provided by a number of stakeholders, both within and outside the Commission. Without their contributions, the report would most certainly have not materialised in the manner that it has. This is demonstrative not only of the willingness of parties to cooperate, but also of the commitment to the advancement of human rights that is shared across various sectors of society.

Despite the concerted cooperation of a varied number of stakeholders, this report gives rise to a number of questions which are an imperative for the country to answer. These include the question as to why 20 years of democracy and non-racial governance have not narrowed the gap between the rich and the poor.

The Commission commits itself to taking these conversations forward.

In 2015, the SAHRC will celebrate its 20<sup>th</sup> year of existence. Like the anniversary of South Africa's democratic transition, this offers us an opportunity to consider our contribution to society and to renew the impetus to achieve the right to equality for all persons. It is a responsibility which the Commission takes seriously and intends carrying out with purpose and diligence. Even so, this must be accompanied by commitment on the part of government and other stakeholders to implement the recommendations contained in this report. It is hoped that more effective cooperation between Chapter 9 institutions, government and civil society can be forged to ensure that the lives of millions of people can be improved through the achievement of a just and fair society, founded on the rights to human dignity and equality. The SAHRC remains a willing partner in these endeavours.

**Table 7: Achievements against planned targets for using and projecting a broader constitutional and legislative mandate**

<b>Strategic objective 5: Use and project a broader constitutional and legislative mandate</b>						
<b>Objective statement: Fulfil the Commission's legislative obligations in relation to the right to equality and the right to access to information</b>						
<b>Annual performance indicator</b>	<b>Actual achievement 2013/14</b>	<b>Annual planned target 2014/15</b>	<b>Actual achievement 2014/15</b>	<b>Deviation from planned target for 2014/15</b>	<b>Variance from 2012/13 to 2014/15 achievements</b>	<b>Comment on variances/ corrective measures</b>
Completion of annual equality report	The equality report was completed by 31 March	Equality report completed by 31 March	Equality report completed	Target achieved	None	Target achieved
Submission of PAIA annual report to Parliament by 30 September	PAIA annual report was submitted to Parliament	Submit PAIA annual report to Parliament by 30 September	PAIA annual report was submitted to Parliament	Target achieved	None	Target achieved
Submission of recommendations report to DOJ&CD	Report was submitted to DOJ&CD	PAIA recommendations report submitted	Recommendations report was submitted to DOJCD	Target achieved	None	Target achieved
Completion of institutional compliance report	Completed report on review of SAHRC institutional compliance	Complete institutional compliance report by 31 March	Institutional compliance report was completed by 31 March	Target achieved	None	Target achieved
Percentage implementation of equality review committee meetings resolutions due for action by 31 March	0 (as no meetings were conducted)	100%	0 (as no meetings were conducted)	No resolutions could be implemented as no meetings took place.	None	The APP indicator description indicates that this target will be discounted as non-applicable should there be no meetings conducted
Percentage implementation of PAIA promotion and advocacy strategy and plan	100%	100%	100%	Target achieved	None	Target achieved
Number of pilot community sessions conducted for PAIA law clinic	25	Conduct 10 pilot community sessions for PAIA law clinic	10 sessions conducted	Target achieved	Target reduced to 10 due to university student schedules	Target reduced to 10 due to university student schedules





### **2.3.6 Strategic objective 6: Optimise the effectiveness and efficiency of the Commission to support delivery on the mandate**

The functionality of the organisation is, amongst others, indicated by its ability to perform against targets and adhere to legislative and compliance requirements:

- a) Maintain unqualified audit opinion status;
- b) Satisfactory attainment of performance targets;
- c) Annual and quarterly performance reporting and submission of planning documents to National Treasury; Parliament and the auditor-general;
- d) 92% compliance with all relevant legislative, regulatory and policy requirements against an annual target of 85%;
- e) Medium-Term Expenditure Framework submissions to National Treasury; and
- f) Full implementation of the organisational capacity development plan, which included training of all senior management on gender mainstreaming to ensure that the Commission remains a human rights institution committed to gender equality.

**Table 8: Achievements against planned targets to optimise the effectiveness and efficiency of the Commission to support delivery on the mandate**

<b>Strategic objective 6: Optimise the effectiveness and efficiency of the Commission to support delivery on the mandate</b>						
<b>Objective statement: Ensure that the objectives set out in the strategic plan are optimally met</b>						
<b>Annual performance indicator</b>	<b>Actual achievement 2013/14</b>	<b>Annual planned target 2014/15</b>	<b>Actual achievement 2014/15</b>	<b>Reasons for deviation from planned target for 2014/15</b>	<b>Variance from 2013/14 to 2014/15 achievement</b>	<b>Comment on variances/ corrective measure</b>
Percentage implementation of performance monitoring, evaluation and reporting (PMER) policy	90%	100% implementation of PMER policy	95% implementation	Not all performance contracts signed on time	5% increase	Stricter monitoring of PMER processes
Compliance with legislative planning and reporting requirements (including financial and non-financial performance information)	Estimated national expenditure (ENE) was submitted to National Treasury by deadline	Estimated national expenditure (ENE) to National Treasury by deadline	Estimated national expenditure (ENE) was submitted to National Treasury by deadline	Target achieved	None	Target achieved
	Annual financial statements and performance information submitted by 31 May	Submit annual financial statements and performance information to the AG and National Treasury by 31 May	Annual financial statements and performance information submitted by 31 May	Target achieved	None	Target achieved
	Submitted 2012/13 annual report to Parliament	2013/14 annual report to Parliament by 30 September 2014	2013/14 annual report submitted to Parliament by 30 September 2014	Target achieved	None	Target achieved
	Strategic plan and annual performance plan submitted on time	Submit 2015 - 2018 Strategic Plan and 2015/16 Annual Performance Plan to National Treasury and Parliament by end January 2015	2015 - 2018 Strategic Plan and 2015/16 Annual Performance Plan submitted to National Treasury by due dates	Target achieved	None	Target achieved



**Table 8: Achievements against planned targets to optimise the effectiveness and efficiency of the Commission to support delivery on the mandate (continued)**

<b>Strategic objective 6: Optimise the effectiveness and efficiency of the Commission to support delivery on the mandate</b>						
<b>Objective statement: Ensure that the objectives set out in the strategic plan are optimally met</b>						
<b>Annual performance indicator</b>	<b>Actual achievement 2013/14</b>	<b>Annual planned target 2014/15</b>	<b>Actual achievement 2014/15</b>	<b>Reasons for deviation from planned target for 2014/15</b>	<b>Variance from 2013/14 to 2014/15 achievement</b>	<b>Comment on variances/ corrective measure</b>
Audit opinion	Unqualified audit opinion	Clean audit / unqualified audit opinion for 2014/15	Unqualified audit opinion	Target achieved	None	None
Percentage implementation of action plan resulting from audit findings	59% implementation (59% resolved; 21% in progress; 20% open)	100% implementation of action plan resulting from audit findings due for resolution by 31 March 2015	82% resolved; 12% in progress; 6% open	Capacity constraints, as units give priority to core operations	None	Resolution of findings to be continuously monitored by Internal Audit unit, and incorporated within performance contracts
Percentage implementation of strategic risks annual treatment plan	60%	100%	80%	Capacity constraints, as units give priority to core operations	None	Implementation of risks treatment plan to be continuously monitored by Risk Manager, and incorporated within performance contracts
Percentage compliance with all relevant legislative, regulatory and policy requirements	85%	85% compliance with all relevant legislative, regulatory and policy requirements	92%	Target achieved	Increase by 7%	Target achieved
Percentage implementation of internal audit plan	100% implementation of internal audit plan	100% implementation of internal audit plan	100% implementation of internal audit plan	Target achieved	None	Target achieved

**Table 8: Achievements against planned targets to optimise the effectiveness and efficiency of the Commission to support delivery on the mandate (continued)**

Strategic objective 6: Optimise the effectiveness and efficiency of the Commission to support delivery on the mandate						
Objective statement: Ensure that the objectives set out in the strategic plan are optimally met						
Annual performance indicator	Actual achievement 2013/14	Annual planned target 2014/15	Actual achievement 2014/15	Reasons for deviation from planned target for 2014/15	Variance from 2013/14 to 2014/15 achievement	Comment on variances/ corrective measure
Percentage implementation of organisational staff capacity development plan	100%	100% implementation of capacity development plan	100% implementation of capacity development plan	Target achieved	None	Target achieved
Percentage implementation of records management plan	70%	100% implementation of records management plan	100% implementation	Target achieved	Increased from 70% to 100%	Target achieved
Percentage implementation of knowledge management plan	New indicator	100%	100%	Target achieved	New indicator	Target achieved



2.3.7 Strategies to deal with areas of under performance

The Commission under achieved its total targets for the 2014/15 financial year by 8%. The affected targets are presented in table 9.

Table 9: Non-achieved targets and remedial actions

STRATEGIC OBJECTIVE 1: PROMOTE COMPLIANCE WITH INTERNATIONAL AND REGIONAL OBLIGATIONS					
No.	Key performance indicator	Original annual target	Achievement as at 31 March 2015	Reasons for variance	Corrective action
1.	Number of study tours	4	3	4 <sup>th</sup> study tour cancelled by the visiting institution	Incorporate tours with learning exchanges and capacity development planning

STRATEGIC OBJECTIVE 6: IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE COMMISSION					
No.	Key performance indicator	Original annual target	Achievement as at 31 March 2015	Reasons for variance	Corrective action
1.	Percentage implementation of PMER policy	100%	95%	Some units delayed mid-term performance reviews. Inconsistent submission of monthly performance reports	Corporate services will facilitate acceleration and completion of the review sessions by all units
2.	Percentage resolution of audit findings due by year-end	100%	82% resolved	12% in progress; 6% open	Resolution of findings continuously monitored by Internal Audit unit, and incorporated with performance contracts
3.	Percentage implementation of strategic risks annual treatment plan	100%	80%	Capacity constraints	Monthly monitoring of implementation, and incorporated with performance contracts.



## PART C

### Corporate governance

**belief** *n., opinion; conviction.*

*belief*





# 1. EXECUTIVE AUTHORITY: 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 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 Commission confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct laid out in the King III Report on Corporate Governance for South Africa. The Commissioners have adopted all King III principles and have developed a corporate governance framework to implement those principles.

At the beginning of the 2014/15 financial year the Commission was headed by seven Commissioners.

**Table 10: Commissioner’s details and appointment status**

	Name	Appointment status
1	Adv M L Mushwana	Full-time (Chairperson)
2	P Govender	Full-time (Deputy Chairperson)
3	L Mokate	Full-time
4	B Malatji	Full-time
5	Adv M Ameerma	Full-time
6	D Titus	Part-time
7	J Love	Part-time

# 2. RISK MANAGEMENT

Legislating the implementation of risk management in public sector institutions is part of a macro strategy of the South African 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, 1999 (Act No. 1 of 1999) (PFMA) as amended by Act 29 of 1999, Treasury Regulations 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 and therefore endeavours to comply with the requisite legislation as it pertains to risk management. The Chief Financial Officer is responsible for the risk management processes in the Commission, and facilitated the development of a risk management register and plan, which identifies strategic risks and mitigating actions. The register is reviewed for progress on a quarterly basis.



### 3. INTERNAL AUDIT AND AUDIT COMMITTEES

#### Internal control

The Commission has ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system. The controls throughout the Commission focus on those critical risk areas identified by operational risk management, confirmed by management and assessed by the auditors. The controls are designed to provide cost-effective assurance that assets are safeguarded and that the available working capital is managed efficiently and economically. Organisational policies, procedures and the delegation of authority provide direction, accountability and division of responsibilities and contain self-monitoring mechanisms. The designed internal controls are closely monitored by both management and internal audit and action is taken to correct any deficiencies identified.

#### Audit committee

The audit committees enhance the independence of the internal audit activity and provide oversight over risk management, governance and control processes. The audit committee assists the CEO in the effective execution of his or her responsibilities with the ultimate aim of the achievement of the Commission's objectives. The SAHRC audit committee continues to function and has met five times during the period under review. The audit committee is responsible for improving management by overseeing the audit functions, internal controls and the financial reporting process.

The audit committee assists the South African Human Rights Commission to:

- a) Create and maintain an effective internal control environment, financial controls, accounting systems and reporting;
- b) Fulfil an oversight responsibility for the audit process;
- c) Identify material risks and management thereof;
- d) Monitor compliance with laws, regulations and the code of ethics;
- e) Ensure that the Commission is able to prevent, detect and respond to fraud and allegations of fraud; and
- f) Discharge its responsibility relating to:
  - i) safeguarding of assets;
  - ii) the operation of adequate procedures and controls;
  - iii) reviewing of the financial information; and
  - iv) the preparation of the financial statements.

#### Internal audit work performed

During the year under review, the Internal Audit unit developed a three-year strategic rolling plan and annual audit plan based on the strategic risks of the Commission. The risk-based plan focused primarily on reviewing the adequacy and effectiveness of the Commission's internal controls, risk management and governance processes.

In line with the PFMA requirements, the internal audit activity provided the audit committee and management with assurance that the internal controls were appropriate and effective. This was achieved by means of objective appraisal and evaluation of the risk management processes, internal control and governance processes, as well as identifying corrective action and suggested enhancements to the controls and processes.



The internal audit activity is fully supported by the management, the Commissioners and the audit committee, and has full and unrestricted access to all organisational activities, records, property and personnel.

The Internal Audit unit was able to achieve 100% of the approved internal audit annual plan. Among the reviews conducted during the 2014/15 financial year were:

- a) Asset management;
- b) Supply chain management and payables;
- c) Fraud and risk management;
- d) Audit of performance management reviews;
- e) Monitoring and evaluation audit;
- f) Governance (IT and corporate); and
- g) Operations (complaints handling, Promotion of Access to Information Act, research).

**Tabel 11: Audit committee members**

Name	Internal or external	Date appointed	Date resigned	Number of meetings attended
D Coovadia	External	1 September 2006	-	6
W Hattingh	External	1 December 2010	-	4
PR Mnisi	External	1 December 2010	30 September 2014	1
P Motsielwa	External	1 October 2011	-	4
M Malope	External	1 October 2014	-	2
G Matthee	External	1 October 2014	-	1

## 4. 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 Chief Operations Officer, while corporate related compliance issues are the responsibility of the Chief Financial Officer. The Chief Executive Officer has overall ultimate responsibility to monitor and ensure institutional compliance as accounting officer.



## PART D

# Human resource management

**social security** *n., public provision for the economic welfare of the aged, unemployed, etc.*

*social security*





# 1. HUMAN RESOURCE MANAGEMENT

## 1.1 Expenditure

The following tables summarise final audited expenditure by programme (table 12) and by salary bands (table 13). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands in the department.

**Table 12: Personnel costs by programme, 2014/15**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
CEO	11 282	8 243	28	3 514	73%	749
Commissioners	17 110	11 122	128	5 988	65%	412
Corporate and financial support services	48 381	19 123	433	11 126	40%	579
Programme support	55 805	38 436	1 495	7 273	69%	422
<b>Total</b>	<b>132 578</b>	<b>76 924</b>	<b>2 084</b>	<b>27 901</b>	<b>58%</b>	<b>475</b>

**Table 13: Personnel costs by salary bands, 2014/15**

Salary bands	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	-	-	-
Skilled (Levels 3-5)	1 839	2%	307
Highly skilled production (Levels 6-8)	20 058	26%	279
Highly skilled supervision (Levels 9-12)	35 396	46%	562
Senior management (Levels 13-16)	19 631	26%	935
<b>Total</b>	<b>76 924</b>	<b>100%</b>	<b>475</b>

The following tables provide a summary per programme (table 14) and salary bands (table 15) of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

**Table 14: Salaries, overtime, home owners allowance and medical assistance by programme, 2014/15**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
CEO	8 243	11%	1	-	229	3%	298	2%
Commissioners	11 122	14%	17	-	179	2%	280	1%

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Corporate and financial support services	19 123	25%	155	0.01	407	3%	709	4%
Programme support	38 436	50%	-	-	919	2%	1 603	3%
<b>Total</b>	<b>76 924</b>	<b>100%</b>	<b>173</b>	<b>0%</b>	<b>1 734</b>	<b>2%</b>	<b>2 890</b>	<b>3%</b>

**Table 15: Salaries, overtime, home owners allowance and medical assistance by salary bands, 2014/15**

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	-	-	-	-	-	-	-	-
Skilled (Levels 3-5)	1 839	2%	2	0.01	65	4%	119	7%
Highly skilled production (Levels 6-8)	20 058	26%	55	0.3	590	3%	1 139	5%
Highly skilled supervision (Levels 9-12)	35 396	46%	116	0.3	494	1%	1 151	2%
Senior management (Levels 13-16)	19 631	26%	-	-	585	3%	481	1%
<b>Total</b>	<b>76 924</b>	<b>100%</b>	<b>173</b>	<b>0.07%</b>	<b>1 734</b>	<b>2%</b>	<b>2 890</b>	<b>3%</b>

## 1.2 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (table 16), salary band (table 17) and critical occupations (table 18). Departments have identified critical occupations that need to be monitored. Table 18 provides establishment and vacancy information for the key critical occupations of the department.

**Table 16: Employment and vacancies by programme, 31 March 2015**

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
CEO	12	11	8%	-
Commissioners	27	27	0%	-



Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Corporate and financial support services	35	33	6%	-
Programme support	106	91	14%	-
<b>Total</b>	<b>180</b>	<b>162</b>	<b>10%</b>	<b>-</b>

**Table 17: Employment and vacancies by salary bands, 31 March 2015**

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	6	6	0%	-
Highly skilled production (Levels 6-8)	75	72	4%	-
Highly skilled supervision (Levels 9-12)	73	63	14%	-
Senior management (Levels 13-16)	26	21	19%	-
<b>Total</b>	<b>180</b>	<b>162</b>	<b>10%</b>	<b>-</b>

**Table 18: Employment and vacancies by critical occupation, 31 March 2015**

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Legal	53	46	13%	-
Training	14	12	14%	-
Research	24	21	13%	-
<b>Total</b>	<b>91</b>	<b>79</b>	<b>13%</b>	<b>-</b>

The information in each case reflects the situation as at 31 March 2015.

### 1.3 Job evaluation

The Public Service Regulations, 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 his or her organisation. In terms of the regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (table 19) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 19: Job evaluation, 1 April 2014 to 31 March 2015 (including vacant positions)**

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	-	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	75	8	11%	8	11%	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-	-
Senior management service band A	-	-	-	-	-	-	-
Senior management service band B	-	-	-	-	-	-	-
Senior management service band C	-	-	-	-	-	-	-
Senior management service band D	-	-	-	-	-	-	-
<b>Total</b>	<b>75</b>	<b>8</b>	<b>11%</b>	<b>8</b>	<b>11%</b>	<b>-</b>	<b>-</b>

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**Table 20: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2014 to 31 March 2015 (excluding vacant positions)**

Beneficiaries	African	Asian	Coloured	White	Total
Female	4	-	-	1	5
Male	3	-	-	-	3
<b>Total</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>8</b>
Employees with a disability	1	-	-	-	1

## 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 employment profile of the department. The following tables provide a summary of turnover rates by salary band (table 21) and by critical occupations (table 22).





**Table 21: Annual turnover rates by salary band for the period 1 April 2014 to 31 March 2015**

Salary band	Number of employees per band as on 1 April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	6	-	-	-
Highly skilled production (Levels 6-8)	72	8	4	5.5%
Highly skilled supervision (Levels 9-12)	63	12	6	9.5%
Senior management service Band A ( Level 13)	16	-	2	12.5%
Senior management service band B (Level 14)	3	-	-	-
Senior management service band C (Level 15)	2	-	-	-
<b>Total</b>	<b>162</b>	<b>20</b>	<b>13</b>	<b>8%</b>

**Table 22: Annual turnover rates by critical occupation for the period 1 April 2014 to 31 March 2015**

Occupation	Number of employees per occupation as on 1 April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Legal Services	53	2	2	4%
Training	15	1	2	13%
Research	21	5	2	10%
<b>Total</b>	<b>89</b>	<b>8</b>	<b>6</b>	<b>7%</b>

**Table 23: Reasons why staff are leaving the department**

Termination Type	
Death	2
Resignation	10
Retrenchment	-
Expiry of contract	-
Dismissal – operational changes	-
Dismissal – misconduct	-
Dismissal – inefficiency	1
Discharged due to ill-health	-
Retirement	-
Transfers to other public service departments	-
Other (voluntary separation package)	-
<b>Total</b>	<b>13</b>
Total number of employees who left as a percentage of the total employment	9%

**Table 24: Promotions by critical occupation**

Occupation	Employees as at 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Legal Services	53	4	8%	39	74%
Education	15	0	-	11	73%
Research	21	2	0.1%	6	29%
<b>Total</b>	<b>89</b>	<b>6</b>	<b>7%</b>	<b>56</b>	<b>63%</b>

**Table 25: Promotions by salary band**

Salary band	Employees 1 April 2014	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	-	-	-	-	-
Skilled (Levels 3-5)	6	-	-	-	-
Highly skilled production (Levels 6-8)	75	1	1	-	-
Highly skilled supervision (Levels 9-12)	73	5	7%	-	-
Senior management (Levels 13-16)	26	-	-	-	-
<b>Total</b>	<b>180</b>	<b>6</b>	<b>3%</b>	<b>-</b>	<b>-</b>

## 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 26: Total number of employees in each of the following occupational categories as on 31 March 2015 – including part-time Commissioners**

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	2	3	1	3	2	3	3	<b>29</b>
Professionals	9	1	1	0	10	3	2	4	<b>30</b>
Technicians and associate professionals	18	0	2	0	27	1	2	5	<b>55</b>
Clerks	3	0	0	1	36	2	0	1	<b>43</b>
Service and sales workers	-	-	-	-	-	-	-	-	<b>-</b>



Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	3	0	0	0	2	0	0	0	5
<b>Total</b>	<b>45</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>78</b>	<b>8</b>	<b>7</b>	<b>13</b>	<b>162</b>
Employees with disabilities	3	0	0	0	2	0	0	0	5

**Table 27: Total number of employees in each of the following occupational bands as on 31 March 2015 – including part-time Commissioners**

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	3	1	1	0	2	2	1	1	11
Senior management	3	1	2	1	1	2	2	1	13
Professionally qualified and experienced specialists and mid-management	23	1	3	0	24	3	3	5	61
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	1	1	29	1	1	4	46
Semi-skilled and discretionary decision making	4	0	0	0	20	0	0	2	26
Unskilled and defined decision making	3	0	0	0	2	0	0	0	5
<b>Total</b>	<b>45</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>78</b>	<b>8</b>	<b>7</b>	<b>13</b>	<b>162</b>

**Table 28: Recruitment (including employees with disabilities and research associates) for the period 1 April 2014 to 31 March 2015**

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	1	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	6	0	0	6	0	0	0	0	12
Semi-skilled and discretionary decision making	3	0	0	0	3	1	0	1	6
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>20</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-

**Table 29: Promotions (including employees with disabilities) for the period 1 April 2014 to 31 March 2015**

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	-	-	-	-	-
Senior management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	1	-	1	1	-	2	5



Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	-	-	-	2	-	-	-	3
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>8</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-

**Table 30: Terminations (including employees with disabilities, interns and contractors) for the period 1 April 2014 to 31 March 2015**

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	1	0	0	0	0	0	1
Senior management	0	0	1	0	0	0	0	1	2
Professionally qualified and experienced specialists and mid-management	4	0	0	0	1	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	2	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	2	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<b>Total</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>13</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 31: Disciplinary action for the period 1 April 2014 to 31 March 2015**

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

**Table 32: Skills development for the period 1 April 2014 to 31 March 2015**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	1	1	1	4	2	2	0	<b>16</b>
Professionals	6	0	1	1	2	1	1	1	<b>13</b>
Technicians and associate professionals	9	0	1	2	29	2	2	4	<b>49</b>
Clerks	1	0	0	0	13	0	0	0	<b>14</b>
Elementary occupations	3	0	0	0	2	0	0	0	<b>5</b>
<b>Total</b>	<b>24</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>50</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>97</b>
Employees with disabilities	1	0	0	0	0	0	0	0	1

## 1.6 Performance rewards

To encourage good performance, the Commission has granted the following performance rewards during the year under review.

**Table 33: Performance rewards by race, gender, and disability, 1 April 2013 to 31 March 2014**

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
<b>Total African</b>	<b>86</b>	<b>109</b>	<b>79%</b>	<b>2 021</b>	<b>23</b>
Male	28	38	74%	763	27
Female	58	71	82%	1 258	21



	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
<b>Total Asian</b>	<b>7</b>	<b>11</b>	<b>64%</b>	<b>298</b>	<b>43</b>
Male	4	5	80%	149	37
Female	3	6	50%	149	49
<b>Total Coloured</b>	<b>11</b>	<b>16</b>	<b>69%</b>	<b>180</b>	<b>16</b>
Male	4	4	100%	64	16
Female	7	12	58%	116	16
<b>Total White</b>	<b>4</b>	<b>8</b>	<b>50%</b>	<b>155</b>	<b>38</b>
Male	1	1	100%	57	57
Female	3	7	43%	98	32
Employees with a disability	1	2	50%	56	56
<b>Total</b>	<b>108</b>	<b>144</b>	<b>75%</b>	<b>2 654</b>	<b>24</b>

**Table 34: Performance Rewards by salary bands for personnel below senior management service, 1 April 2014 to 31 March 2015**

Salary bands	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	5	6	83%	90	18	0.2%
Highly skilled production (Levels 6-8)	45	72	62.5%	921	20	1.6%
Highly skilled supervision (Levels 9-12)	47	63	74.6%	1,162	24	2%
<b>Total</b>	<b>97</b>	<b>162</b>	<b>60%</b>	<b>2 173</b>	<b>22</b>	<b>3.8%</b>

**Table 35: Performance related rewards (cash bonus), by salary band, for senior management service**

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	8	16	59%	290	36	0
Band B	2	3	67%	137	68	0
Band C	1	2	50%	8	8	0
Band D	0	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>21</b>	<b>0</b>	<b>435</b>	<b>21</b>	<b>0</b>



## 1.7 Foreign workers

The tables below summarise the employment of foreign nationals in the department 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 36: Foreign workers, 1 April 2014 to 31 March 2015, by salary band**

Salary band	1 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	4	67%	7	64%	3	60%
Highly skilled supervision (Levels 9-12)	2	33%	4	36%	2	40%
Senior management (Levels 13-16)	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>5</b>	<b>100%</b>

**Table 37: Foreign workers, 1 April 2014 to 31 March 2015, by major occupation**

Major Occupation	1 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% change
Legal	0	0	3	27%	3	60%
Education	0	0	0	0	0	-
Research	6	100%	8	73%	2	40%
<b>Total</b>	<b>6</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>5</b>	<b>100%</b>

## 1.8 Leave utilisation for the period 1 January 2014 to 31 March 2015

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (table 38).

**Table 38: Sick leave, 1 January 2014 to 31 March 2015**

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee
Lower skilled (Levels 1-2)	-	-	-	-	-
Skilled (Levels 3-5)	27	-	5	-	5.4
Highly skilled production (Levels 6-8)	529	-	66	-	8.0
Highly skilled supervision (Levels 9-12)	244	-	50	-	4.9
Senior management (Levels 13-16)	70	-	11	-	6.4
<b>Total</b>	<b>870</b>	<b>-</b>	<b>132</b>	<b>-</b>	<b>6.6</b>



Table 39 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**Table 39: Annual leave, 1 January 2014 to 31 March 2015**

Salary bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	-	-
Skilled levels 3-5)	156	26
Highly skilled production (Levels 6-8)	1 305	20
Highly skilled supervision(Levels 9-12)	874	16
Senior management (Levels 13-16)	461	19
<b>Total</b>	<b>2 796</b>	<b>19</b>

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

**Table 40: Leave payouts for the period 1 April 2014 to 31 March 2015**

Reason	Total Amount (R'000)	Number of employees	Average payment per employee (R'000)
Leave payout for 2014/15 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2014/15	-	-	-
Current leave payout on termination of service for 2014/15	294	13	22
<b>Total</b>	<b>294</b>	<b>13</b>	<b>22</b>

## 1.9 HIV/AIDS and health promotion programmes

**Table 41: Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None. ICAS has a fully fledged HIV unit that Commission's staff members can access 24 hours a day, seven days a week. Contact details are readily available to staff.	An HIV/AIDS and health awareness workshop was held on 28 November 2014

**Table 42: Details of health promotion and HIV/AIDS programmes**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		X	
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of its employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Five members - R90 000

Question	Yes	No	Details, if yes
3. Has the department introduced an employee assistance or health promotion programme for its employees? If so, indicate the key elements/services of this programme.	X		ICAS Counselling, wellness and health advice, financial advice
4. Has the department established (a) committee(s) as contemplated in Part VI 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) that they represent.		X	
5. Has the department 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/practices so reviewed.	X		Performance management policy and procedures
6. Has the department 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 department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have achieved.	X		Employees were given time to undertake VCT and interact with the health officials
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	

Tables 43-45 summarise the outcome of disciplinary hearings conducted in the department for the year under review.

**Table 43: Misconduct and disciplinary hearings finalised, 1 April 2014 to 31 March 2015**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	-	-
Final written warning	1	50%
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	1	50%
Not guilty	-	-
Case withdrawn	-	-
<b>Total</b>	<b>2</b>	<b>100%</b>

**Table 44: Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of total
Insolence and disobedience	1	50%
Poor performance termination	1	50%
<b>Total</b>	<b>2</b>	<b>100%</b>

**Table 45: Grievances lodged for the period 1 April 2014 to 31 March 2015**

	Number	% of total
Number of grievances resolved	0	-
Number of grievances not resolved	0	-
<b>Total number of grievances lodged</b>	<b>0</b>	<b>-</b>

### 1.10 Skills development

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

**Table 46: Training needs identified 1 April 2014 to 31 March 2015**

Occupational categories	Gender	Number of employees as at 1 April 2014	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	Female	11	-	20		20
	Male	18	-	30		30
Professionals	Female	19	-	30		30
	Male	11	-	10		10
Technicians and associate professionals	Female	35	-	60		60
	Male	20	-	30		30
Clerks	Female	39	-	40		40
	Male	4	-	4		4
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	Female	2	-	6		6
	Male	3	-	7		7
<b>Sub total</b>	<b>Female</b>	<b>106</b>	<b>-</b>	<b>156</b>		<b>156</b>
	<b>Male</b>	<b>56</b>	<b>-</b>	<b>81</b>		<b>81</b>
<b>Total</b>		<b>162</b>		<b>237</b>		<b>237</b>

**Table 47: Training provided 1 April 2014 to 31 March 2015**

Occupational categories	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	-	7		7
	Male	18	-	7		7
Professionals	Female	19	-	14		14
	Male	11	-	13		13
Technicians and associate professionals	Female	35	-	44		44
	Male	20	-	10		10
Clerks	Female	39	-	19		19
	Male	4	-	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	Female	2	-	2		2
	Male	3	-	3		3
<b>Sub total</b>	<b>Female</b>	<b>106</b>	<b>-</b>	<b>86</b>		<b>86</b>
	<b>Male</b>	<b>56</b>	<b>-</b>	<b>36</b>		<b>36</b>
<b>Total</b>		<b>162</b>	<b>-</b>	<b>122</b>		<b>122</b>

### 1.11 Injury on duty

The following tables provide basic information on injury on duty.

**Table 48: Injury on duty, 1 April 2014 to 31 March 2015**

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100%
Temporary total disablement	-	-
Permanent disablement	-	-
Fatal	-	-
<b>Total</b>	<b>2</b>	<b>100%</b>



1.12 Utilisation of consultants

Table 49: Report on consultant appointments using appropriated funds

Project title	Total number of consultants that worked on the project	Duration: work days	Contract value in Rand
Job evaluation	1	30	99 180
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
Job evaluation	1	30	99 180

Table 50: Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs)

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that worked on the project
None	None	None	None

Table 51: Report on consultant appointments using donor funds

Project title	Total number of consultants that worked on the project	Duration: work days	Donor and contract value in Rand
N/a	N/a	N/a	N/a

Table 52: Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDIs)

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/a	N/a	N/a	N/a



## PART E

# Annual financial statements

**citizenship** *n., the legal status of being a citizen of a country.*

*citizenship*







**SOUTH AFRICAN HUMAN RIGHTS COMMISSION**  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

**GENERAL INFORMATION**

<b>Country of incorporation and domicile</b>	South Africa
<b>Members</b>	Adv L Mushwana P Govender L Mokate B Malatji MS Ameerma J Love D Titus
<b>Registered office</b>	33 Hoofd Street Braampark Forum III Braamfontein 2017
<b>Business address</b>	33 Hoofd Street Braampark Forum III Braamfontein 2017
<b>Postal address</b>	Private Bag X2700 Houghton 2041
<b>Bankers</b>	First National Bank
<b>Auditors</b>	Auditor-General South Africa
<b>Attorneys</b>	Ruth Edmonds Attorneys

# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## INDEX

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

Index	Page
Audit committee report	68
Report of the Auditor-General	70
Chief Executive Officer’s report	73
Statement of financial position	77
Statement of financial performance	78
Statement of changes in net assets	79
Cash flow statement	80
Statement of comparison of budget and actual amounts	81
Accounting policies	82
Notes to the annual financial statements	94
Annexure A (Unaudited)	108



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

# **AUDIT COMMITTEE REPORT**

We are pleased to present our report for the financial year ended 31 March 2015.

### **Audit committee members and attendance**

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

Name of member	Number of meetings attended
D Coovadia	6
RP Mnisi (Resigned: 30 September 2014)	1
W Hattingh	4
PC Motsielwa	4
M Malope (Appointed 1 October 2014)	2
G Matthee (Appointed 1 October 2014)	1

### **Audit committee responsibility**

The audit committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and Treasury Regulation 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, except that it has not reviewed changes in accounting policies.

### **The effectiveness of internal control**

The audit committee's review of the findings of the internal audit work, which was based on the risk assessments conducted in the Commission, revealed certain weaknesses, which were then raised with the Commission.

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

- Performance management review;
- IT governance review;
- Complaints management review;
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA) review;
- Research review;
- Monitoring and evaluation (M and E) review;
- Risk management and fraud review;
- Purchases and payables review;
- Asset management review;
- Human resources review; and
- Follow-up adhoc management requests.

The following were areas of concern:

- Non-compliance with complaints handling procedures relating to prescribed timelines and communication with complainants;
- Incorrect or incomplete complainant report;
- Complaints not timeously finalised;
- Lack of policies and procedures with the Research and PAIA units;
- Inadequate management and safeguarding of library materials;

# **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

## **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

### **Audit committee report (continued)**

- f) Findings and recommendations made by the Commission not followed up;
- g) Non-compliance with certain requirements of the PAIA legislation;
- h) Ineffective monitoring and evaluation (M&E) procedures;
- i) Inadequate IT security;
- j) Inadequate application controls (Flowcentric);
- k) Inadequate fraud and risk management procedures;
- l) Inadequate contract management;
- m) Incomplete fixed asset register;
- n) Ineffective IT governance;
- o) Noncompliance with supply chain management (SCM) procedures; and
- p) Audit findings raised not timeously resolved.

### **In-year management and monthly/quarterly reports**

The audit committee has noted and is satisfied with the content and quality of the quarterly reports prepared and issued by the Accounting Officer during the year under review.

### **Evaluation of annual financial statements**

The audit committee has:

- a) reviewed and discussed the audited annual financial statements to be included in the annual report, with the auditor-general and the auditors;
- b) reviewed the Auditor-General of South Africa's management report and management's response thereto;
- c) reviewed the entity's compliance with legal and regulatory provisions;
- d) reviewed significant adjustments resulting from the audit.

### **Auditors report**

The audit committee has reviewed the Commission's implementation plan for the audit issues raised in the prior year and is satisfied that the matter has been adequately resolved except for the following:

- a) Creditors not paid within 30 days;
- b) Long-outstanding creditors;
- c) Lack of documented processes for identifying, collecting, collating, verifying and storing information;
- d) No IT strategic plan; and
- e) Monitoring of user activities on VIP and PASTEL.

The audit committee concurs and accepts the conclusion 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.

### **Auditor-General of South Africa**

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



**Dawood Coovadia CA(SA)**  
Chairperson of the audit committee  
South African Human Rights Commission  
Date: 31 July 2015



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

# **REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

### **Report on the financial statements**

#### **Introduction**

1. I have audited the financial statements of the South African Human Rights Commission set out on pages 77 to 107, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### **Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999), 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.

#### **Auditor-general's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Opinion**

6. 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 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

# **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## **Report of the auditor-general to Parliament on the South African Human Rights Commission (continued)**

### **Report on other legal and regulatory requirements**

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **Predetermined objectives**

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the constitutional institution for the year ended 31 March 2015:
- Programme 1: Promotion and Protection of Human Rights; and
  - Programme 2: Research, Monitoring and Reporting on pages 18 to 42.
9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
12. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

### **Additional matter**

13. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

### **Achievement of planned targets**

14. Refer to the annual performance report on pages 18 to 42 for information on the achievement of the planned targets for the year.

### **Compliance with legislation**

15. I performed procedures to obtain evidence that the constitutional institution had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### **Report of the auditor-general to Parliament on the South African Human Rights Commission (continued)**

#### **Expenditure management**

16. Contractual obligations and money owed by the constitutional institution were not always settled within 30 days or an agreed period, as required by section 38(1) (f) of the PFMA and Treasury Regulation 8.2.3.

#### **Internal control**

17. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

#### **Financial and performance management**

18. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored by management.

*Auditor - General*

Pretoria  
31 July 2015



**AUDITOR - GENERAL**  
**SOUTH AFRICA**

*Auditing to build public confidence*



## CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer submits her report for the year ended 31 March 2015.

### 1. Incorporation

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

### 2. Review of activities

#### **Main business and operations**

The entity is mandated to promote, protect, monitor and assess the observance of human rights in South Africa.

#### **Spending trends from 2009/10- 2014/15 as per standard items**

Please refer to annexure A at the end of the annual financial statement.

The expenditure trend in the table in annexure A reflects the results for the past five years, and the results of the financial year 2014/15.

On average the MTEF baseline allocation comprised an increase of 15% for the past five years and the period under review. The actual expenditure for 2014/15 was R131.3 million, which includes the depreciation on assets amounting R3.258 million.

#### **Budget vs expenditure graphic analysis**

Please refer to graph in annexure A at the end of this report.

The graph illustrates the grant received against the total expenditure for the past five years and the period under review.

#### **Service rendered by the Commission**

The mandate of the SAHRC, as contained in Section 184 of the Republic of South Africa Constitution Act, 1996 (Act No. 108 of 1996), (the Constitution) is as follows:

Section 184(2): 'The SA Human Rights Commission must-

- a) Promote respect for human rights and culture of human rights;
- b) Promote the protection, development and attainment of human rights; and
- c) Monitor and assess the observance of human rights in the Republic.

Section 184(2) reads as follows: "The SA Human Rights Commission has powers, as regulated by national legislation, necessary to perform its functions, including the power-

- a) To investigate and to report on observance of human rights;
- b) To take steps to secure appropriate redress where human rights have been violated;
- c) To carry out research; and
- d) To educate."



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

### **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **Chief Executive Officer's report (continued)**

Section 184 (3) states the following:

"Each year, the SA Human Rights Commission must require relevant organs of state to provide the Commission with information on the measures that they have taken towards the realisation of the rights in the Bill of Rights concerning housing, health care, food, water, social security, education and environment."

The SAHRC has specific obligations in terms of Promotion of Access to Information Act, 200 (Act No. 2 of 2000) ( PAIA) and the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000) ( PEPUDA).

The overarching responsibilities in terms of these statutes are for the SAHRC to promote awareness of the statutes, to report to Parliament on matters relating to these statutes, and to develop recommendations on persisting challenges relating to these statutes and any necessary reform.

For the financial year under review the Commission received donor funding from the Foundation of Human Rights.

#### **Trading entities/public enterprises**

There are no trading entities or public entities under the control of the Commission.

#### **Other government departments to which transfer payments have been made**

None

#### **Public-private partnerships**

The Commission has not entered into any such agreements.

#### **Discontinued activities and new activities**

None.

#### **Events after the reporting date**

None.

### **3. Going concern**

We draw attention to the fact that at 31 March 2015, the entity had an accumulated surplus of R18.546 million and that the entity's total assets exceeded its liabilities by R18.546 million.

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 for the next 12 months.

**SOUTH AFRICAN HUMAN RIGHTS COMMISSION**  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Chief Executive Officer’s report (continued)

4. Executive Authority

Below are the members of the Executive Authority during the year under review:

Name	Nationality
Adv L Mushwana	South Africa
P Govender	South Africa
L Mokate	South Africa
B Malatji	South Africa
MS Ameerma	South Africa
J Love	South Africa
D Titus	South Africa

5. Corporate governance

General

The Commission are committed to business integrity, transparency and professionalism in all the Commission’s activities. As part of this commitment, the Commissioners support the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct laid out in the King Report III on Corporate Governance for South Africa. The Commissioners have adopted King III principles and have developed a corporate governance framework to implement those principles.

Functioning of the audit committee

The SAHRC audit committee continues to function and has met six 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 100% 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.

Internal controls

The Commission has ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system. The controls throughout the Commission focus on those critical risk areas identified by operational risk management, confirmed by management and assessed by the auditors. The controls are designed to provide cost-effective assurance that assets are safeguarded and that the available working capital is managed efficiently and economically



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

### **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **Chief Executive Officer's report (continued)**

Organisational policies, procedures and the delegation of authority provide direction, accountability and division of responsibilities, and contain self-monitoring mechanisms. The designed internal controls are closely monitored by both management and internal audit, and action is taken to correct any deficiencies identified.

#### **6. Auditors**

The Auditor-General South Africa will continue in office for the next financial period.

#### **7. Risk management**

The legislating of the implementation of risk management in public sector institutions is part of a macro strategy of the South African 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 PFMA, 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 met 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.

#### **8. Approval of finances**

The financial statements fairly represent the state of affairs of the Commission as at 31 March 2015. 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 for the year ended 31 March 2015 were submitted to the audit committee for review and submission to Commissioners (the Executive Authority) for final approval. The Executive Authority has approved these financial statements on 31 July 2015, in terms of section 40(1)(c) of the PFMA as amended.

The annual financial statements set out on page 77 to 107, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 July 2015 and were signed on behalf of the South African Human Rights Commission by:

A handwritten signature in black ink, appearing to read 'L Khumalo'.

**Ms L Khumalo**  
Chief Executive Officer  
31 July 2015

# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Statement of financial position as at 31 March 2015

	Note(s)	2015 R'000	2014 R'000
<b>Assets</b>			
<b>Current assets</b>			
Inventories	6	235	189
Operating lease asset	4	774	37
Receivables from exchange transactions	7	55	82
Prepayments	5	1 226	3 092
Cash and cash equivalents	8	17 039	17 189
		<b>19 329</b>	<b>20 589</b>
<b>Non-current assets</b>			
Property, plant and equipment	2	14 939	10 960
Intangible assets	3	396	409
		<b>15 335</b>	<b>11 369</b>
<b>Total assets</b>		<b>34 664</b>	<b>31 958</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Finance lease obligation	9	2 062	904
Operating lease liability	4	2 509	2 554
Payables from exchange transactions	11	5 716	4 887
Unspent conditional grants and receipts	10	40	-
Provision for employee benefits 13th cheque		885	1 051
Provision for leave		2 521	2 003
		<b>13 733</b>	<b>11 399</b>
<b>Non-current liabilities</b>			
Finance lease obligation	9	2 385	1 079
<b>Total liabilities</b>		<b>16 118</b>	<b>12 478</b>
<b>Net assets</b>		<b>18 546</b>	<b>19 480</b>
<b>Net assets</b>			
Accumulated surplus		18 546	19 480



## SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Statement of financial performance

	Note(s)	2015 R'000	2014 R'000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Administrative fees		454	34
Interest on outstanding debts		1	82
Interest received - investment		1 052	668
<b>Total revenue from exchange transactions</b>		<b>1 507</b>	<b>784</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	13	130 136	119 299
<b>Total revenue</b>	12	<b>131 643</b>	<b>120 083</b>
<b>Expenditure</b>			
Employee related costs	14	(76 924)	(65 677)
Depreciation and amortisation		(3 258)	(2 205)
Finance costs	15	(398)	(143)
Lease rentals on operating lease		(12 120)	(11 246)
Debt impairment		-	(324)
Repairs and maintenance		(468)	(276)
General Expenses	16	(38 220)	(28 832)
<b>Total expenditure</b>		<b>(131 388)</b>	<b>(108 703)</b>
<b>Operating surplus</b>		<b>255</b>	<b>11 380</b>
Loss on disposal of assets and liabilities		(1 190)	(3 010)
<b>(Deficit) surplus for the year</b>		<b>(935)</b>	<b>8 370</b>

# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Statement of changes in net assets

	Accumulated surplus R'000	Total net assets R'000
<b>Balance at 01 April 2013</b>	<b>11 111</b>	<b>11 111</b>
Changes in net assets		
Restated surplus for the year	8 369	8 369
<b>Total changes</b>	<b>8 369</b>	<b>8 369</b>
Opening balance as previously reported	19 663	19 663
Adjustments		
Prior year adjustments	(182)	(182)
<b>Balance at 01 April 2014 as restated*</b>	<b>19 481</b>	<b>19 481</b>
Changes in net assets		
Deficit for the year	(935)	(935)
<b>Total changes</b>	<b>(935)</b>	<b>(935)</b>
<b>Balance at 31 March 2015</b>	<b>18 546</b>	<b>18 546</b>





## SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Cash flow statement

	Note(s)	2015 R'000	2014 R'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Non exchange revenue - government grant		130 136	119 299
Administrative fees		451	34
Interest income		1 052	668
		<b>131 639</b>	<b>120 001</b>
<b>Payments</b>			
Employee costs		(76 593)	(65 369)
Suppliers		(49 200)	(41 260)
Finance cost		(398)	(143)
		<b>(126 191)</b>	<b>(106 772)</b>
<b>Net cash flows from operating activities</b>	<b>18</b>	<b>5 448</b>	<b>13 229</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<b>2</b>	(4 060)	(2 188)
Purchase of other intangible assets	<b>3</b>	(53)	(30)
<b>Net cash flows from investing activities</b>		<b>(4 113)</b>	<b>(2 218)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(1 487)	(1 087)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(152)</b>	<b>9 924</b>
Cash and cash equivalents at the beginning of the year		17 189	7 265
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>17 037</b>	<b>17 189</b>

# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## Statement of comparison of budget and actual amounts

### Budget on cash basis

	Approved budget R'000	Adjustments R'000	Final budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000
<b>Statement of financial performance</b>					
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Administrative fees	403	(1)	402	454	52
Interest on outstanding debts	1	-	1	1	-
Interest received - investment	1 000	-	1 000	1 052	52
<b>Total revenue from exchange transactions</b>	<b>1 404</b>	<b>(1)</b>	<b>1 403</b>	<b>1 507</b>	<b>104</b>
<b>Revenue from non-exchange transactions</b>					
<b>Transfer revenue</b>					
Government grants & subsidies	130 136	-	130 136	130 136	-
<b>Total revenue</b>	<b>131 540</b>	<b>(1)</b>	<b>131 539</b>	<b>131 643</b>	<b>104</b>
<b>Expenditure</b>					
Personnel	(80 686)	-	(80 686)	(76 924)	3 762
Depreciation and amortisation	-	-	-	(3 258)	(3 258)
Finance costs	-	-	-	(398)	(398)
Lease rentals on operating lease	(13 326)	-	(13 326)	(12 120)	1 206
Repairs and maintenance	(178)	-	(178)	(468)	(290)
General expenses	(36 449)	-	(36 449)	(38 218)	(1 769)
<b>Total expenditure</b>	<b>(130 639)</b>	<b>-</b>	<b>(130 639)</b>	<b>(131 386)</b>	<b>(747)</b>
<b>Operating surplus</b>	<b>901</b>	<b>(1)</b>	<b>900</b>	<b>257</b>	<b>643</b>
Loss on disposal of assets and liabilities	-	-	-	(1 190)	(1 190)
<b>Deficit before taxation</b>	<b>901</b>	<b>(1)</b>	<b>900</b>	<b>(933)</b>	<b>(547)</b>
<b>Actual amount on comparable basis as presented in the budget and actual comparative statement</b>	<b>901</b>	<b>(1)</b>	<b>900</b>	<b>(933)</b>	<b>(547)</b>

The accounting policies on pages 82 to 93 and the notes on pages 94 to 107 form an integral part of the annual financial statements.



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

# **ACCOUNTING POLICIES**

## **1. Presentation of annual financial statements**

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

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 and rounded to R'000.

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

These accounting policies are consistent with the previous period.

### **1.1 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. Significant judgements include property, plant and equipment, and interest.

### **1.2 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, 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:

- a) it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- b) 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, its deemed cost is the carrying amount of the asset(s) given up.

# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## Accounting policies (continued)

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. The cost of day to day servicing are recognised in the surplus or deficit as incurred.

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 for the current and comparatives period have been assessed as follows:

Class	Depreciation method	Estimated useful life in years
Computer equipment	Straight line	
a) Laptops and desktops		10 years
b) Servers and switches		17 years
Office equipment	Straight line	
a) Printers and fridges etc		17 years
b) Audiovisual and equipment and conferencing		17 years
Leasehold improvements	Straight line	5 years
Furniture and fittings	Straight line	
a) Furniture and fittings		20 years
b) Gazebo, flags, banners and accessories		17 years
Library materials	Straight line	20 years
Motor vehicles	Straight line	12 years
Finance lease	Straight line	3 years (over lease term)

The residual value on motor vehicles, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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.

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.

Accounting policies (continued)



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

### **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **Accounting policies (continued)**

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.

#### **1.3 Intangible assets**

An asset is identified as an intangible asset when it:

- a) is separable, ie 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
- b) 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:

- a) it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- b) 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.

Intangible assets are initially recognised at cost.

Where an intangible asset 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, its deemed cost is the carrying amount of the asset(s) given up.

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:

- a) it is technically feasible to complete the asset so that it will be available for use or sale;
- b) there is an intention to complete and use or sell it;
- c) there is an ability to use or sell it;
- d) it will generate probable future economic benefits or service potential;
- e) there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- f) 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.

**SOUTH AFRICAN HUMAN RIGHTS COMMISSION**  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Accounting policies (continued)

Amortisation is provided to write down the intangible assets, on a straight line basis for the current and comparative periods, to their residual values as follows:

Class	Useful life
Computer software	13 years

Intangible assets are derecognised:

- a) on disposal; or
- b) when no future economic benefits or service potential are expected from their use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

**1.4 Financial instruments**

**Classification**

The entity classifies financial assets and financial liabilities into the following categories:

- a) Financial assets measured at amortised cost; and
- b) Financial liabilities measured at amortised cost;

Classification depends on the characteristics and nature for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on the annual basis.

**Initial recognition and measurement**

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity recognises financial instruments or their component parts on initial recognition as financial assets, financial liabilities or an equity. The recognition is in accordance with the substance of the contractual arrangements in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Transaction costs on financial instruments are fair value through surplus or deficit and are recognised in surplus or deficit.

**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.



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### **Accounting policies (continued)**

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

#### **Subsequent measurement**

Loans and receivables are subsequently measured at amortised cost using the effective interest method less accumulated impairment losses.

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair values being included in surplus or deficit for the period.

Net gains and losses on the financial instruments are at fair value through the surplus or deficit dividends and interest.

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise asset and settle the liability simultaneously.

#### **Fair value measurement consideration before subsequent measurement**

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 if 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 (ie 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 granted or received is consistent with terms used in the public sector, either through established practices or legislation.

#### **Fair value determination**

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, or the asset is an unlisted security, the entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.



# **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## **Accounting policies (continued)**

### **1.5 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 on the remaining balance of the liability.

#### **Operating leases - lessee**

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

### **1.6 Inventories**

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, in which instance their costs are their fair value as at the date of acquisition. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing inventories to their current location and condition.

Subsequently inventories are measured at the lower of cost and current replacement cost.

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

The carrying amounts of those inventories are recognised as expenses 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 is recognised as an expense in the period in which 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 is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### **1.7 Impairment of cash-generating assets**

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

### **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **Accounting policies (continued)**

Non-cash generating assets are assets other than cash-generating assets.

##### **Recognition and measurement (individual asset)**

At the end of each reporting period, the carrying amount of the non-cash generating assets are reviewed to determine whether there is an indication of impairment or reversal of impairment. If there is any such indication exist, the recoverable service amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where the recoverable service amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in the statement of financial performance.

##### **Reversal of impairment loss**

At each reporting date, the entity assesses whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in the statement of financial performance.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### **1.8 Employee benefits**

##### **Short-term employee benefits**

The cost of short-term employee benefits, which are those payable within 12 months after the service is rendered, such as leave and sick leave and bonuses, are recognised in the period in which the service is rendered and are not discounted.

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

The expected cost of bonus payment sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

# **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## **Accounting policies (continued)**

### **Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as expenses as they fall due.

### **1.9 Provisions and contingencies**

Provisions are recognised when:

- a) the entity has a present obligation as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- c) 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 in the statement of financial performance.

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

A constructive obligation to restructure arises only when an entity:

- a) has a detailed formal plan for the restructuring, identifying at least:
  - i) the activity/operating unit or part of a activity/operating unit concerned;
  - ii) the principal locations affected;
  - iii) the location, function, and approximate number of employees who will be compensated for services being terminated;
  - iv) the expenditures that will be undertaken; and
  - v) when the plan will be implemented; and
- b) 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:

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

Contingent liability is a possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are beyond the control of the entity, alternatively, a contingent liability is a present obligation that arises from the past events but is not recognised because of the following



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### **Accounting policies (continued)**

- a) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and liability are not recognised in the statement of financial position other than disclosed.

#### **1.10 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:

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

#### **1.11 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.

An exchange transaction is one in which the public 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.

##### **Interest and administrative fees**

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

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

#### **1.12 Revenue from non-exchange transactions**

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

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.

# **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## **Accounting policies (continued)**

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.

### **Government grants**

Government grants are recognised as revenue when:

- a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- b) the amount of the revenue can be measured reliably; and
- c) to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

### **Other grants and donations**

Other grants and donations are recognised as revenue when:

- a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- b) the amount of the revenue can be measured reliably; and
- c) there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a reduced liability is recognised, and revenue recognised as the conditions are satisfied.

## **1.13 Unauthorised expenditure**

Unauthorised expenditure means:

- a) overspending of a vote or a main division within a vote; and
- b) 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.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year in which 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.

## **1.14 Fruitless and wasteful expenditure**

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



## **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

### **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **Accounting policies (continued)**

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year in which 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.

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

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

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

#### **1.16 Budget information**

Entities are 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 the entity provides information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are on the same basis of accounting. A comparison with the budgeted amounts for the reporting period are therefore included in the annual financial statements.

#### **1.17 Related parties**

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

# **SOUTH AFRICAN HUMAN RIGHTS COMMISSION**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## **Accounting policies (continued)**

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 considered to be those family members who may be expected to influence, or be influenced by, management in their dealings with the entity.

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

### **1.18 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:

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

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.

### **1.19 Effects of new standards**

The following GRAP standards and interpretations have been approved but are not yet effective:

The Commission evaluated the standard listed below and noted that they do not have any impact on the annual financial statement for the period under review.

- a) GRAP 5 Borrowing costs
- b) GRAP 100 Discounted operations
- c) GRAP 32 Service concession arrangements grantor
- d) GRAP 108 Statutory receivables
- e) IGRAP 17 Service concession arrangements: Where grantor controls a significant residual interest in an asset
- f) GRAP 18 Segmented reporting
- g) GRAP 16 Intangible assets: website costs.





## SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### 2. Property, plant and equipment

	2015			2014		
	R'000			R'000		
	Cost / valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / valuation	Accumulated depreciation and accumulated impairment	Carrying value
Finance lease	6 997	(2 710)	4 287	3 642	(1 620)	2 022
Furniture and fixtures	3 999	(1 845)	2 154	3 688	(1 764)	1 924
Motor vehicles	5 593	(1 434)	4 159	4 249	(1 869)	2 380
Office equipment	1 304	(368)	936	1 467	(433)	1 034
IT equipment	3 222	(913)	2 309	3 640	(1 135)	2 505
Leasehold improvements	196	(59)	137	196	(19)	177
Library materials	1 321	(364)	957	1 219	(301)	918
<b>Total</b>	<b>22 632</b>	<b>(7 693)</b>	<b>14 939</b>	<b>18 101</b>	<b>(7 141)</b>	<b>10 960</b>

#### Reconciliation of property, plant and equipment - 2015 (R'000)

	Opening balance	Additions	Disposals	Depreciation	Total
Finance lease	2 022	4 348	(12)	(2 071)	4 287
Furniture and fixtures	1 925	542	(104)	(208)	2 155
Motor vehicles	2 380	2 768	(546)	(443)	4 159
Office equipment	1 034	178	(187)	(89)	936
IT equipment	2 505	471	(397)	(271)	2 308
Leasehold improvements	176	-	-	(39)	137
Library materials	918	103	(1)	(63)	957
	<b>10 960</b>	<b>8 410</b>	<b>(1 247)</b>	<b>(3 184)</b>	<b>14 939</b>

#### Reconciliation of property, plant and equipment - 2014 (R'000)

	Opening balance	Additions	Disposals	Depreciation	Total
Finance lease	1 318	1 668	(21)	(943)	2 022
Furniture and fixtures	2 039	225	(150)	(189)	1 925
Motor vehicles	2 416	410	(105)	(341)	2 380
Office equipment	1 994	293	(1 055)	(198)	1 034
IT equipment	1 993	1 052	(261)	(279)	2 505
Leasehold improvements	44	146	-	(14)	176
Library materials	2 444	62	(1 417)	(171)	918
	<b>12 248</b>	<b>3 856</b>	<b>(3 009)</b>	<b>(2 135)</b>	<b>10 960</b>



# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Notes to the annual financial statements (continued)

#### 2. Property, plant and equipment (continued)

##### Assets subject to finance lease (net carrying amount)

	Note(s)	2015 R'000	2014 R'000
Finance lease		4 287	2 022
		<b>4 287</b>	<b>2 022</b>

#### 3. Intangible assets

	2015 R'000			2014 R'000		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	888	(492)	396	835	(426)	409

##### Reconciliation of intangible assets - 2015 (R'000)

	Opening balance	Additions	Amortisation	Total
Computer software	408	53	(65)	396

##### Reconciliation of intangible assets - 2014 (R'000)

	Opening balance	Additions	Impairment loss	Total
Computer software	421	48	(61)	408

#### 4. Operating lease asset (accrual)

	Note(s)	2015 R'000	2014 R'000
Current assets		774	37
Current liabilities		(2 509)	(2 554)
		<b>(1 735)</b>	<b>(2 517)</b>

#### 5. Prepayments

The prepayment has been made to the Centre for Applied Legal Studies (CALS) which is the legal representative of the SAHRC at the Farlam Commission of Inquiry.

Centre for Applied Legal Studies	1 226	3 092
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## SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Notes to the annual financial statements (continued)

#### 6. Inventories

	Note(s)	2015 R'000	2014 R'000
Consumable stores		235	189

#### 7. Receivables from exchange transactions

Trade debtors		55	82
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##### Trade and other receivables impaired

As of 31 March 2015, trade and other receivables of R54 815 (2014: R82 374) were provided for.  
The amount of the provision was nil as of 31 March 2015 (2014: R324).  
The ageing of these loans is as follows:

Receivable from over 6 months		55	82
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#### 8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand		292	97
Bank balances		4 311	4 974
Short-term deposits		12 436	12 117
		<b>17 039</b>	<b>17 188</b>

#### 9. Finance lease obligation

##### Minimum lease payments due

- within one year		2 375	1 035
- in second to fifth year inclusive		2 526	1 154
		4 901	2 189
less: future finance charges		(454)	(206)

##### Present value of minimum lease payments

		<b>4 447</b>	<b>1 983</b>
<b>Present value of minimum lease payments due</b>			
- within one year		2 062	904
- in second to fifth year inclusive		2 385	1 079
		<b>4 447</b>	<b>1 983</b>

Non-current liabilities		2 385	1 079
Current liabilities		2 062	904
		<b>4 447</b>	<b>1 983</b>

# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Notes to the annual financial statements (continued)

#### 9. Finance lease obligation (continued)

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 9% (2014: 9%).

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.

Terms and conditions

- i) all the leases are for agreed period i.e. 12, 24, or 36 months with an option to renew;
- ii) the unit is installed (and the installation fees paid) and then the contract will continue on a monthly basis until SAHRC decides to terminate the contract with one month’s written notice; and
- iii) the contract will be renewed for a period of one year if the SAHRC does not give written notice of cancellation of the contract.

#### 10. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

	Note(s)	2015 R'000	2014 R'000
<b>Unspent conditional grants and receipts</b>			
Foundation for Human Rights (FHR)		40	-
<b>Movement during the year</b>			
Additions during the year		360	-
Income recognition during the year		(320)	-
		<b>40</b>	<b>-</b>

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and Unfulfilled conditions and other contingencies attaching to government assistance that have been recognised.

#### 11. Payables from exchange transactions

Trade payables	4 668	4 762
Accrued expense	1 048	125
	<b>5 716</b>	<b>4 887</b>



## SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Notes to the annual financial statements (continued)

#### 12. Revenue

	Note(s)	2015 R'000	2014 R'000
Administrative fees		454	34
Interest on outstanding debts		1	82
Interest received		1 052	668
Government grants and subsidies		130 136	119 299
		<b>131 643</b>	<b>120 083</b>

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

Administrative fees		454	34
Interest on outstanding debts		1	82
Interest received		1 052	668
		<b>1 507</b>	<b>784</b>

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

Revenue from non-exchange transaction			
Transfer revenue			
Government grants and subsidies		130 136	119 299

#### 13. Government grants and subsidies

##### Operating grants

Government grant		130 136	119 299
------------------	--	---------	---------

#### 14. Employee related costs

Basic		51 541	40 879
Bonus		3 568	375
Medical aid contributions		2 890	2 746
Unemployment Insurance Fund (UIF)		292	265
Pension fund contributions		5 642	5 060
Non-pensionable contribution		5 301	4 862
Other short term benefit		1 718	4 785
13th cheques		3 215	3 016
Car allowance		1 023	822
Housing benefits and allowances		1 734	1 574
Termination benefits		-	1 292
		<b>76 924</b>	<b>65 676</b>

# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## Notes to the annual financial statements (continued)

### 15. Finance costs

	2015 R'000	2014 R'000
Finance leases	398	143

Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through surplus amounted to R397 841 (2014: R143 328).

### 16. General expenses

Accounting fees	23	36
Advertising	293	463
Auditors remuneration	2 961	2 348
Bank charges	101	110
Cleaning	856	745
Computer expenses	7	5
Consulting and professional fees	1 313	711
Hire	308	407
Insurance	419	274
Conferences and seminars	2 977	2 041
Levies	116	570
Motor vehicle expenses	103	150
Motor vehicles expenses (fuel)	304	205
Placement fees	1 008	681
Postage and courier	60	112
Printing and stationery	760	753
Security	496	433
Staff welfare	132	81
Subscriptions and membership fees	400	627
Telephone and fax	3 879	2 814
Office relocation cost	636	285
Training	2 104	1 365
Electricity	22	12
Municipal services charges	2 966	2 923
Operating expenses	15 976	10 681
	<b>38 220</b>	<b>28 832</b>

### 17. Auditors' remuneration

Fees	2 961	2 347
Expenses	-	1
	<b>2 961</b>	<b>2 348</b>



## SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Notes to the annual financial statements (continued)

#### 18. Cash generated from operations

	2015 R'000	2014 R'000
(Deficit)/surplus	(935)	8 369
<b>Adjustments for:</b>		
Depreciation and amortisation	3 258	2 205
Loss on disposal of assets	1 190	3 010
Debt written off	-	324
Movements in operating lease assets	(782)	57
<b>Changes in working capital:</b>		
Inventories	(46)	18
Receivables from exchange transactions	28	162
Prepayments	1 866	(2 986)
Payables from exchange transactions	829	2 070
Unspent conditional grants and receipts	40	-
	<b>5 448</b>	<b>13 229</b>

#### 19. Financial instruments disclosure

##### Categories of financial instruments

##### 2015

##### Financial assets

	At fair value	Total
Receivable from exchange transactions	55	55
Cash and cash equivalents	17 039	17 039
	<b>17 094</b>	<b>17 094</b>

##### Financial liabilities

	Financial liabilities at amortised cost	Total
Trade and other payables from exchange transactions	5 716	5 716
Employee benefits due	3 406	3 406
Finance lease obligations	2 062	2 062
	<b>11 184</b>	<b>11 184</b>

##### 2014

##### Financial assets

	At fair value	Total
Receivables from exchange transactions	82	82
Cash and cash equivalent	17 189	17 189
	<b>17 271</b>	<b>17 271</b>

# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## Notes to the annual financial statements (continued)

### 19. Financial instruments disclosure (continued)

	2015 R'000	2014 R'000
<b>Financial liabilities</b>		
	<b>Financial liability at amortised cost</b>	<b>Total</b>
Trade and other payables from exchange transactions	4 887	4 887
Finance lease obligations	904	904
Employee benefits	3 054	3 054
	<b>8 845</b>	<b>8 845</b>

### 20. Commitments

#### Authorised operational expenditure

##### Purchase orders issued

a) Goods and services	3 912	2 162
Already contracted for but not provided for	3 912	2 162
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised operational expenditure	3 912	2 162

This committed expenditure relates to open purchase orders issued to suppliers for goods and services not yet received as at 31 March 2015 and will be financed by available funds.

#### Operating leases - as lessee (expense)

Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of three years and rentals are fixed for an average of three years. No contingent rent is payable.



**SOUTH AFRICAN HUMAN RIGHTS COMMISSION**  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Notes to the annual financial statements (continued)

21. Contingencies

	2015 R'000	2014 R'000
<b>Categories of contingent liability</b>		
Guarantee issued by the First National Bank	685	685
Nehawu (retrenchments)	9 050	8 323
Dismissed senior manager	819	-
	<b>10 554</b>	<b>9 008</b>

At year end the Commission was uncertain as to the timing of any outflow and the responsibility of any reimbursement relating to the contingent liability.

The retrenchments contingent liability is as result of a restructuring process that the Commission embarked on which resulted in the retrenchment of seven staff members who could not be absorbed into the new structure. Nehawu then lodged an unfair dismissal case with CCMA. The matter went for conciliation on 13 May 2013 but couldn't be resolved. This matter is due to be heard at the Labour Court during August 2015.

The senior manager listed above was dismissed after his probation was not confirmed due to poor performance. At reporting time the matter was not resolved. However, the Commission anticipates that the former employee is likely to pursue this matter up to the Labour Court should he not succeed at the CCMA.

22. Related parties

No related party for the year under review.



# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Notes to the annual financial statements (continued)

### 23. Members’ and prescribed officer’s emoluments

#### Executive 2015

Accounting Officer: K Ahmed  
 Chief Operations Officer: L Khumalo  
 Chief Financial Officer: P Makaneta  
 Head of Corporate Services: A Price  
 Head of Parliamentary: J Cohen  
 Head SS&G: S Giyose  
 Head Research & Documentation: K Singh  
 Chief Audit Executive: G Paulse  
 Head Legal Services (LSP) P Gregorious  
 PM: KZN T Munno  
 PM MPL: E Mokonyama  
 PM GP: C Kisson  
 PM WC: MA Dugmore  
 PM LP: V Mavhidula  
 PM NC: C Williams  
 PM NW: I Suleman  
 Head Commissioners Programme: N Webster

	Salary	Performance and 13th cheque	Expenses allowances	Pension contribution	Leave pay out	Other benefits	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	675	8	450	-	120	31	1 284
	600	120	275	75	-	29	1 099
	600	120	275	75	-	29	1 099
	552	63	279	87	-	24	1 005
	341	28	156	43	-	15	583
	498	131	228	62	-	24	943
	498	57	270	62	-	24	911
	498	85	270	62	-	24	939
	498	100	228	62	-	24	912
	491	41	225	61	-	24	842
	498	100	228	62	-	24	912
	498	99	228	62	-	24	911
	123	20	56	15	22	6	242
	494	47	226	62	-	12	841
	491	41	225	61	-	24	842
	369	-	199	46	39	-	653
	491	41	225	61	-	22	840
	<b>8 215</b>	<b>1 101</b>	<b>4 043</b>	<b>958</b>	<b>181</b>	<b>360</b>	<b>14 858</b>



**SOUTH AFRICAN HUMAN RIGHTS COMMISSION**  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Notes to the annual financial statements (continued)  
23. Members' and prescribed officer's emoluments (continued)

**Executive  
2014**

	Salary	Performance and 13th cheque	Expenses allowance	Pension contribution	Other benefits	Acting allowances	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Accounting Officer: K Ahmed	692	-	377	86	34	-	1 189
Chief Operations Officer: L Khumalo	561	47	259	70	29	-	966
Chief Financial Officer: P Makaneta	561	47	259	70	29	-	966
Head of Corporate Services: A Price	514	-	280	64	24	-	882
Head of Parliamentary: J Cohen	321	27	149	40	15	-	552
Head SS&G: S Giyose	463	39	214	58	24	-	798
Head Research and Documentation: K Singh	463	-	252	58	24	-	797
Head Legal Service (LSP): P Gregorious	463	39	252	58	24	-	836
PM KZN: T Munno	463	39	214	58	24	-	798
PM MPL: E Mokonyama	463	39	214	58	24	-	798
PM GP: C Kisson	463	39	214	58	24	-	798
PM WC: MA Dugmore	463	39	214	58	24	-	798
PM LP: V Mavhidula	463	39	214	58	6	-	780
PM NC: C Williams	463	39	214	58	24	-	798
PM NW: I Suleman	77	-	42	9	-	-	128
Acting PM EC: L Mpondo	315	39	-	26	-	444	824
Acting PM FS: B Jones	411	34	92	51	-	212	800
Head Commissioners' Programme: N Webster	463	39	214	58	-	-	774
Head Chief Audit Executive: G Paulse	463	-	252	58	24	-	797
	<b>8 545</b>	<b>545</b>	<b>3 926</b>	<b>1 054</b>	<b>353</b>	<b>656</b>	<b>15 079</b>

# SOUTH AFRICAN HUMAN RIGHTS COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

## Notes to the annual financial statements (continued)

### 23. Members' and prescribed officer's emoluments (continued)

#### Non-executive 2015

	Members' fees	13th cheque	Pension contribution	Other benefits	Total
	R'000	R'000	R'000	R'000	R'000
Adv L Mushwana	747	-	363	41	1 151
P Govender	626	47	261	71	1 005
L Mokate	583	43	239	65	930
B Malatji	583	43	239	65	930
MS Ameerma	581	39	239	65	924
J Love	114	-	-	-	114
D Titus	52	-	-	-	52
	<b>3 286</b>	<b>172</b>	<b>1 341</b>	<b>307</b>	<b>5 106</b>

#### 2014

Adv L Mushwana	669	-	385	79	1 133
P Govender	560	44	257	67	928
L Mokate	523	40	258	62	883
B Malatji	523	40	258	62	883
MS Ameerma	85	-	39	11	135
J Love	172	-	-	-	172
D Titus	28	-	-	-	28
	<b>2 560</b>	<b>124</b>	<b>1 197</b>	<b>281</b>	<b>4 162</b>

#### Audit committee members remunerations 2015 (R'000)

	Members' fees	Travel expenses	Total
D Coovadia	45	3	48
W Hattingh	16	1	17
P Motsielwa	16	2	18
M Malope (Appointed 01 October 2014)	8	1	9
RP Mnisi(Resigned 30 September 2014)	4	-	4
G Matthee (Appointed 01 October 2014)	4	-	4
	<b>93</b>	<b>7</b>	<b>100</b>

#### 2014 (R'000)

D Coovadia	59	4	63
W Hattingh	20	2	22
P Mnisi	12	1	13
P Seogati	24	3	27
	<b>115</b>	<b>10</b>	<b>125</b>



**SOUTH AFRICAN HUMAN RIGHTS COMMISSION**  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Notes to the annual financial statements (continued)

24. Prior period errors

As part of preparing its annual financial statements, the Commission discovered that there were activities that led to prior period errors. Consequently, the Commission had to restate the opening balance to account for the expenses that were not accounted for in 2014/15 financial year.

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

	2015 R'000	2014 R'000
<b>Statement of financial position</b>		
Accumulated surplus or deficit	-	(182)
<b>Statement of financial performance</b>		
Depreciation expense	-	12
Interest expense	-	2
Operating expense	-	3
General expenses	-	165

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

Financial instrument	2015 R'000	2014 R'000
Receivable from exchange transactions	55	82
Prepayment	1 226	3 092
Cash and cash equivalents	17 039	17 189

The entity is exposed to guarantees for the head office building it occupies in favour of Sanlam Life Insurance Limited.

**SOUTH AFRICAN HUMAN RIGHTS COMMISSION**  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Notes to the annual financial statements (continued)

26. Events after the reporting date

Disclose for each material category of nonadjusting events after the reporting date:

- a) nature of the event; and
- b) estimation of its financial effect or a statement that such an estimation cannot be made.

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

27. Irregular expenditure

	2015	2014
	R'000	R'000
Opening balance	1 269	1 190
Add: Irregular expenditure current year	79	79
	<b>1 348</b>	<b>1 269</b>

Irregular expenditure to the value of R79 000 (2014: R79 000) was incurred in the current year. Irregular expenditure emanates from noncompliance with National Treasury Note 8 of 2007 and Treasury Regulation 16A 9.1 (d) and 16A 6.3 (b.)

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

28. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the members and includes a note to the annual financial statements.

Certain expenses were incurred during the financial year under review and the process followed in procuring those goods and services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations from the normal supply chain management regulations were documented.

The total deviations from the abovementioned Government Gazette amounted to R3 400 000.

29. Budget differences

**Differences between budget and actual amounts basis of preparation and presentation**

The budget and the accounting bases differ. The annual financial statements for the entity 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 2014/04/01 to 2015/03/31. The annual financial statements differ from the budget, which is approved on the cash basis.



**SOUTH AFRICAN HUMAN RIGHTS COMMISSION**  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Annexure A (Unaudited)

A. THE CHIEF EXECUTIVE OFFICER

REVIEW OF ACTIVITIES

Main business and operations

1. Spending trends from 2009/10-2014/15 as per standard items

Standard Items	Audited Expenditure Outcomes					
	R'000 2009/10	R'000 2010/11	R'000 2011/12	R'000 2012/13	R'000 2013/14	R'000 2014/15
Personnel cost	46 851	50 308	56 156	63 654	65 676	76 924
Administrative expenses	9 235	5 937	4 573	6 927	7 738	8 370
Inventories	693	557	540	207	189	235
Equipment	632	604	1 002	606	2 188	4 062
Land and buildings	7 820	10 513	12 185	12 334	14 169	15 086
Professional services	7 524	7 039	18 423	17 008	21 753	27 901
<b>TOTAL</b>	<b>72 755</b>	<b>74 958</b>	<b>92 879</b>	<b>100 736</b>	<b>111 713</b>	<b>132 578</b>
<b>Baseline allocation</b>	<b>72 755</b>	<b>73 474</b>	<b>89 066</b>	<b>100 736</b>	<b>115 999</b>	<b>128 136</b>

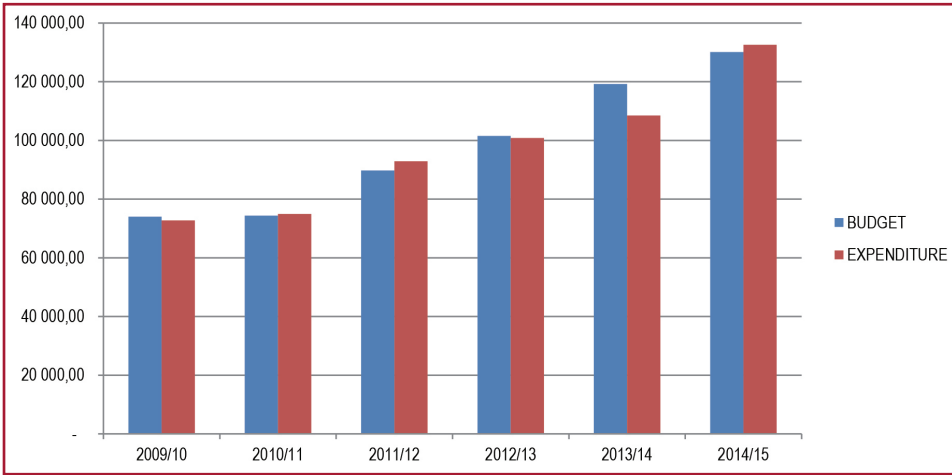
Additional funding	1 257	894	707	794	3 300	2 000
Donor funding	996	608	272	-	-	320

The expenditure trend in the table above reflects the results for the past five years, and the results of the financial year 2014/15.

On average the MTEF baseline allocation comprised an increase of 15% for the past five years and the period under review. The actual expenditure for 2014/15 was R131.3 million, which included depreciation on assets amounting to R3.258 million.

2. Budget versus expenditure graphic analysis

The graph illustrates the grant received against the total expenditure for the past five years and the period under review.



## Notes

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South African Human Rights Commission | 110



## Notes

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## ANNUAL REPORT

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# 2015