

# ANNUAL<sup>2014</sup> REPORT



EVERY INDIVIDUAL SHALL BE  
EQUAL BEFORE THE LAW.  
EVERY HUMAN BEING SHALL  
BE ENTITLED TO RESPECT  
FOR HIS LIFE AND THE  
INTEGRITY OF HIS PERSON.  
EVERY INDIVIDUAL SHALL HAVE THE  
RIGHT TO THE  
RESPECT OF THE DIGNITY  
INHERENT IN A HUMAN BEING  
AND TO THE RECOGNITION  
OF HIS LEGAL STATUS.



*African (Banjul) Charter on Human and Peoples' Rights*



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# ANNUAL 2014 REPORT



In time, we  
shall be in a  
position to  
bestow on  
South Africa  
the greatest  
possible  
gift - a more  
human face.

*Steven Biko*



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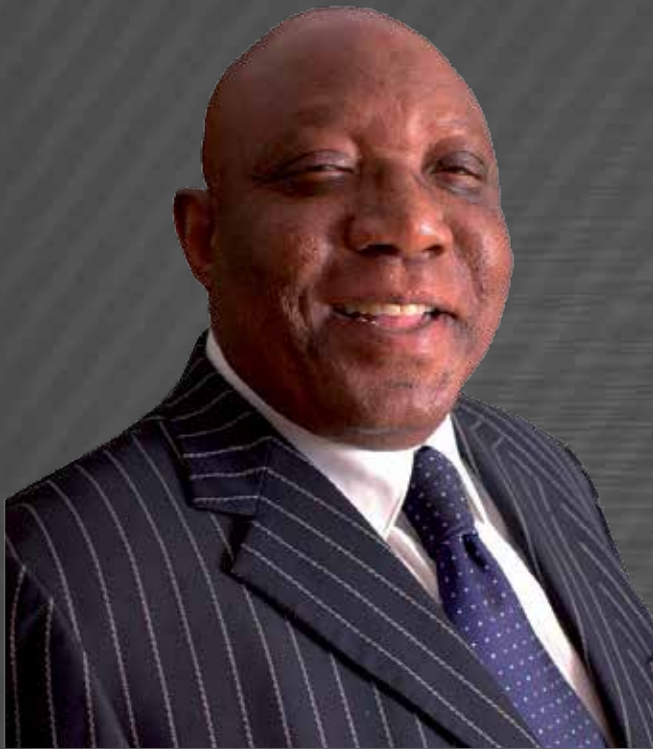
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# FOREWORD BY THE CHAIRPERSON



Advocate Mabedle Lawrence  
Mushwana  
Chairperson

**The name of the child** who died after falling down a pit toilet at his school may be unfamiliar to some but for the South African Human Rights Commission (SAHRC), this child from the rural village of Chebeng in Limpopo is a symbol of our collective failure as a society to protect the human rights of children. This child died in January 2014, a month after the death of the founding father of our democracy, former President Nelson Mandela.



While the world stood to attention and mourned the passing of Tata Mandela, few South Africans realised the impact this child has had on the work of the SAHRC. The SAHRC mourned his death and those of other children who use pit toilets whilst trying to learn to read and write. This child is the face placed before us, particularly us human rights defenders, as we advocate for the realisation of that often elusive tripartite conceptualisation of human rights – that of interdependence, interrelatedness and indivisibility. This child's tragic death reminds us that the violation and denial of our Constitutional human rights, such as the right to human dignity, to education and to sufficient food and water, can have appalling consequences, particularly for vulnerable groups. This principle characterised the ways in which we executed our mandate during the period under review. Through concerted effort and a strategic focus on socioeconomic rights, the SAHRC was able to harness its limited resources to find the answer to a critical question: in what ways can and should we hold government accountable?

From implementation of monitoring frameworks such as the SAHRC's Charter on Basic Education, through advocacy campaigns on the right to food and research on the right to water and sanitation, to monitoring compliance with legislation such as the Promotion of Access to Information Act and legal investigations into violations of the right to equality, health care and children's rights, the SAHRC's work during 2013/2014 established a baseline for the next phase as we emerge, after 20 years of existence, as an accredited "A" status national human rights institution.

This baseline also includes the development of a new focus area for the SAHRC – that of business and human rights. Our continued work in the Marikana Commission over the period under review partly supports this new strategic focus on business and human rights, and further affirms the principle that underpins our work, namely that accountability for human rights is inclusive of all facets of society, even business. The outcomes of the SAHRC's business and human rights roundtable, held in February 2014, will be taken forward in 2014/2015 through partnerships with the International Corporate Accountability Roundtable (ICAR) and the Danish Institute for Human Rights (DIHR).

The operational autonomy and independence of the SAHRC enable a two-pronged approach to our work: while we proactively set our own priorities, we also respond to national issues. Having achieved 87% in an evaluation of our overall organisational performance meant, inter alia, that the SAHRC was able to impact directly on the life of a complainant whose grievance of racial discrimination was responded to by our Mpumalanga provincial office. Advancing the human right to equality is part of the SAHRC's work in terms of our legislative mandate and champions individuals such as this complainant and countless others.

But more than that, it places the SAHRC under a moral obligation to protect and promote the rights of particularly women, people with disabilities, migrants and those living on the periphery of our society.

Our overall achievement as an institution is a testament to the work of over 150 human rights defenders – Commissioners and staff of the SAHRC – who answered the call of working towards

**ADVANCING THE HUMAN RIGHT TO EQUALITY IS PART OF THE SAHRC'S WORK IN TERMS OF OUR LEGISLATIVE MANDATE. BUT MORE THAN THAT, IT PLACES THE SAHRC UNDER A MORAL OBLIGATION TO PROTECT AND PROMOTE THE RIGHTS OF PARTICULARLY WOMEN, PEOPLE WITH DISABILITIES, MIGRANTS AND THOSE LIVING ON THE PERIPHERY OF OUR SOCIETY.**



a human rights-centered South Africa. This work was affirmed in 2013/2014 when the President appointed a new Commissioner to the SAHRC, Advocate Mohamed Ameer, and further at international level, when the International Coordinating Committee for National Institutions for the Promotion and Protection of Human Rights appointed the SAHRC as Chairperson of the Committee.

The SAHRC's institutional performance was marred in the previous financial year by a qualified audit. This was a particularly difficult time for the SAHRC, as it posed a reputational risk and undermined our work. It is important to note that the qualification related to the listing and valuation of assets. For the period under review, the introspection we applied to last year's audit experience enabled us to establish an internal task team which worked tirelessly to ensure that the institution achieves an unqualified report for 2013/14.

As the SAHRC joins other institutions in celebration of 20 years of democracy, we look back at some of the challenges and successes we have faced as a Constitutional institution. We note the success of the passing of the South African Human Rights Commission Act of 2013, as well as the Determination of Remuneration of Members of Constitutional Bodies Bill. Both of these legislative frameworks will serve to strengthen our work at the SAHRC. The SAHRC Act addresses some of the constraints we have faced, in particular through the appointment of an additional full-time Commissioner as well as the separation of power between the Executive and the Secretariat.

A constraint that the legislative frameworks have not addressed is the limited financial resource available to carry out the Commission's broad Constitutional mandate. We applaud the work of the Parliamentary Portfolio Committee on Justice and Constitutional Development (now the Portfolio Committee on Justice and Correctional Services) in supporting our continued requests for additional funding, and we look forward to a positive response to these requests from National Treasury.

Two decades into democracy, the work of the SAHRC continues unabated and on course. The stage has been set for the next year when the SAHRC must live up to the vision articulated by Tata Mandela:

**"I SHOULD TAKE THIS OPPORTUNITY TO PAY HOMAGE TO THE INSTITUTIONS CHARGED WITH THE TASK OF ENHANCING OUR DEMOCRACY AND CULTURE OF HUMAN RIGHTS. IF WE SAY WITH CONFIDENCE THAT SOUTH AFRICA WILL SUCCEED, IT IS IN PART BECAUSE WE KNOW THERE IS THE CONSTITUTIONAL COURT, THE PUBLIC PROTECTOR, THE HUMAN RIGHTS COMMISSION AND THE ELECTORAL COMMISSION, ALL OF WHICH WILL ASSIST IN ENSURING THAT WHAT WE DO IS NOT ONLY CONSTITUTIONAL, LEGAL AND LEGITIMATE, BUT THAT IT IS SEEN TO BE SO BY ALL AND SUNDRY, INCLUDING THE WEAKEST AMONG US."**



Advocate Mbedle Lawrence Mushwana  
Chairperson  
31 July 2014





Commissioner  
Pregs Govender  
(Deputy Chairperson)



Commissioner  
Lindiwe Mokate



Commissioner  
Bokankatla Malatji



Commissioner  
Mohamed Ameerma



Commissioner  
Danny Titus  
(Part time)



Commissioner  
Janet Love  
(Part time)

# OVERVIEW BY THE CHIEF EXECUTIVE OFFICER



Kayum Ahmed  
Chief Executive Officer

**In a case dealt** with  
by the South African Human Rights  
Commission involving a racist teacher  
at a primary school, two students  
aged 11 and 13 decided to speak out  
about what they had observed. When  
they first reported the matter to their  
father, he refused to believe them. “It’s  
true,” they insisted.



The story was chilling. They told their father about a white teacher who walked around the classroom holding up a mirror to black students. The teacher would ask: “What do you see?” When the child replied, “I don’t know, sir,” the teacher responded by saying, “A baboon... you see a baboon!”

In our investigation of this case, 81% of the children we interviewed indicated that they had informed their parents about what was taking place. They told their parents about the old South African flag in the front of the classroom. They told their parents about the corporal punishment being used by their teacher. They told their parents that they were being called “kaffirs”. The parents did not act.

When the Human Rights Commission conducted interviews with the parents, many of them stated that their children were used to being called derogatory names, that it was a joke, and that they did not take the complaints from their children seriously.

So what made one parent decide to listen to his children and lodge a complaint with the Commission? In a school where the overwhelming majority of teachers are white and the majority of students are black, it was the white parent of the white children who decided to take up the matter.

Black parents of black students who were targeted by the racist teacher remained silent.

This case can be contrasted with the recent Supreme Court decision in *Prinsloo* handed down on 15 July 2014. In this matter, a black mother was dropping off her two daughters at the University of the Free State when they were referred to as “fucking kaffirs” by a white man.

The court found in favour of the mother and her daughters, confirming the Magistrate’s Court decision of *crimen iniuria* and assault, and the sentence of a R6,000 fine or 12 months imprisonment, suspended for five years.

It would be easy to write the story of the Supreme Court decision in *Prinsloo* as an example of the resilience of a black mother and her two daughters, or describe the case of the Wilgehof Primary School as a story about the courage of two young white students and their father. And indeed it is. But these are also stories about the disempowerment and the violation of the dignity of black people.

In the *Prinsloo* case, the court noted that when the black parent was asked how she felt after being referred to in racist language, “she responded that she felt naked, worthless, belittled and dirty, and that she felt like something had been taken away from her”.

It is therefore understandable that the black parents of students at Wilgehof Primary School remained silent.

The Human Rights Commission is called upon every day to deliberate on complex issues of race, gender and class in South Africa. We do so, recognising that even in contexts where we expect equal relationships to flourish – in our places of learning like schools and universities – there remain deep historical wounds that must be factored into our findings.

Kayum Ahmed  
Chief Executive Officer  
31 July 2014

**THE COMMISSION IS PREPARED TO LEAD THESE DIFFICULT CONVERSATIONS. WE ARE PREPARED TO DO SO NOT ONLY BECAUSE IT IS NECESSARY, BUT BECAUSE THE DIGNITY OF EVERYONE WHO LIVES IN SOUTH AFRICA DEPENDS ON IT.**

My humanity  
is bound up  
in yours, for  
we can only  
be human  
together.



## 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.

### VISION

Transforming society  
Securing rights  
Restoring dignity

### 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.

### VALUES

The values of the Commission are:

Integrity  
Honesty  
Respect  
Objectivity  
Batho Pele Principles  
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 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, is as follows:

The South African Human Rights Commission must:

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

The Commission has the necessary powers, as regulated by the national legislation, to perform its functions, including the power to:

- Investigate and report on the observance of human rights
- Take steps to secure appropriate redress where human rights have been violated
- Carry out research
- Educate.

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.

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 (SAHRCA), the Promotion of Access to Information Act (PAIA) and the Promotion of Equality and Prevention of Unfair Discrimination Act (PEPUDA).

In this respect, the Commission has to:

- Promote awareness of the statutes
- Monitor compliance with the statutes
- Report to Parliament in relation to these statutes
- Develop recommendations on persisting challenges related to these statutes and any necessary reform.

#### SOUTH AFRICAN HUMAN RIGHTS COMMISSION ACT (ACT 54 OF 1994)

The SAHRCA provides for the establishment and powers and functions of the South African Human Rights Commission. While the Commission fulfils the obligations set out in the Act, in the financial year under review, it has suggested a number of amendments to bring the Act in line with the Constitution and subsequent legislation.





## PROMOTION OF ACCESS TO INFORMATION ACT (ACT 2 OF 2000)

The Commission promotes compliance with the PAIA and produces an annual report in this regard, in line with Sections 83 and 84 of the Act. Key prescripts of the PAIA are the development of transparency frameworks and increasing institutional responsiveness to information requests, with a view to promote access to information. There are implications for the functions of the Commission regarding the right to access to information, in light of the proposed establishment of the Information Regulator as an independent intermediary on enforcement of the PAIA.

## PROMOTION OF EQUALITY AND PREVENTION OF UNFAIR DISCRIMINATION ACT (ACT 4 OF 2000)

The Commission continues to promote compliance with the PEPUDA and produces 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 for 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.

## 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, which are 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 that national human rights institutions should:

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

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



### 3. ORGANISATIONAL STRUCTURE

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

FIGURE 1: ORGANOGRAM

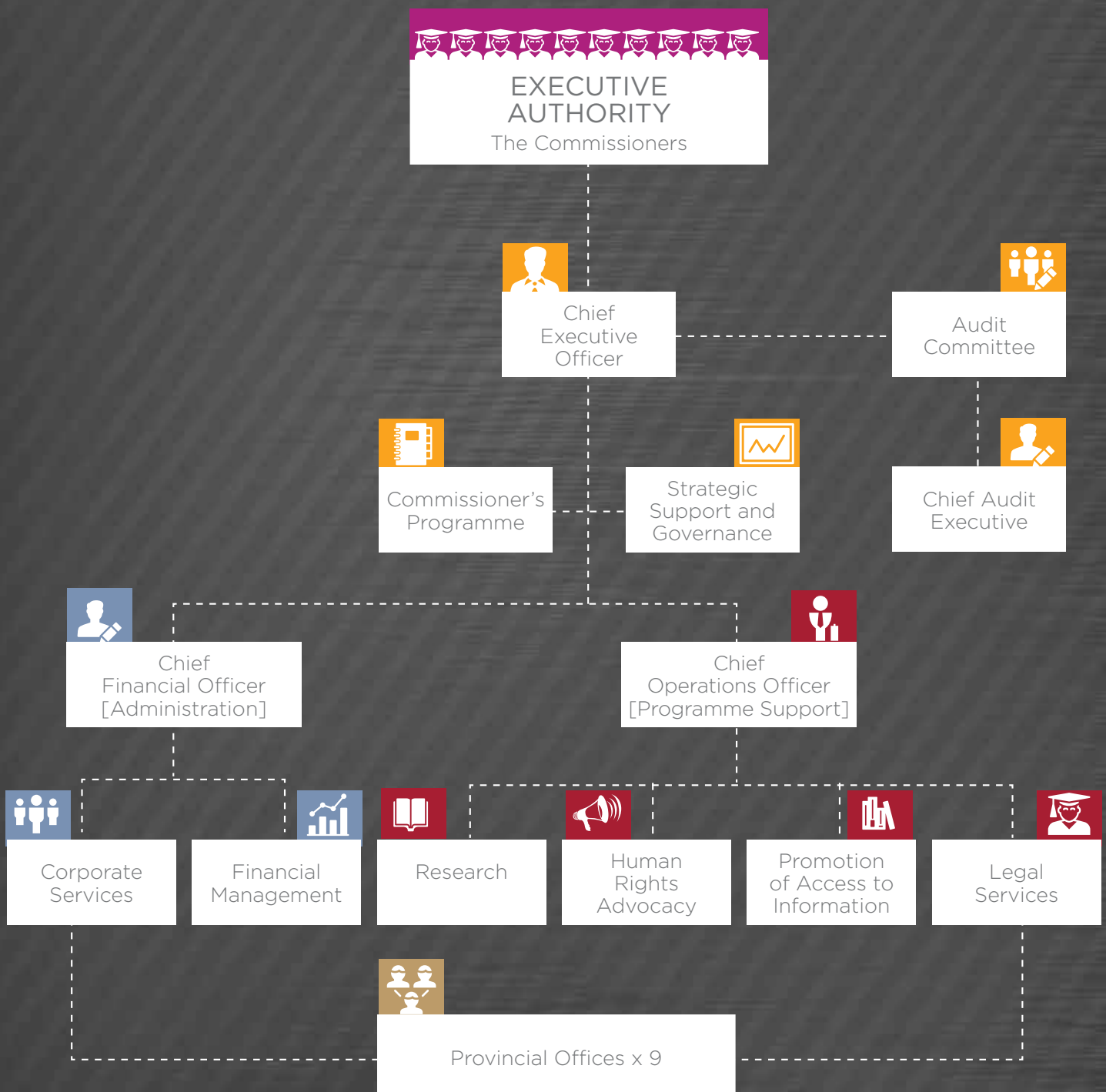
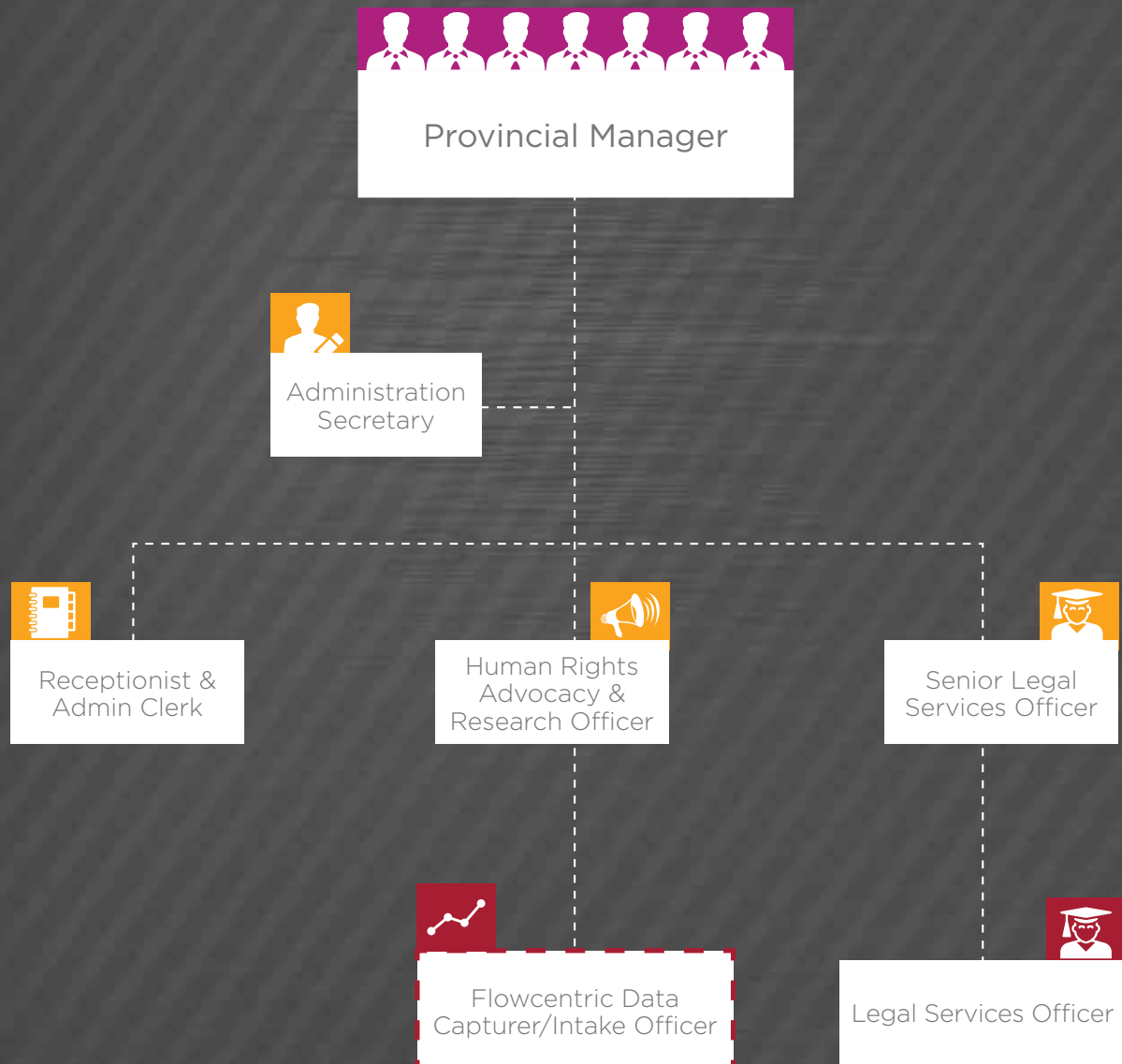




FIGURE 2: GENERIC PROVINCIAL STRUCTURE



human

rights

are not

optional



## STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

### Statement of Responsibility for Performance Information for the year ended 31 March 2014

The Chief Executive Officer is responsible for the preparation of the institution'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 2014.

Kayum Ahmed  
Chief Executive Officer  
31 July 2014



# 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 Tables 1(a) (allocation from 01 April 2013 to 31 January 2014) and 1(b) (allocation from 01 February 2014 to 31 March 2014), incorporating revised focus areas to include housing, access to justice, as well as the Free State province for the new Commissioner, Adv. Ameerma.

TABLE 1(A): COMMISSIONERS' STRATEGIC FOCUS AREAS FROM 01 APRIL 2013 TO 31 JANUARY 2014

Commissioner	Strategic Focus Area	Province	UN Treaty Bodies
Chairperson, Commissioner M L Mushwana	Migration, Housing, Equality, Food Security	Eastern Cape, Northern Cape and Mpumalanga	Convention on the Elimination of Racial Discrimination
Deputy Chairperson, Commissioner P Govender	Basic Services, Access to Information, Health Care	Western Cape	Convention on the Elimination of All Forms of Discrimination against Women
Commissioner B Malatji	Disability, Older Persons	North West and Limpopo	Convention on the Rights of Persons with Disabilities
Commissioner L Mokate	Basic Education, Children	Free State	Convention on the Rights of the Child
Commissioner J Love (part-time)	Environment, Natural Resources, Rural Development	KwaZulu-Natal	International Covenant on Economic, Social and Cultural Rights
Commissioner D Titus (part-time)	Human Rights and Law Enforcement, Prevention of Torture	Gauteng	Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, International Covenant on Civil and Political Rights



**TABLE 1(B): COMMISSIONERS' STRATEGIC FOCUS AREAS  
FROM 01 FEBRUARY TO 31 MARCH 2014**

Commissioner	Strategic Focus Area	Province	UN Treaty Bodies
Chairperson, Commissioner M L Mushwana	Migration, Equality	Mpumalanga	Convention on the Elimination of Racial Discrimination
Deputy Chairperson, Commissioner P Govender	Basic Services, Health Care	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 Ameermia	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

The Commission's planning and internal evaluation exercises over the three-year Medium Term Expenditure Framework for the period 2011/12 to 2013/14 resulted in the identification of a number of outcome oriented goals that were critical to the execution of its core mandate, with the aim to:

- Improve the quality of complaints handling
- Improve the quality of monitoring, evaluation of and reporting on the realisation of human rights
- Inculcate a culture of human rights through human rights advocacy
- Strengthen organisational effectiveness and efficiency
- Improve communication and stakeholder engagement.

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 is provided in the section on "Performance Information by Strategic Objectives and Programmes".

The Commission reconfigured its programme structure in to allow for meaningful execution and realisation of its outcome oriented goals and strategic objectives. The Commission has three main programmes – "Promotion and Protection of Human Rights", "Research, Monitoring and Evaluation" and "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 2013/14

### Overall performance achievement

2013/14 marks the end of the three-year strategic planning cycle initiated in 2011/12. The Commission has experienced a slight dip in overall performance, from an 89% achievement of targets in 2011/12 to 84% in 2012/13. The organisational restructuring and consequent instability resulting from the creation and filling of new posts as well as orientation of new staff, especially at senior management level, largely contributed to the reduction in performance achievement. As the environment stabilised between 2012/13 and 2013/14, so did performance achievement, recording 87% during the latter period.

### Strengthened protection mandate

The three-year planning cycle ending in 2013/14 focused largely on strengthening the protection mandate of the SAHRC. This entailed higher resources allocation to complaints handling for upgrading the Flowcentric data system and training of legal officers and data capturers to improve the effectiveness of complaints handling. Furthermore, during the financial year under review, the executive management undertook visits to provinces to identify challenges and performance improvement interventions relating to complaints handling. While many challenges were resolved, some still remain, such as improvement of the Flowcentric system for relevant data management and reporting purposes.

The results of the interventions are evident in the Commission's improved achievement of 93% finalisation of cases against a target of 85%, which had not been met the previous financial year. This translates to 8,550 cases finalised out of a total of 9,217 that were received. Complaints trends analysis indicates that complaints relating to arrested, detained and accused persons; just administrative action; equality; labour relations; and health care, food, water and social security account for the highest number of alleged violations received by the Commission.

While the past three years have focused on strengthening the protection mandate, the Commission has increasingly recognised the need to integrate its approach to deliver on its mandate, as these elements are interrelated. In response, the next three-year cycle will dedicate equal attention to the promotion and monitoring components of the mandate. During 2014/15, particular attention will be focussed on the promotion aspects of advocacy and outreach to raise human rights awareness as a way of enhancing observance and protection against abuses. Human rights clinics will be convened to provide comprehensive and integrated services, especially targeting rural and peri-urban areas to improve reach and accessibility by marginalised communities.

### Annual themes and hearings

In the three-year cycle 2011/12 to 2013/14, the Commission identified annual themes and hosted provincial hearings and engagements in each of the financial years. These included themes on freedom of expression and hate speech (2011/12), water and sanitation (2012/13) and the right to food (2013/14). In the year under review, the Commission hosted a national conference on the right to food on 20 March 2014. The conference allowed the Commission to raise and enhance awareness, explore the challenges relating to the enjoyment of the right to food, and seek solutions by means of recommendations for change. The focus of the discussions centered around the relationship of the right to food with other human rights, the promotion of access to food, as well as stakeholder roles and responsibilities in addressing food security.





While the theme on water and sanitation was the focus for the previous financial year and sought to highlight the challenges faced by communities and to foster state accountability, follow-up work was carried through to 2013/14 with the launch of the water and sanitation report and publication in March 2014. The recommendations made in the report were brought to the attention of Parliament to enhance implementation by responsible state departments.

### International and regional activity

The SAHRC's role as Chairperson of the International Coordinating Committee for National Institutions for the Promotion and Protection of Human Rights (ICC) is a significant milestone for the institution. As testament to the sterling work of the SAHRC as an A-status national human rights institution (NHRI), the ICC, which consists of over 70 members, unanimously elected the SAHRC as the Chair of the ICC. This was a significant achievement not only for the SAHRC but also for the continent, as it was the first time an African NHRI has been elected to the position.

The work of the ICC in 2013 included the following achievements: the development of a strategic plan for the ICC, the commemoration of the 20th anniversary of the Paris Principles, and participation in key strategic meetings and conferences such as the 8th meeting on the Arab European Human Rights Dialogue on NHRIs: Independence and Accountability that was held in September 2013. All of this work also included support to NHRIs under threat, such as those of Egypt and Afghanistan.

The international and regional work of the Commission also enhances its role in monitoring and influencing the country's ratification, reporting and domestication of various world-wide instruments and agreements. This contributes to the objective of promoting national compliance with international and regional obligations.

### Positioning the Commission as a focal point for human rights in South Africa

The Commission is recognised for its consultative and participatory stakeholder engagement processes with experts and relevant stakeholders on its strategic focus areas. Having participated in more than 80 engagements with stakeholders across a range of human rights topics, the Commission has proactively sought to position itself as the focal point for human rights in the country. The Section 5 Committees established in response to the South African Human Rights Commission Act have enabled interaction on expert input towards development of specific strategies and positions, as well as recommendations on issues of concern to influence human right based national planning, policy and legislation.

### Advancing the realisation of human rights

In advancing the realisation of human rights, the Commission has engaged with various role players, including all spheres of government, civil society and communities, to monitor and assess the extent to which human rights are observed, promoted and protected. A range of outputs has been delivered to reflect on the Commission's findings in this regard. These include the:

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

The Commission has been highly effective in achieving these outputs and providing a set of recommendations to relevant role players. A process of developing tools for monitoring and evaluation to track implementation of recommendations and enhance impact assessments was initiated and carries through to the next financial year.

## 1.3 OVERVIEW OF ORGANISATIONAL ENVIRONMENT FOR 2013/14

### Resolution of audit findings

Having received a qualified audit for the 2012/13 financial year, the institution developed an Audit Action Plan for implementation to resolve the findings. An Audit Review Committee was established and met on a monthly basis to administer and monitor implementation of the plan. Furthermore, the Auditor-General conducted an interim audit during November 2013 to review the financial statements as at September 2013. In addition, the internal audit function enhanced the audit findings resolution attempts by conducting monthly reviews and reporting. The resolution of audit findings during 2013/14 resulted in an unqualified audit opinion issued by the Auditor-General for the period under review.

### Organisational restructuring and culture

While the filling of approved and funded posts was completed during the financial year, the vacancy rate as at the end of March 2014 was 16% due to in-year resignations. The total number of filled posts was 150, which represents 84% of the total approved posts of 178 (inclusive of 13 frozen posts). The filling of posts at senior management level was fairly stabilised, with all filled except for two provincial manager positions in the Eastern Cape and Free State respectively.

During 2013/14, an office to coordinate the work of the International Coordinating Committee for National Human Rights Institutions was established within the Commissioners' Programme to support the Chairperson.

Following the restructuring process and appointment of several new staff members, there was a growing need for organisational rebuilding to enhance team relations and maintain a high performance culture. Organisational climate surveys were undertaken during the financial year. The results of the surveys will be analysed and interventions introduced from 2014/15 onwards.

### Resources and capacity constraints

Delivery of the Commission's mandate has occurred amidst inadequate resource allocation, both in terms of human and financial resources. The impact of such constraints has resulted in periodic readjustment of annual targets for accommodation within resources restrictions and to ensure that the quality of organisational delivery is not unduly compromised. While Parliament has noted and recommended increased funding for the Commission, National Treasury did not implement these recommendations. As a consequence, the Commission has had to freeze 13 of the approved posts as shown on the organogram, as these could not be funded. This adversely affected the advocacy, research and legal functions, at both head office and provincial levels.

Given the organisational structure review, there was a need to focus some of the resources on capacity development to enhance personnel skills on the protection mandate and complaints handling. With the shift in strategic direction towards the promotion and monitoring mandates, greater resources will be required for training on advocacy, research, and monitoring and evaluation.

### Office location and accessibility

While the institution continued to be confronted with accessibility concerns as a result of office location largely in urban centres, it has made attempts to reach marginalised areas through community radio. Furthermore, looking into the future, it has revised its planned activities to incorporate human rights clinics with comprehensive services targeting rural and peri-urban areas.



### 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 it promotes and acknowledges good performance. The process of revision commenced towards the end of the financial year and carried into 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:

- Comments on the Disability Monitoring and Evaluation Policy and Disability Disaggregated National Development Plan
- Drafted comments on the Draft Immigration Regulations for submission to the Department of Home Affairs
- Finalised a draft submission on the Women Empowerment and Gender Equality Bill
- Presentation to the Select Committee on Security and Constitutional Development on the Criminal Law (Forensic Procedures) Amendment Bill (DNA Bill), on 8 October 2013
- Drafted submission to Parliament on the Determination of Remuneration of Members of Constitutional Institutions Law Amendment Bill
- Drafted the Human Rights Commission Bill submission to the Portfolio Committee on Justice and Constitutional Development, and attended deliberations on the Bill
- Presentation to the Portfolio Committee on Correctional Services regarding measures to strengthen the independence of the JICS
- Submission drafted and submitted to the Portfolio Committee on Police on the Criminal Law (Forensic Procedures) Amendment Bill, on 1 August 2013
- Submitted comments on the Maintenance Amendment Bill 2013 to the Department of Justice and Constitutional Development, on 4 July 2013.

In addition to these submissions and activities, there have been legislative changes which have far-reaching consequences for the right to information. After the Protection of State Information Bill (POSIB) was passed by Parliament, the Commission sent a letter to the President, on the basis of expert legal opinion from legal counsel, on the constitutionality of the POSIB. The Commission requested the President to refer the Bill to the Constitutional Court. While the President recently referred the POSIB back to Parliament, many issues raised in the Commission's expert opinion remain relevant.

South Africa's Protection of Personal Information Act (POPI) has the potential to enhance the information environment without unduly restricting the constitutional right to information. POPI establishes an Information Regulator, with powers to enforce PAIA. It will, however, be necessary to address the long established institutional culture of secrecy so that protection of personal information does not result in bureaucrats denying access to information. At the Commission's first Business Transparency Conference in June, the issue of protection of personal data by private companies was addressed by several experts in the field, including the Deputy Minister of Justice and Constitutional Development, John Jeffery.

## 2. PERFORMANCE INFORMATION BY STRATEGIC OBJECTIVES AND PROGRAMMES

### 2.1 STRATEGIC OBJECTIVES, PROGRAMMES AND BUDGET EXPENDITURE BY PROGRAMME

#### 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:

- Strategic Objective 1: Promote compliance with international obligations
- Strategic Objective 2: Position the Commission as the focal point for human rights in South Africa
- Strategic Objective 3 Strengthen advocacy and human rights awareness raising
- Strategic Objective 4: Advance the realisation of human rights
- Strategic Objective 5: Advance the right to equality and access to information
- Strategic Objective 6: Improve the effectiveness and efficiency of the Commission.

#### SUMMARY OF PROGRAMMES

In support of the strategic objectives, the Commission is broadly structured into three programmes – Promotion and Protection of Human Rights; Research, Monitoring and Reporting; and 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 – the Commissioners' Programme, Legal Services, Human Rights Advocacy, Strategic Support and Governance, and the Office of the Chief Executive Officer.

##### *Commissioners' Programme (Office of the Commissioners)*

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

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

##### *Strategic Support and Governance*

This is a newly established unit, and the product of the organisational restructuring exercise that commenced in 2011/12, with its organogram completely filled in October 2012. 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 the Promotion of Access to Information.

#### *Research*

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

#### *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 the successful achievement of strategic objectives within a limited resources environment. 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 its strategic objectives for meaningful realisation of the Commission's outcome oriented goals and priorities. It is in this respect that performance information for 2013/14 is presented by strategic objective. Table 2 provides a schematic presentation of the alignment of the 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	
Advocacy	X	X	
Realisation of human rights	X	X	
Equality and access to Information	X	X	
Effectiveness and efficiency	X	X	X

It is clear from Table 2 that most of the programmes and business units' operations contribute to all of the strategic objectives, hence the presentation of performance mainly by strategic objective.

## 2.3 ORGANISATIONAL PERFORMANCE BY STRATEGIC OBJECTIVE

The intention of this section is to report on organisational performance against performance indicators and planned targets set for the 2013/14 financial year. 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 order to give a sense of financial efficiencies in delivering on the Annual Performance Plan, the section provides a summary of budget expenditure by programme for the period under review.

In summary, the Commission achieved 87% of its annual performance targets for the financial year 2013/14. Analysis of performance over the three-year Medium Term Expenditure Framework period of 2011/12 to 2013/14 indicates an average achievement of 80%. Institutional performance improved slightly, from 84% in 2012/13, indicating stability following a restructuring and repositioning strategy that marked the previous two financial years.



The breakdown of target achievement by objective is presented in the following table

Strategic Objective	Total Number of Targets	Targets Achieved	Targets Not Achieved	% Achievement
1 Promote compliance with international obligations	5	5	0	100%
2 Position the Commission as the focal point for human rights	10	9	1	90%
3 Strengthen advocacy and human rights	5	5	0	100%
4 Advance the realisation of human rights	7	7	0	100%
5 Advance the right to equality and access to information	8	7	1	88%
6 Improve the effectiveness and efficiency of the Commission	17	12	5	71%
<b>Total</b>	<b>52</b>	<b>45</b>	<b>7</b>	<b>87%</b>

## STRATEGIC OBJECTIVE 1: PROMOTE COMPLIANCE WITH INTERNATIONAL OBLIGATIONS

### (a) Key highlights

The Commission achieved all the targets (five of five) undertaken towards promoting compliance with international and regional obligations. These included Commissioners' participation in international and regional activities, implementation of an action plan based on outcomes of previous international and regional activities, as well as completion of the Annual International Human Rights Report.

#### *Participation in international and regional activities*

The Commissioners participated in about 20 international and regional activities, including those of the International Coordinating Committee of National Human Rights Institutions, the Network of African National Human Rights Institutions (NANHRI) and the African Charter on Human and People's Rights (ACHPR). This far surpassed the targeted six activities for the financial year. The Chairperson's appointment as Chairperson of the ICC enhanced the Commission's participation. Furthermore, the Commissioners responded to invitations for events funded by hosting organisations.

Participation in these activities enhances the understanding and influence of the Commission on global human rights issues. It further implies the Commission's impact on promoting human rights observance at the national level, in alignment with international trends. On the basis of international and regional agreements and discussions, the Commission interacts with the national Parliament and other key stakeholders to ensure adherence thereof. As such, the activities proactively contribute to the objective of promoting compliance with international and regional obligations.

#### *Implementation of action plan based on international and regional activities*

In fostering outcome achievement and impact realisation, the Commission incorporated resolutions from international and regional engagements undertaken in the previous financial year into its planning processes to ensure that these were carried through. In this regard, about 40 resolutions, ranging across varied human rights areas including the Commission's annual thematic area on the Right to Food, were considered and addressed during the period under review. Details of the actual



human rights areas covered are contained in the Commission's 2013/14 International and Regional Activities Action Plan, which include, among others:

- Right to access to information
- Discrimination against people living with HIV and AIDS at the workplace
- Right to food
- Acid mine / rock drainage
- Cooperation with mandate holders
- Torture and detention
- Mentorship and exchange visits among NHRIs
- Gender inequality
- Business and human rights
- Participation in ICC activity
- Reporting on various international and regional conventions, instruments and agreements, including
  - Reporting on the Robben Island Guidelines and implementation of the Johannesburg Declaration
  - Reporting to the African Commission.

#### *International human rights reporting*

The SAHRC Annual International Human Rights Report was completed during the 2013/14 financial year. It documents the Commission's concerns in terms of implementation of international human rights obligations. These include issues largely relating to economic, social and cultural rights, particularly services delivery, poverty, health and education, as well as safety and gender equality. The report also notes developments and improvements made by South Africa since the previous Universal Periodic Review (UPR) cycle, including, among others, the reinstatement in 2011 of the specialised Family Violence, Child Protection and Sexual Offences Unit, introduction of the Prevention and Combating of Trafficking in Persons Bill to Parliament in March 2010, and progress in addressing HIV and AIDS. The full report is available on the Commission's website.





**TABLE 3: ACHIEVEMENT AGAINST PLANNED TARGETS FOR COMPLIANCE WITH INTERNATIONAL OBLIGATIONS**

<b>Strategic Objective 1: Promote compliance with international 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 2012/13</b>	<b>Planned Target</b>	<b>Actual Achievement 2013/14</b>	<b>Reasons for Deviation from Planned Target for 2013/14</b>	<b>Variance from 2012/13 to 2013/14 Achievements</b>	<b>Comment on Variances/ Corrective Measures</b>
Participation in ICC Activities	Reports on 26 NANHRI and ICC activities undertaken	Participate in 2 ICC activities	Participated in 9 ICC activities	Target exceeded due to increased responsibility resulting from assumption of ICC Chairperson role	A decrease in the number of international and regional activities due to reduction in target	Reduced targets from previous financial year were the result of budgetary constraints. The exceeded target for 2013/14 was made possible by external funding or funded through savings.
Participation in NANHRI activities	Reports on 26 NANHRI and ICC activities undertaken	Participate in 2 NANHRI activities	Participated in 9 NANHRI activities	Target exceeded due to external invitations	A decrease in the number of international and regional activities due to reduction in target	Reduced targets from previous financial year were the result of budgetary constraints. The exceeded target for 2013/14 was made possible by external funding or funded through savings.
Participation in ACHPR activities	Reports on 26 NANHRI and ICC activities undertaken	Participate in 2 ACHPR activities	Participated in 2 ACHPR activities	Target achieved	A decrease in the number of international and regional activities due to reduction in target	Reduced targets from previous financial year were the result of budgetary constraints.
Implementation of Annual SAHRC Action Plan based on outcomes of 28 international and regional activities, including ICC and NANHRI	New indicator	100% implementation of Annual SAHRC Action Plan based on outcomes of 28 international and regional activities, including ICC and NANHRI	100% implementation	Target achieved	None	Target achieved
Completion of Annual International Human Rights Report by 30 June 2013	One report completed	Annual International and Regional Human Rights Report completed by 30 June 2013	Report completed	Target achieved	None	Target achieved

## 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, hosting of public hearings to promote State accountability, media engagements to improve the profile of the Commission and raise public awareness, and complaints handling to protect human rights. The main contributing units to this strategic objective are the Commissioners' Programme, Human Rights Advocacy, Legal Services and the Communications section within Strategic Support and Governance.

### (a) Key highlights

The Commission achieved nine of 10 targets for this strategic objective, thus recording 90% achievement in the period under review.

#### *Engagement with key stakeholders and experts*

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, roundtables and seminars on the various focus areas of the Commissioners and other human rights topics of current concern. Furthermore, the Commission has established and hosted Section 5 Committee meetings, consisting of experts across a range of fields, aligned with the Commissioners' focus areas, and related to the protection of rights, as well as promotion and monitoring human rights observance. Several stakeholder experts have contributed and shared vast knowledge and experience with the Commission. Largely, the stakeholder and expert contributions related to:

- Expert advisory roles to assist and advise the Commission on the development of strategies, the implementation of actions, making recommendations, and monitoring and evaluating them to determine their effectiveness and impact
- Awareness raising and affirmation of the importance of human rights observance
- Exploring, monitoring and reporting on the extent and prevalence of human rights violations
- Responses and commitments to address human rights concerns
- Sharing of practical experiences to expose human rights violations and to indicate the impact of implemented recommendations and redress actions.

Further engagements are held continuously with Parliamentary Portfolio Committees for reporting and advocacy purposes. During the financial year under review, the following engagements were held with Parliament:

- a. Launch of Water and Sanitation Report with Parliamentary Portfolio Committee in March 2014
- b. Attended the State of the Nation Address in February 2014
- c. Passing of the SAHRC Bill by the Portfolio Committee on Justice and Constitutional Development in the National Assembly, 11 November 2013
- d. Participated at the Public Hearings on the 2012/13 Annual Reports of the SAPS and the IPID, Portfolio Committee on Police, 08 October 2013
- e. Participated at the third briefing Criminal Law (Forensic Procedures) Amendment Bill meeting, Cape Town, 08 October 2013
- f. Presentation of the South African Human Rights Commission Annual Report to the Portfolio Committee on Justice and Constitutional Development, 11 October 2013
- g. Presented at the Parliamentary Portfolio Committee on Correctional Services on Independence of Judicial Inspectorate, 18 September 2013
- h. Attended Portfolio Committee on Justice and Constitutional Development redrafting of HRC Act clauses with state law advisors, 21 August 2013



- i. Presentation of the South African Human Rights Commission Bill to the Portfolio Committee on Justice and Constitutional Development, 14 August 2013
- j. A member of the Parliamentary delegation participated in an oversight visit to two correctional centres in the Eastern Cape (East London) along with the Portfolio Committee on Correctional Services
- k. Presented the SAHRC Report to the Portfolio Committee on Correctional Services, 19 June 2013
- l. Briefed the National Assembly's Portfolio Committee on Basic Education and the National Council of Provinces' Select Committee on Education and Recreation on the Charter for Basic Education Rights, 14 May 2013
- m. Presentation of the South African Human Rights Commission's Strategic Plan, Annual Performance Plan and Budget to the Portfolio Committee: Justice and Constitutional Development, 30 April 2013

### *Complaints handling to protect human rights*

The ability of the Commission to investigate human rights violations is central to the mandate of protecting human rights within South African society. The effects of the strategic intent to strengthen the protection mandate in previous years have been positive in 2013/14, with the 85% target for finalisation of cases received exceeded. The Commission achieved 93% finalisation of total cases, including complaints and enquiries, during the period under review. This translates to 8,550 cases finalised out of a total of 9,217 that were received.

### TOP FIVE COMPLAINTS HANDLED BY CATEGORY: 2013/14

Nature of Complaint	Percentage	Right Violated
Arrested, Detained and Accused Person	13%	Conditions of detention in detention centres Imprisonment without trial Right to appeal
Just Administrative Action	12%	Unfair administrative procedure No outcome/decision of an administrative action No reason provided for an administrative action
Equality	11%	Hate speech Racial discrimination Disability Sexual orientation Religion
Labour Relations	10%	Racial discrimination in the workplace Hate speech in the workplace
Health Care, Food, Water and Social Security	7%	Health Food Water and sanitation

### Key investigations

This sub-section presents a summary of some of the key investigations undertaken by the Commission during the financial year under review:

#### **1. Craig Thiem / Lenard Mac Kay / Principal of Wilgehof Primary School / Chairperson of the School Governing Body, Wilgehof Primary School (FS/1314/0083)**

- The First Respondent is alleged to have violated the right to equality, human dignity, education and the rights of the child of the learners by referring to them as 'kaffirs', 'monkeys', 'baboons' and 'barbarians'. The First Respondent is further alleged to have displayed an old South African flag and pinned to the wall a caricature depicting Mr Julius Malema alongside baboons in the classroom.

- The Commission found that the First Respondent's crude racist remarks perpetrated against black learners constituted a clear incident of hate speech as defined by PEPUDA. The First Respondent's act of hate speech constitutes a clear violation of both the right to equality and human dignity of the learners.

## **2. Mike Waters MP / National Department Of Social Development (GP/2012/0309)**

- The complaint related to allegations that the Department of Social Development (DSD) was failing to properly implement the National Child Protection Register (CPR) and that by failing to enforce the CPR, section 28 of the Bill of Rights of the Constitution, which reads as follows: "every child has the right to be protected from ... neglect, abuse or degradation," was being violated.
- The Commission found that there is a clear duty on the statutory functionary of the State to maintain the CPR notwithstanding the responses tendered by the DSD explaining the current state of the CPR.

## **3. Nomonde Bozwana / North West Department of Education (GP/1213/0705)**

- The Commission received a complaint that the toilets used by pupils at Polonia Primary School, were in a deplorable condition and as a result the pupils were subjected to extremely unhygienic and unsafe conditions on a daily basis.
- The Commission found that the North West Department of Education did not take reasonable steps to ensure that the sanitation facilities at the school were of an acceptable standard. In this respect, the Respondent failed to adequately monitor the condition of the toilets on a regular basis with a view to ensuring that an acceptable standard of sanitation was adhered to and by so doing, failed to comply with its constitutional obligations.

## **4. Ms Hazel Oortman obo Minor Child X / St. Thomas Aquinas School / Department of Education, MP (MP/2010/0030)**

- The First Respondent did not have a built environment that was wheelchair friendly to enable the complainant's child to access the school buildings.
- The Commission found that the First Respondent failed to take the necessary steps to accommodate the complainant's child and therefore violated the child's right to equality and education.

## **5. SJ Masango, MPL (Democratic Alliance, Mpumalanga) / The Department of Health, Mpumalanga (MP/1213/0160)**

- The complainant alleged that the Respondent failed to provide health care services in public hospitals in the province and thus violated patients' rights to health care services as well as their right to dignity. The complainant submitted that Mpumalanga hospitals had a critical shortage of doctors and nurses as well as a lack of proper infrastructure in the hospitals.
- The Commission found that the Respondent violated the right of the public to have access to health care services.

### **Major litigation matters**

The Commission has, during 2013/14, also carried on with certain litigation matters. Some of the major matters dealt with in this period are listed in this sub-section.

## **1. FW de Klerk Foundation obo Maxwele / Minister of Police (Gauteng Provincial Office - GP/2010/0182)**

- The Complainant was assaulted and unlawfully detained by members of the South African Police Services.



- The South Gauteng High Court dismissed the Respondents application to review the Commission's finding in the matter.
- The Respondent tendered an apology to the complainant.

**2. SAHRC / Jon Qwelane (Gauteng Provincial Office – GP/2008/0796)**

- Jon Qwelane is alleged to have made derogatory statements about homosexuals in his opinion column in the Sunday Sun newspaper.
- The Respondent has filed papers setting out a constitutional challenge to sections 10 and 12 of PEPUA.

**3. SAJBD / COSATU (Gauteng Provincial Office – GP/2009/0362)**

- Bongani Masuku is alleged to have made a number of discriminatory utterances about the Jewish people.
- The court has advised that the matter will be heard between 10 November 2014 and 21 November 2014; the exact dates and duration of the hearing are to be confirmed.

**4. SAHRC / PASSOP / Minister of Home Affairs & Others (Gauteng Provincial Office –GP/2012/0134)**

- This matter related to the detention of asylum seekers at the Lindela Repatriation Centre beyond the legislatively prescribed timeframes.
- Heads of Argument and Practice Note have been filed on 28 November 2013. The counsel acting on behalf of the Department has not indicated which two days he shall be available, notwithstanding our counsel requesting this information.
- The matter was scheduled for 7 and 8 August 2014.

**5. Samson Mdawe Silinda / Abraham Minnaar Van Veijeren (Mpumalanga Provincial Office – MP/2010/0125)**

- Complainant was called a “kaffir” by the Respondent.
- The Commission applied for and was granted a default judgment on 2 May 2012.
- The default judgment was sent by the Equality court, in terms of PEPUA, to the North Gauteng High Court for confirmation. The High court confirmed the judgment.

**6. Residents of Athurstone Village / Amashangana Tribal Authority (MP/1213/0324)**

- Complainants were evicted unlawfully and in violation of their rights. The Commission is challenging the order by the Magistrates' Court.
- The relief sought is a declaration that evictions and demolitions were unlawful; or, alternatively, emergency accommodation and damages.

**Broad steps the Commission intends taking to ensure compliance of Respondents with recommendations**

- Should the Department concerned remain non-compliant with the SAHRC's recommendations, the National Assembly should be approached by the submission of the Finding to the relevant Portfolio Committee.
- The Department may be called to address the Commission and either present to it how it intends to comply with the SAHRC's recommendations or provide a written submission communicating this information.
- Noting that the Findings of the SAHRC are not justiciable, approaching a court of law to institute legal proceedings.

TABLE 4: ACHIEVEMENTS AGAINST PLANNED TARGETS FOR POSITIONING THE COMMISSION AS THE FOCAL POINT FOR HUMAN RIGHTS

<b>Strategic Objective 2:</b> Position the Commission as the focal point for human rights in South Africa						
<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 2012/13</b>	<b>Annual Planned Target 2013/14</b>	<b>Actual Achievement 2013/14</b>	<b>Reasons for Deviation from Planned Target for 2013/14</b>	<b>Variance from 2012/13 to 2013/14 Achievements</b>	<b>Comment on Variances/ Corrective Measures</b>
Number of stakeholder engagements	Hosted 83 stakeholder engagements including provincial office visits and engagements	82 stakeholder engagements	Participated in 98 stakeholder engagements	Target exceeded due to external invitations received	Target exceeded due to external invitations received	Target exceeded due to external invitations received
Percentage development of Comprehensive 2014/15 Plan for Human Rights Clinics	New indicator	100%	100%	Target achieved	None	Target achieved
Number of Parliamentary meetings participated in	Participated in 11 Parliamentary liaison meetings	Participate in 15 Parliamentary meetings	Participated in 14 Parliamentary meetings	Target missed by 1 meeting due to dependence on Parliamentary schedule	Target increased to meet Parliamentary requirements and improve interaction with Parliamentary Portfolio Committee	Target increased to meet Parliamentary requirements and improve interaction with Parliamentary Portfolio Committee
Percentage implementation of Terms of Reference for the Forum for Institutions Supporting Democracy (FISD)	New indicator	100% implementation of Terms of Reference for the Forum for Institutions Supporting Democracy (FISD)	100% implementation	Target achieved	None	Target achieved
Number of Section 5 Committee meetings convened	10 Section 5 Committees were convened	14 Section 5 Committee meetings	15 Section 5 Committee meetings were convened	Target exceeded due to a follow-up meeting	Target exceeded by 5 due to increased target	Target exceeded due to a follow-up meeting




**Strategic Objective 2: Position the Commission as the focal point for human rights in South Africa**

**Objective Statement:** Expand the visibility of the Commission through improved communication that includes media stakeholder engagement and increased responsiveness to individuals

Annual Performance Indicator	Actual Achievement 2012/13	Annual Planned Target 2013/14	Actual Achievement 2013/14	Reasons for Deviation from Planned Target for 2013/14	Variance from 2012/13 to 2013/14 Achievements	Comment on Variances/ Corrective Measures
% of total cases finalised as per standard procedures and within timeframes	79% of total cases were finalised	85% of total cases finalised	93% of total cases were finalised	Target exceeded. Flowcentric system upgrade enabled more effective, efficient and improved handling of complaints. Improvement plans based on Provincial assessment visits also contributed positively	Target exceeded due to systems upgrade	Refer to reasons for deviation. There were no resource implications for exceeding the target
% implementation of litigation strategy	Litigation Strategy was approved by 31 March	100% implementation of litigation strategy	100% implementation	Target achieved	None	Target achieved
Percentage reviews of stakeholder relations	New indicator	100% review of stakeholder relations	100% review	Target achieved	None	Target achieved
Percentage implementation of Annual Media Plan	100% implementation	100% implementation of Annual Media Plan	100% implementation	Target achieved	None	Target achieved
Number of electronic newsletters completed by deadline	New indicator	12 electronic newsletters completed by deadline	12 newsletters were completed	Target achieved	None	Target achieved

### STRATEGIC OBJECTIVE 3: STRENGTHEN ADVOCACY AND HUMAN RIGHTS AWARENESS RAISING

Contributions to this strategic objective includes hosting of events, including conferences, workshops and roundtables to engage on topical human rights issues and commemorate human rights calendar days, as well as materials development to promote awareness. The main contributing units are the Commissioners' Programme and the Human Rights Advocacy unit.

#### (a) Key highlights

The Commission achieved all five of the targets for this strategic objective. These include hosting of events to commemorate and celebrate human rights calendar days, a roundtable and report on business and human rights, and the development and distribution of promotional material.

The event for the Human Rights month of March 2014 focused on the Right to Food, conducted in the form of a national conference. At the provincial level the Commission either hosted or participated in 19 human rights calendar day events. An international human rights colloquium was held on 10 December 2013 to celebrate International Human Rights Day.

#### *Right to Food Conference*

The Commission hosted a national conference on the Right to Food on 20 March 2014. The national conference was a culmination of a series of provincial engagements in the form of interactive workshops, dialogues and roundtable discussions on the right to food, which were held from October 2013 to February 2014. These engagements allowed the Commission to raise and strengthen awareness, explore the challenges relating to the enjoyment of the right and seek solutions by means of recommendations for change. The Commission also produced a fact sheet in all the eleven official languages as part of promotional material for use in disseminating the message.

In addition, commissioners also held engagements to highlight the link between the realisation of the right to food and other human rights which form their respective focus areas, such as the right to education, health and environment. The conference was held as part of human rights month activities and provided a platform for the Commission to further engage with a range of stakeholders so as to set the agenda for a 'human rights based' approach on this issue for the country.

Some of the key issues which are a challenge in the realisation of the right to food emanating from this session were:

- Rising food prices
- Continued unequal land ownership due to failed land reform and the lack of agrarian transformation
- Concentration in the food value chain
- A liberalised and de-regulated agricultural sector
- Increased exports and imports
- A State favourable to corporate interests
- Ecological impacts
- Lack of policy focus on urban agriculture
- Apartheid-era labour practices on farms (for example, the Winelands strikes).

One of the sessions was themed '*Roles and Responsibilities in the Food Value Chain*' and the key issues were around:

- The role of municipal government in addressing food insecurity, as it is not clearly articulated within the Constitution or within other Acts guiding municipalities.
- Local government is not released of its obligation to facilitate the realisation of the right to food simply because national government has projects or strategies in place to assist in enabling food access.



- Attaining food security is therefore not just about access to food, but also about having the agency to acquire food.

Another session, which was themed, *'Moving towards a Human Rights Based Approach'* brought to the fore issues of accessibility and the realisation of the right to food. The majority of South Africans do not have access to healthy or nutritious food and:

- Very limited access to information on issues such as genetically modified organisms (GMOs), pesticides and decision-making structures
- Very unequal bargaining and lobbying power throughout the food system
- The research and policy agenda is narrowly defined
- The 2008-2012 maize crop accounted for 27% of all Plant Breeder's Rights (PBRs) granted.

#### *Conference recommendations*

Key recommendations emanating from the conference were:

- The conducting of a food sovereignty campaign consisting of small farmers, cooperatives and community organisations.
- Clarifying the approach to food sovereignty in the South African context so that there is harmony with the right to food discourse.
- Adopting a progressive approach to the right to food, rather than being restricted to a policy option or focus only, and the need to take into account the structural context of the food and agricultural system and how it undermines the achievement of the right to food.
- A review of the de-regulated environment of the agricultural food market across the value chain is required to regulate against barriers of entry for smallholder farmers and producers and facilitate their effective inclusion in market participation.
- Regulating preferential procurement from smallholder farmers across the value chain, including
  - Enforcing preferential procurement clause 5.5 of the Agri-BEE charter to procure 10% of total products from the emerging agricultural sector more effectively
  - Reviewing institutional arrangements for enforcement.

#### *Business and human rights roundtable*

On 25 February 2014, the Commission hosted a roundtable discussion on business and human rights. The aim of the roundtable was to assist in the development of an agenda for the Commission's activities in relation to its designated strategic focus area – business and human rights – in the 2014/15 financial year. The roundtable was exploratory in nature and took place in order to ensure a greater understanding of relevant issues, including:

- a. The current state of human rights in relation to the private sector in South Africa
- b. The most pertinent intersections between business and human rights and other rights, including the rights of children, women, people with disabilities and farm workers
- c. Agenda setting for future Commission action such as identifying focal issues, a methodology and activities that can be adopted for the 2014/15 financial year relating to the Commission's designated strategic focus area
- d. Consideration of the steps required for developing South Africa's National Action Plan (NAP) on business and human rights, including possible strategic partnerships with organisations working in this area such as the International Corporate Accountability Roundtable (ICAR) and the Danish Institute for Human Rights (DIHR).

TABLE 5: ACHIEVEMENTS AGAINST PLANNED TARGETS FOR STRENGTHENING ADVOCACY AND RAISING HUMAN RIGHTS AWARENESS

<b>Strategic Objective 3:</b> Strengthen advocacy and human rights awareness raising						
<b>Objective Statement:</b> To enhance understanding and build capacity for human rights						
<b>Annual Performance Indicator</b>	<b>Actual Achievement 2012/13</b>	<b>Annual Planned Target 2013/14</b>	<b>Actual Achievement 2013/14</b>	<b>Reasons for Deviation from Planned Target for 2013/14</b>	<b>Variance from 2012/13 to 2013/14 Achievement</b>	<b>Comment on Variances/ Corrective Measures</b>
Number of provincial human rights events held	9 events were held	9 provincial human rights events held by 31 March	19 provincial human rights events held	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 on the Right to Food: Fact sheet	Pamphlets on water and sanitation, as well as Traditional Courts Bill were produced	Produce promotional material on the 'Right to Food': Fact sheet by 30 September	Fact sheet on 'Right to Food' produced	Target achieved	None	Target achieved
Completion of report on roundtable on business, trade and human rights	Conferences conducted on Freedom of Expression, as well as Basic Education and Children's Rights	Complete Report on roundtable on business, trade and human rights by 31 March	Completed report on roundtable on business, trade and human rights	Target achieved	None	Target achieved
Number of national human rights events hosted	1 national event was hosted	Host 2 national human rights events	2 events hosted	Target achieved	Change of target from 1 to 2 to recognise International Human Rights Day	Target achieved
Percentage implementation of revised annual external communications strategy and plan	New indicator	100% implementation of revised annual external communications strategy and plan	100% implementation	Target achieved	None	Target achieved



## 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 monitoring the observance of human rights. In this regard, the Research Unit plays a role in conducting research to assess and report on the state of human rights observance. Furthermore, in conjunction with the Commissioners' Programme, the Unit leads submissions on draft legislation with implications for human rights. The Strategic Support and Governance function is tasked with monitoring organisational effectiveness in delivering on the mandate.

### (a) Key highlights

All the targets (seven of seven) that were planned in the period under review with respect to the drafting of the research, as well as monitoring and evaluation reports were realised. The targets included completion of the Section 184 (3) Report, completion of monitoring and evaluation reports, completion of the Strategic Focus Area Report, a publication on water and sanitation, development of a matrix for three economic and social rights areas, and submissions made on draft legislation.

#### *Economic and Social Rights Report (ESR) 2012/13*

The Economic and Social Rights Report (ESR) 2012/13 was completed during the period under review. The report indicates that while some progress may have been made across the various economic and social rights areas, more still needs to be done to realise greater impact. It highlights the following:

1. Housing
  - a. Poor services delivery coordination
  - b. Poor awareness of housing consumer rights
  - c. Housing backlogs remain very high and had not decreased in some provinces
  - d. Inaccessible demand database
  - e. Poor quality housing
  - f. High number of informal settlement dwellers.
2. Education
  - a. Geographically based ranking system disadvantages poor children
  - b. Lack of learning and teaching materials
  - c. Lack of access to education for learners with disabilities and non-national children
  - d. Attempts have been made to deal with safety and security concerns, including sexual harassment and violence in schools
  - e. Several programmes exist to improve education quality standards.
3. Environment
  - a. Inappropriate environmental communication strategies to rural communities
  - b. Exclusive decision making authority regarding mining regulations
  - c. Inaction or lack of information regarding mines operating without licences
  - d. Lack of feedback on outcomes of actions taken against environmental violations
  - e. No feedback on implementation of National Climate Change Response Strategy.
4. Right to Food
  - a. Various programmes implemented to address poor food security
  - b. Inadequate access to food
  - c. Increased child hunger
  - d. Poor food security remains high.

5. Right to Health
  - a. While authorities claim that infant, child and maternal mortality rates have declined, external research indicates increased maternal mortality
  - b. Various programmes introduced to promote health, especially of women, children, elderly persons and people with disabilities
  - c. While clinic access has improved, there remains poor access to community health centres, especially in rural areas
  - d. Lack of medicines and qualified doctors for primary health care
  - e. Poor quality of health services.
6. Right to Social Security
  - a. Unknown impact of social security on poverty
  - b. Civil society indicates positive impact on nutrition, education and health
  - c. Increased access to social service points
  - d. Awareness of services limited to social grants
  - e. Department is in agreement with the Commission's recommendation on the need for a social security roadmap
  - f. Department embraces Constitutional concept of progressive realisation of services.
7. Right to Water and Sanitation
  - a. No confirmation that communities with communal standpipes access six kilolitres of water per month
  - b. The quality of water and wastewater treatment remain a concern in some provinces
  - c. There are efforts to improve service delivery provision and monitoring at local level.

#### *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. Comments on the Disability Monitoring and Evaluation Policy and Disability Disaggregated National Development Plan
- b. Drafted comment on the Draft Immigration Regulations for submission to the Department of Home Affairs
- c. Finalised a draft submission on the Women Empowerment and Gender Equality Bill
- d. Presentation to the Select Committee on Security and Constitutional Development on the Criminal Law (Forensic Procedures) Amendment Bill (DNA Bill), 8 October 2013
- e. Drafted a submission to Parliament on the Determination of Remuneration of Members of Constitutional Institutions Law Amendment Bill
- f. Drafted HRC Bill submission to the Portfolio Committee on Justice and Constitutional Development; attended deliberations on the Bill
- g. Presentation to the Portfolio Committee on Correctional Services regarding measures to strengthen the independence of the Judicial Inspectorate for Correctional Services
- h. Submission drafted and submitted on the Criminal Law (Forensic Procedures) Amendment Bill, 1 August 2013, to the Portfolio Committee on Police
- i. Submitted comments to the Department of Justice and Constitutional Development on the Maintenance Amendment Bill 2013 on 4 July 2013.



**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 2012/13</b>	<b>Annual Planned Target 2013/14</b>	<b>Actual Achievement 2013/14</b>	<b>Reasons for Deviation from Planned Target for 2013/14</b>	<b>Variance from 2013/13 to 2013/14 Achievements</b>	<b>Comment on Variances/ Corrective Measures</b>
Completion of 2012/13 Performance Monitoring and Evaluation Report	Developed Monitoring and Evaluation Plan	Complete 2012/13 Performance Monitoring and Evaluation Report by 30 June 2013	2012/13 Performance Monitoring and Evaluation Report was completed	Target achieved	None	Target achieved
Completion of 2013/14 Mid-year Performance Monitoring and Evaluation Report	Developed Monitoring and Evaluation Plan	Complete 2013/14 Mid-year Performance Monitoring and Evaluation Report by 31 December 2013	2013/14 Mid-year Performance Monitoring and Evaluation Report was completed	Target achieved	None	Target achieved
Completion of 2012/13 Section 184 (3) Report	Draft Annual s184 (3) Report was completed by 31 March	Complete 2012/13 Section 184 (3) Report by 30 June	2012/13 Section 184 (3) Report was completed	Target achieved	None	Target achieved
Completion of Strategic Focus Area Report	The report was completed by 31 March	Complete Strategic Focus Area Report by 31 March	Strategic Focus Area Report was completed by 31 March	Target achieved	None	Target achieved
Publication on water and sanitation	New indicator	Publication on water and sanitation by 30 September	Publication released in Mail & Guardian newspaper	Target achieved	None	Target achieved
Development of draft matrix for 3 ESR areas	Draft matrix was completed by 31 March	Develop Draft matrix for 3 ESR areas by 31 March	Matrix developed for 3 ESR areas	Target achieved	None	Target achieved
Percentage submissions made on draft legislation	6 submissions were made	100% submissions made on draft legislation	100% submissions were made on draft legislation	Target achieved	None	Target achieved



## STRATEGIC OBJECTIVE 5: ADVANCE THE RIGHT TO EQUALITY AND THE RIGHT TO ACCESS TO INFORMATION

The Commission achieved seven of the eight targets set in the period under review, recording an 88% achievement of the targets for Strategic Objective 5. The Research Unit and Promotion of Access to Information Act Unit were the main contributors to this strategic objective, which seeks to advance the right to equality and the right to access to information. 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. The target that was not achieved relates to the equality review committee meetings, which were dependent on the Department of Justice and Constitutional Development.

### (a) Key highlights

On access to information, the Commission conducted 28 training sessions for both private and public sector compliance officers to improve levels of voluntary disclosure and responsiveness to public requests for information. In addition, the Commission held a National Information Officers' Forum as well as a provincial forum in Gauteng to enhance capacity for promoting and protecting the right to access to information.

PAIA Community Law Clinics were also initiated, in conjunction with the University of the Witwatersrand, and later extended to the Universities of the Western Cape and Cape Town. In over 20 such clinics undertaken during 2013/14, law students joined the Commission in recording and attending complaints.

The monitoring of compliance with the PAIA included an annual audit of several national government departments and metropolitan municipalities. Furthermore, in its Golden Key Awards Research, the Commission made a strategic shift to monitoring substantive compliance. Follow-up research found that national departments that were non-compliant included departments critical to service delivery, such as Human Settlements, Public Works, Water Affairs, Home Affairs and Women, Children and People with Disabilities.

On Parliament's recommendation, the Commission also conducted records management research that assessed all 43 national departments. The PAIA Annual Report presented to Parliament during the financial year exposes the challenge of securing both formal and substantive PAIA compliance from every department and sphere of government. This year the Commission proposed that the government's Management Performance Assessment Tool (MPAT) be used to assess all public bodies and achieve 100% substantive compliance. Through engagement with the Department of Performance Monitoring and Evaluation (DPME), the Commission secured a commitment that MPAT will incorporate the PAIA assessment standard developed by the Commission. This must compel a shift to more open and responsive government.

At the Commission's first Business Transparency Conference in June, the issue of protection of personal data by private companies was addressed by several experts in the field, including the Deputy Minister of Justice and Constitutional Affairs, John Jeffries. This Conference laid a strong precedent for the Commission's 2013-2014 focus on business accountability for human rights.

On the basis of the Commission's experience of PAIA's strengths and weaknesses, it developed substantive recommendations, as detailed in the separate PAIA Annual Report that was tabled in Parliament to improve the existing law. The Commission also contributed to the African Commission on Human and People's Rights new Model Law on Access to Information, which aims at strengthening the freedom of information environment and public participation regionally.



TABLE 7: ACHIEVEMENTS AGAINST PLANNED TARGETS FOR ADVANCING THE RIGHTS TO EQUALITY AND ACCESS TO INFORMATION

<b>Strategic Objective 5: Advance the right to equality and the right to access to information</b>						
<b>Objective Statement:</b> Fulfil the Commission's legislative obligations in relation to the right to equality and the right to access to information						
<b>Annual Performance Indicator</b>	<b>Actual Achievement 2012/13</b>	<b>Annual Planned Target 2013/14</b>	<b>Actual Achievement 2013/14</b>	<b>Deviation from Planned Target for 2013/14</b>	<b>Variance from 2012/13 to 2013/14</b>	<b>Comment on Variances/ Corrective Measures</b>
Completion of Annual Equality Report	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	1 PAIA annual report to Department of Justice and Parliament before 31 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	1 Recommendations Report submitted to DoJ & CD by 31 March	Recommendations Report was submitted to DoJ & CD	Target achieved	None	Target achieved
Completion of PAIA Audit report	PAIA Audit Report was completed	1 PAIA Audit report completed by 31 March	PAIA Audit Report was completed by 31 March	Target achieved	None	Target achieved
Completion of Institutional Compliance Report	Completed report on review of SAHRC institutional compliance	Institutional Compliance Report completed by 31 March	Institutional Compliance Report was completed by 31 March	Target achieved	None	Target achieved
Number of scheduled Equality Review Committee (ERC) meetings participated in	Participated in 3 Equality Review Committee meetings	Participate in 3 Equality Review Committee (ERC) meetings	0 ERC meetings attended	None of the 3 meetings attended	-3	Dependant on ERC Secretariat within DoJ & CD. Resolved with DoJ & CD to consider proposals on future management of ERC
Percentage implementation of PAIA Promotion and Advocacy Strategy and Plan	All activities implemented according to plan	100% implementation of PAIA Promotion and Advocacy Strategy and Plan	100% implementation	Target achieved	None	Target achieved
Number of pilot community sessions for PAIA Law Clinic	New indicator	20 pilot community sessions for PAIA Law Clinic	25 sessions	Target exceeded due to additional sessions conducted to meet student requirements	None	Target exceeded due to additional sessions conducted to meet student requirements

## STRATEGIC OBJECTIVE 6: OPTIMISE THE EFFECTIVENESS AND EFFICIENCY OF THE COMMISSION

The Commission achieved 12 of the 17 targets that were planned in the period under review, recording a 71% achievement of the targets for Strategic Objective 6.

The key indicators of the institution's effectiveness for 2013/14 has been the level of compliance with legislative and regulatory requirements, as well as the audit opinion of the Auditor-General. All planning and reporting statutory obligations were fully met. These included submission of national expenditure estimates for budgeting purposes, strategic plans for 2014-2017 for planning purposes, the 2012/13 Annual Report for reporting purposes, and achievement of the targeted 85% compliance with all corporate and financial policies and regulations. Furthermore, following consistent monitoring and implementation of the audit action plan, significant audit findings from the previous financial year were resolved, to the extent that the Auditor-General issued a clean audit (unqualified audit opinion) for 2013/14.

**TABLE 8: ACHIEVEMENTS AGAINST PLANNED TARGETS TO OPTIMISE THE EFFECTIVENESS AND EFFICIENCY OF THE COMMISSION**

<b>Strategic Objective 6:</b> Optimise the effectiveness and efficiency of the Commission						
<b>Objective Statement:</b> Ensure that the objectives set out in the Strategic Plan are optimally met						
<b>Annual Performance Indicator</b>	<b>Actual Achievement 2012/13</b>	<b>Annual Planned Target 2013/14</b>	<b>Actual Achievement 2013/14</b>	<b>Reasons for Deviation from Planned Target for 2013/14</b>	<b>Variance from 2012/13 to 2013/14 Achievement</b>	<b>Comment on Variances/ Corrective Measure</b>
Percentage implementation of the Performance Monitoring, Evaluation and Reporting (PMER) policy and strategy	PMER policy not fully implemented	100% implementation of the PMER policy and strategy	90% implementation	Mid-term performance reviews not completed on time by all units	None	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 to National Treasury by deadline	Estimated National Expenditure 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 Auditor-General and National Treasury by 31 May	Annual Financial Statements and performance information submitted by 31 May	Target achieved	None	Target achieved
	Submitted 2011/12 Annual Report to Parliament by 31 August	2012/13 Annual Report to Parliament by 31 August	Submitted 2012/13 Annual Report to Parliament by 31 August	Target achieved	None	Target achieved


**Strategic Objective 6:** Optimise the effectiveness and efficiency of the Commission

**Objective Statement:** Ensure that the objectives set out in the Strategic Plan are optimally met

Annual Performance Indicator	Actual Achievement 2012/13	Annual Planned Target 2013/14	Actual Achievement 2013/14	Reasons for Deviation from Planned Target for 2013/14	Variance from 2012/13 to 2013/14 Achievement	Comment on Variances/ Corrective Measure
	Adjusted 2013/14 Annual Performance Plan submitted to National Treasury by 30 November	Submit Adjusted 2013/14 Annual Performance Plan to National Treasury by 30 November	Adjusted 2013/14 Annual Performance Plan submitted to National Treasury by 30 November	Target achieved	None	Target achieved
	Strategic plan and Annual Performance Plan submitted on time	2014-17 Strategic Plan and 2014-15 Annual Performance Plan to National Treasury by end-January	2014-17 Strategic Plan and 2014-15 Annual Performance Plan was submitted to National Treasury by end-January	Target achieved	None	Target achieved
Percentage of programme targets achieved	84% of programme targets achieved	100% of all business units' targets achieved	87% of programme targets achieved	Targets not achieved due to various reasons including capacity constraints and other factors beyond internal control	Achievement improved by 3% from previous year	Engagement with relevant stakeholders where targets are not internally controlled
Audit opinion	Qualified audit opinion	Clean audit / unqualified audit opinion	Unqualified audit opinion achieved	Improved performance due to consistent monitoring and implementation of audit action plan	Improved performance from qualified to unqualified audit opinion	Target achieved
Percentage implementation of action plan resulting from audit findings	New indicator	100% implementation of action plan resulting from audit findings	59% implementation (59% resolved; 21% in progress; 20% open)	Capacity constraints, as units give priority to core operations	None	Resolution of findings to be continuously monitored by Internal Audit unit
Implementation of Strategic Risks Annual Treatment Plan	Annual Risk Register was approved and reviewed quarterly	100% implementation of strategic risks annual treatment plan	60% implementation	Capacity constraints, as units give priority to core operations	None	Implementation of risks treatment plan to be continuously monitored by Risk Manager

**Strategic Objective 6:** Optimise the effectiveness and efficiency of the Commission**Objective Statement:** Ensure that the objectives set out in the Strategic Plan are optimally met

Annual Performance Indicator	Actual Achievement 2012/13	Annual Planned Target 2013/14	Actual Achievement 2013/14	Reasons for Deviation from Planned Target for 2013/14	Variance from 2012/13 to 2013/14 Achievement	Comment on Variances/ Corrective Measure
Percentage development of compliance checklist	New indicator	100% development of compliance checklist	100% development	Target achieved	None	Target achieved
Percentage compliance with all relevant legislative, regulatory and policy requirements	Compliance requirements were met	85% compliance with all relevant legislative, regulatory and policy requirements	85% compliance	Target achieved	None	Target achieved
Percentage development of Action Plan to address areas of non-compliance by 31 March	New indicator	100% development of Action Plan to address areas of non-compliance by 31 March	100% development of Action Plan	Target achieved	None	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
Percentage implementation of Capacity Development Plan	Capacity Development Plan was partially implemented	100% implementation of Capacity Development Plan	100% implementation of Capacity Development Plan	Target achieved	Improvement in performance achievement	Target achieved
Percentage Implementation of Records Management Plan	Records management strategy and system was implemented according to schedule	70% Implementation of Records Management Plan	70% implementation	Target achieved	None	Target achieved
Percentage implementation of Commissioners' Capacity Development Plan	New indicator	100% implementation of Commissioners' Capacity Development Plan	33% implementation	Target not achieved due to Executive decision not to continue with some of the training	None	Target not achieved due to Executive decision not to continue with some of the training



## STRATEGIES TO DEAL WITH AREAS OF UNDER PERFORMANCE

The Commission under-achieved on its total targets for the 2013/14 financial year by 13%. 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 2014	Reasons for Variance	Corrective Action
1.	Participate in 15 Parliamentary meetings	15	Participated in 14 Parliamentary meetings	Additional anticipated meetings could not take place, as these are dependent on Portfolio Committee sittings	Targeting of statutory meetings and pre-scheduled meetings
STRATEGIC OBJECTIVE 5: ADVANCE THE RIGHT TO EQUALITY AND ACCESS TO INFORMATION					
No.	Key Performance Indicator	Original Annual Target	Achievement as at 31 March 2014	Reasons for Variance	Corrective Action
1.	Equality Review Committee meetings	3	0	Inadequate support from ERC Secretariat within DoJ & CD	Resolved with DoJ & CD that they will consider proposals on future management of ERC
STRATEGIC OBJECTIVE 6: IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE COMMISSION					
No.	Key Performance Indicator	Original Annual Target	Achievement as at 31 March 2014	Reasons for Variance	Corrective Action
1.	% implementation of PMER policy	100%	90%	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 of all business units' targets achieved	100%	87% achievement; 13% not achieved	Targets not achieved due to various reasons, including capacity constraints and other factors beyond internal control	Engagement with relevant stakeholders where targets are not internally controlled
3.	Percentage implementation of Strategic Risks Annual Treatment Plan	100%	60%	Capacity constraints	Monthly monitoring of implementation Filling of vacancies
4.	Percentage resolution of audit findings due by year-end	100%	59% resolved	21% in progress; 20% open	Resolution of findings continuously monitored by Internal Audit unit
5.	Percentage implementation of Commissioners' Capacity Development Plan <sup>1</sup>	100%	33% media training was conducted	Challenges of coordinating dates impeding provision of legal training. Corporate governance training cancelled by executive authority decision.	Pre-planning to secure dates early on during financial year

<sup>1</sup> Plan to include media, legal and corporate governance training for Commissioners

I stand  
for simple  
justice, equal  
opportunity  
and human  
rights.

*Helen Suzman*





## 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 (“the Code”) 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 2013/14 financial year the Commission was headed by six Commissioners, while a seventh Commissioner joined the institution as at February 2014.

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	D Titus	Part-time
6	J Love	Part-time
7	Adv. M Ameerma	Full-time (as at 01 February 2014)



## 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 (Act 1 of 1999 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 Committee enhances the independence of the Internal Audit Activity and provides oversight over risk management, governance and control processes. The Audit Committee assists the Chief Executive Officer in the effective execution of his responsibilities with the ultimate aim of achieving the Commission's objectives. 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 overseeing the audit functions, internal controls and the financial reporting process.

The Audit Committee assists the South African Human Rights Commission to:

- Create and maintain an effective internal control environment, financial controls, accounting systems and reporting
- Fulfil an oversight responsibility for the audit process
- Identify material risks and the management thereof
- Monitor compliance with laws, regulations and the code of ethics
- Ensure that the Commission is able to prevent, detect and respond to fraud and allegations of fraud
- Discharge its responsibility relating to the:
  - Safeguarding of assets
  - Operation of adequate procedures and controls
  - Reviewing of the financial information
  - The preparation of the financial statements.

### INTERNAL AUDIT WORK PERFORMED

During the year under review Internal Audit 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 Public Finance Management Act (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 management, the Commissioners and the Audit Committee, and has full, unrestricted access to all organisational activities, records, property and personnel.

Internal Audit was able to achieve 100% of the approved Internal Audit Annual Plan. Among the reviews conducted during the 2013/14 financial year were:

- Cash management
- Asset management
- Supply chain management
- Fraud and risk management
- Human resources
- Fraud and risk management
- Monitoring and evaluation audit
- Governance (IT and corporate)
- Operations (complaints handling and human rights advocacy).

TABLE 11: AUDIT COMMITTEE MEMBERS

Name	Qualifications	Internal or External	Date Appointed	Date Resigned	Number of Meetings Attended
Dawood Coovadia	CA(SA) , BAC (SA),, MIMC CMC, CPA(SA), RAA, GIA(SA) FICB(SA), FA(SA), FIAC, FCIBM, FCIS, FSIAM, FMAAT(UK), CAT(UK)	External	Since 2006		6
Waldo Hattingh	MBA, DBA, BCom and National Diploma in Management Services	External	1 December 2010		5
Patrick Roy Mnisi	LLB Degree, Masters in Corporate Law and Certificate in Compliance Management	External	1 December 2010		3
Phuthanang Segoati	CA(SA), BA	External	1 October 2011		6



## 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.





It always  
seems  
impossible  
until its  
done

*Nelson Mandela*



## EXPENDITURE

Departments budget in terms of clearly defined programmes. 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 within the institution.

TABLE 12: PERSONNEL COSTS BY PROGRAMME, 2013/14

Programme	Total expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and special service (R'000)	Personnel Cost as a percentage of total expenditure	Average personnel cost per employee (R'000)
Chief Executive Officer	3 454.80	1 432.50	34.713	289.70	41%	130.23
Commissioners	11 872.28	8 682.27	-	-	73%	361.76
Corporate and Financial support service	47 184.98	16 148.06	314.87	676.55	34%	489.34
Programme support	49 020.93	39 427.16	1 015.42	2 054.48	80%	480.82
	<b>111 533.00</b>	<b>65 690.00</b>	<b>1 365.00</b>	<b>3 020.74</b>	<b>59%</b>	<b>1 462.14</b>

TABLE 13: PERSONNEL COSTS BY SALARY BANDS, 2013/14

Salary Bands	Personnel Expenditure (R'000)	% of Total Personnel Cost	Average Personnel cost per employee (R'000)	Number of posts filled
Lower Skilled (Levels 1-2)	-	0		0
Skilled (Levels 3-5)	1 856	3%	309	6
Highly Skilled Production (Levels 6-8)	16 664	25%	256	65
Highly Skilled Supervision (Levels 9-12)	29 726	45%	540	55
Senior Management (Levels 13-16)	17 444	27%	727	24
Total	65 690	100%	438	150



The following tables provide a summary per programme (Table 14) and salary bands (Table 15) of expenditure incurred as a result of salaries, overtime, homeowners' allowances 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, HOMEOWNER'S ALLOWANCE AND MEDICAL ASSISTANCE BY PROGRAMME, 2013/14**

Programme	Salaries		Overtime		Homeowner's Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	Housing Allowance as a % of Personnel Cost	Amount (R'000)	Medical Allowance as a % of Personnel Cost
Chief Executive Officer	1 432.50	2%	-	-	244.84	17%	270.16	4%
Commissioners	8 682.27	13%	-	-	91.61	1%	259.26	3%
Corporate and Financial Support Services	16 148.06	25%	37.00	-	400.25	2%	705.93	4%
Programme Support	39 427.16	60%	8.23	-	837.73	2%	1 510.86	4%
<b>Total</b>	<b>65 690.00</b>	<b>100%</b>	<b>48</b>	<b>0%</b>	<b>1 574.43</b>	<b>23%</b>	<b>2 746.20</b>	<b>30%</b>

**TABLE 15: SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL ASSISTANCE BY SALARY BANDS, 2013/14**

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)	-	0%	-	0%	-	0%	-	0%
Skilled (Levels 3-5)	1 856	3%	1	0%	64	3%	124	7%
Highly Skilled Production (Levels 6-8)	16 664	25%	20	0%	581	3%	1 061	6%
Highly Skilled Supervision (Levels 9-12)	29 726	45%	24	0%	478	2%	1 147	4%
Senior Management (Levels 13-16)	17 444	27%	-	0%	451	3%	414	2%
<b>Total</b>	<b>65 690</b>	<b>100%</b>	<b>45</b>	<b>0%</b>	<b>1 574</b>	<b>2%</b>	<b>2 746</b>	<b>4%</b>



### *Employment and vacancies*

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

The vacancy rate reflects the percentage of posts that are not filled and includes thirteen frozen posts.

**TABLE 16: EMPLOYMENT AND VACANCIES BY PROGRAMME, 31 MARCH 2014**

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Chief Executive Officer	12	11	8%	-
Commissioners	26	24	8%	-
Corporate and Financial Support Services	34	33	3%	-
Programme Support	106	82	23%	-
<b>Total</b>	<b>178</b>	<b>150</b>	<b>16%</b>	<b>-</b>

**TABLE 17: EMPLOYMENT AND VACANCIES BY SALARY BANDS, 31 MARCH 2014**

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)	71	65	8%	-
Highly Skilled Supervision (Levels 9-12)	75	55	27%	-
Senior Management (Levels 13-16)	26	24	8%	-
<b>Total</b>	<b>178</b>	<b>150</b>	<b>16%</b>	<b>-</b>

**TABLE 18: EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION, 31 MARCH 2014**

Critical occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Legal	53	44	17%	-
Training	15	11	27%	-
Research	21	13	38%	-
<b>Total</b>	<b>89</b>	<b>68</b>	<b>24%</b>	<b>-</b>

The information in each case reflects the situation as at 31 March 2014. For an indication of changes in staffing patterns over the year under review, please refer to the section on “Employment Changes” lower down in this report.

### *Job evaluation*

The Public Service Regulations of 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in 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 Public Service and Administration that all senior management service (SMS) jobs must be evaluated before 31 December 2002.

### *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 institution. The following tables provide a summary of turnover rates by salary band (Table 19) and by critical occupation (Table 20).

**TABLE 19: ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014**

Salary Band	Number of Employees per Band as on 1 April 2013	Appointments and Transfers into the Institution	Terminations and Transfers out of the Institution	Turnover Rate
Lower Skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	5	1	-	-
Highly Skilled Production (Levels 6-8)	71	17	6	8%
Highly Skilled Supervision (Levels 9-12)	50	14	16	32%
Senior Management Service Band A (Level 13)	16	2	-	-
Senior Management Service Band B (Level 14)	3	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-
<b>Total</b>	<b>147</b>	<b>34</b>	<b>22</b>	<b>15%</b>



TABLE 20: ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014

Occupation	Number of Employees per Occupation as on 1 April 2013	Appointments and Transfers into the Institution	Terminations and Transfers out of the Institution	Turnover Rate
Legal Services	38	6	5	13%
Training	8	3	2	25%
Research	13	2	5	38%
<b>Total</b>	<b>59</b>	<b>11</b>	<b>12</b>	<b>20%</b>

TABLE 21: KEY BASIS FOR PERSONNEL EXITS

Termination Type	
Death	-
Resignation	13
Retrenchment	7
Expiry of Contract	1
Dismissal - Operational Changes	-
Dismissal - Misconduct	-
Dismissal - Inefficiency	-
Discharged due to Ill-Health	1
Retirement	-
Transfers to other Public Service Departments	--
Other (Voluntary Separation Package)	-
<b>Total</b>	<b>22</b>
<b>Total number of employees who left as a % of total employment</b>	<b>15%</b>

TABLE 22: PROMOTIONS BY CRITICAL OCCUPATION

Occupation	Employees as at 1 April 2013	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	38	1	3%	-	-
Education	8	1	13%	-	-
Research	13	-	-	-	-
<b>Total</b>	<b>59</b>	<b>2</b>	<b>3%</b>	<b>-</b>	<b>-</b>

TABLE 23: PROMOTIONS BY SALARY BAND

Salary Band	Employees 1 April 2013	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)	5	-	-	-	-
Highly Skilled Production (Levels 6-8)	71	-	-	-	-
Highly Skilled Supervision (Levels 9-12)	50	2	4%	-	-
Senior Management (Levels 13-16)	21	-	-	-	-
<b>Total</b>	<b>147</b>	<b>2</b>	<b>1%</b>	<b>-</b>	<b>-</b>

*Employment equity*

TABLE 24: TOTAL NUMBER OF EMPLOYEES IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS ON 31 MARCH 2014 - 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	4	1	3	2	3	3	30
Professionals	9	1	1	0	10	3	2	2	28
Technicians and Associate Professionals	14	0	2	0	25	1	2	5	49
Clerks	1	0	0	1	33	2	0	1	38
Service and Sales Workers	-	-	-	-	-	-	-	-	-
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>39</b>	<b>3</b>	<b>7</b>	<b>2</b>	<b>73</b>	<b>8</b>	<b>7</b>	<b>11</b>	<b>150</b>
Employees with Disabilities	2	0	0	0	1	0	0	0	3

TABLE 25: TOTAL NUMBER OF EMPLOYEES IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2014 - INCLUDING PART-TIME COMMISSIONERS

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	1	0	1	0	1	0	5
Senior Management	4	2	3	1	2	2	2	3	19
Professionally Qualified and Experienced Specialists and Mid-management	22	1	1	0	16	4	3	2	49
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	3	0	2	1	29	2	1	3	41
Semi-skilled and Discretionary Decision Making	5	0	0	0	23	0	0	3	31
Unskilled and Defined Decision Making	3	0	0	0	2	0	0	0	5
Total	39	3	7	2	73	8	7	11	150

TABLE 26: RECRUITMENT (INCLUDING EMPLOYEES WITH DISABILITIES AND RESEARCH ASSOCIATES) FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014.

[illegible]

TABLE 27: PROMOTIONS (INCLUDING EMPLOYEES WITH DISABILITIES) FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014

[illegible]

TABLE 28: TERMINATIONS (INCLUDING EMPLOYEES WITH DISABILITIES, INTERNS AND CONTRACTORS) FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014

[illegible]





TABLE 29: DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014

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

TABLE 30: SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	2	0	0	1	1	0	2	1	7
Professionals	11	0	0	0	1	2	2	2	18
Technicians and Associate Professionals	2	0	0	0	10	0	0	1	13
Clerks	1	0	0	0	5	0	0	0	6
Elementary Occupations	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>17</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>45</b>
Employees with Disabilities									

### Performance rewards

To encourage good performance, the institution has granted the following performance rewards during the year under review. The information is presented in terms of salary bands (table 31).

TABLE 31: PERFORMANCE REWARDS BY SALARY BANDS FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE, 1 APRIL 2013 TO 31 MARCH 2014

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)	0	5	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	64	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	69	0	0	0	0
<b>Total</b>	<b>0</b>	<b>138</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Foreign workers

The tables below summarise the employment of foreign nationals in the institution 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 32: FOREIGN WORKERS, 1 APRIL 2013 TO 31 MARCH 2014, BY SALARY BAND

Salary Band	1 April 2013		31 March 2014		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Lower Skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly Skilled Production (Levels 6-8)	3	-	3	-	0	0
Highly Skilled Supervision (Levels 9-12)	2	-	1	-	1	50%
Senior Management (Levels 13-16)	-	-	-	-	-	-
<b>Total</b>	<b>5</b>	<b>3%</b>	<b>4</b>	<b>2.6%</b>	<b>1</b>	<b>20%</b>

TABLE 33: FOREIGN WORKER, 1 APRIL 2013 TO 31 MARCH 2014, BY MAJOR OCCUPATION

Major Occupation	1 April 2013		31 March 2014		Change	
	Number	% of Total	Number	% of Total	Number	% Change
PAIA Co-ordinator	1	0.6%	1	0.6	0	0
Researcher Equality	1	0.6%	0	0	1	100%
Legal Consultant	1	0.6%	1	0.6	0	0
Research Associate	2	1.3%	2	1.3	0	0
<b>Total</b>	<b>5</b>	<b>3%</b>	<b>4</b>	<b>2.6%</b>	<b>1</b>	<b>20%</b>

### Leave utilisation for the period 1 January 2013 to 31 March 2014

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 34) .

TABLE 34: SICK LEAVE, 1 JANUARY 2013 TO 31 MARCH 2014

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)		4	4	67%	7.3
Highly Skilled Production (Levels 6-8)	208	54	54	83%	3.9
Highly Skilled Supervision (Levels 9-12)	112	55	55	100%	2.0
Senior Management (Levels 13-16)	30	22	22	92%	1.4
<b>Total</b>	<b>350</b>	<b>135</b>	<b>135</b>	<b>90%</b>	<b>2.8</b>



Table 35 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council (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 35: ANNUAL LEAVE, 1 JANUARY 2013 TO 31 MARCH 2014

Salary Bands	Total Days Taken	Average per Employee
Lower Skilled (Levels 1-2)	-	-
Skilled Levels 3-5)	66	11
Highly Skilled Production (Levels 6-8)	900	14
Highly Skilled Supervision(Levels 9-12)	777	14
Senior Management (Levels 13-16)	280	12
<b>Total</b>	<b>2023</b>	<b>14</b>

Table 36 summarises payments made to employees as a result of leave not taken.

TABLE 36 - LEAVE PAYOUTS FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014

REASON	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R'000)
Leave payout for 2013/14 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2013/14	-	-	-
Current leave payout on termination of service for 2013/14	196	22	9
<b>Total</b>	<b>196</b>	<b>22</b>	<b>9</b>

### *HIV and AIDS, and health promotion programmes*

TABLE 37: STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

Units / Categories of Employees Identified to be at High Risk of Contracting HIV and Related Diseases (if any)	Key Steps Taken to Reduce Risk
None. ICAS has a fully fledged HIV unit that the Commission's staff members can access 24 hours a day, seven days a week. Contact details are readily available to staff.	An HIV/Aids workshop was held on 2 December 2013

TABLE 38: DETAILS OF HEALTH PROMOTION AND HIV AND AIDS PROGRAMMES

Question	Yes	No	Details, if Yes
1 Has the institution 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 institution have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Five members: R90,000
3 Has the institution introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	X		ICAS Counselling Wellness and health advice Financial advice
4 Has the institution 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 institution 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		Health and Safety Policy Recruitment and selection Employment Equity Plan
6	Has the institution 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 Voluntary screening
7	Does the institution 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 relevant health officials
8	Has the institution developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	

Table 39 summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**TABLE 39: MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED, 1 APRIL 2013 TO 31 MARCH 2014**

Outcomes of Disciplinary Hearings	Number	% of Total
Correctional Counselling	1	100%
Verbal Warning	-	-
Written Warning	-	-
Final Written Warning	-	-
Suspended Without Pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not Guilty	-	-
Case Withdrawn	-	-
<b>Total</b>	<b>1</b>	<b>100%</b>

**TABLE 40: TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS**

Type of misconduct	Number	% of Total
Insolence and Disobedience	1	100%
Negligence	-	-
<b>Total</b>	<b>1</b>	<b>100%</b>

**TABLE 41 - GRIEVANCES LODGED FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014**

	Number	% of Total
Number of Grievances Resolved	1	33%
Number of Grievances not Resolved	2	67%
Total Number of Grievances Lodged	3	-



### Skills development

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

TABLE 42: TRAINING NEEDS IDENTIFIED 1 APRIL 2013 TO 31 MARCH 2014

Occupational Categories	Gender	Number of Employees as at 1 April 2013	Training Needs Identified at Start of Reporting Period		
			Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training
Legislators, Senior Officials and Managers	Female	11	-	56	56
	Male	11	-	42	42
Professionals	Female	29	-	62	62
	Male	27	-	99	99
Technicians and Associate Professionals	Female	37	-	100	100
	Male	11	-	30	30
Clerks	Female	18	-	54	54
	Male	3	-	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	-	10	10
Subtotal	Female	97	-	278	278
		55	-	185	185
<b>Total</b>		<b>152</b>		<b>463</b>	<b>463</b>

TABLE 43: TRAINING PROVIDED 1 APRIL 2013 TO 31 MARCH 2014

Occupational Categories	Gender	Number of Employees as at 31 March 2014	Training Provided Within the Reporting Period		
			Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training
Legislators, Senior Officials and Managers	Female	10		4	
	Male	10		3	
Professionals	Female	24		7	
	Male	24		11	
Technicians and Associate Professionals	Female	32		11	
	Male	8		2	
Clerks	Female	17		5	
	Male	3		1	
Service and Sales Workers	Female	-		-	
	Male	-		-	
Skilled Agriculture and Fishery Workers	Female	-		-	
	Male	-		-	
Craft and Related Trades Workers	Female	-		-	
	Male	-		-	
Plant and Machine Operators and Assemblers	Female	-		-	
	Male	-		-	
Elementary Occupations	Female	2		-	
	Male	3		1	
Subtotal	Female	85		0	
		48			
<b>Total</b>		<b>133</b>		<b>45</b>	<b>48</b>

*Injury on duty*

The following tables provide basic information on injury on duty.

TABLE 44: INJURY ON DUTY, 1 APRIL 2013 TO 31 MARCH 2014

Nature of Injury on Duty	Number	% of Total
Required Basic Medical Attention Only	1	1
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
<b>Total</b>	<b>1</b>	<b>1</b>



### Utilisation of consultants

TABLE 45: 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	2	24,852
Performance Management System Review			

Total Number of Projects	Total Individual Consultants	Total Duration: Work Days	Total Contract Value in Rand
1	1	2	24,852

The following aspects, as required by the National Treasury guidelines for human resources annual reporting, were not applicable to the Commission during the period under review:

- a) Jobs evaluations
- b) Employees whose salary positions were upgraded due to their posts being upgraded
- c) Cases where remuneration levels exceeded the grade determined by job evaluation
- d) Employees whose salary levels exceed the grade determined by job evaluation
- e) Performance Rewards by race, gender and disability
- f) Performance related rewards (cash bonus), by salary band, for Senior Management Service
- g) Disability leave
- h) Capped leave
- i) Collective agreements
- j) Disputes lodged with Councils
- k) Precautionary suspensions
- l) Consultant appointments using appropriated funds, in terms of historically disadvantaged individuals
- m) Consultant appointments using donor funds
- n) Consultant appointments using donor funds, in terms of historically disadvantaged individuals

To deny people  
their human  
rights is to  
challenge their  
very humanity

*Nelson Mandela*





## GENERAL INFORMATION

<b>LEGAL FORM OF ENTITY</b>	Constitutional Institution
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	Human Rights Institution
<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>CHIEF EXECUTIVE OFFICER (CEO)</b>	AK Ahmed
<b>CHIEF FINANCE OFFICER (CFO)</b>	P Makaneta
<b>COMMISSIONERS</b>	Adv M L Mushwana P Govender L Mokate B Malatji D Titus J Love MS Ameerma (1 February 2014)
<b>REGISTERED OFFICE</b>	33 Hoofd Street Forum III Braampark Office Braamfontein Johannesburg 2001
<b>BUSINESS ADDRESS</b>	33 Hoofd Street Forum III Braampark Office Braamfontein Johannesburg 2001
<b>POSTAL ADDRESS</b>	P.O. Box 2700 Houghton Johannesburg 2041
<b>BANKERS</b>	First National Bank
<b>AUDITORS</b>	Auditor-General South Africa
<b>ATTORNEYS</b>	Ruth Edmonds Inc.

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## AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 31 March 2014.

### 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 and makes provision for two (2) extra special audit committee meetings as might be required. During the current year six (6) meetings were held.

Name of member	Number of meetings attended
Mr D Coovadia (Chairperson)	6
Mr RP Mnisi	3
Mr W Hattingh	5
Ms PC Segoati	6

### AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from section 77 of the Public Finance Management Act (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 and procedures.

### THE EFFECTIVENESS OF INTERNAL CONTROL

The Audit Committee's review of the findings of the Internal Audit work, which was based on the risk assessment 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
- Human Rights Advocacy Review
- Monitoring and Evaluation (M&E) Review
- Corporate Governance Review
- Risk Management and Fraud Review
- Purchases and Payables Review
- Cash Management Review
- Asset Management Review
- Human Resources Review
- Follow-up and Ad Hoc 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 complaints reports
- Ineffective monitoring and evaluation procedures
- Inadequate IT security
- Inadequate IT governance
- Inadequate application controls (Pastel, FNB banking system and Flowcentric)

- Inadequate fraud and risk management procedures
- Inadequate record management relating to the maintenance and the safeguarding of records
- Incorrect or incomplete asset register
- Audit findings raised not timeously resolved
- Complaints not timeously finalised
- Complaints' feedback not obtained to gauge their level of satisfaction in terms of the way in which their complaint was treated by Commission
- Lack of human rights advocacy policies and procedures
- Non-compliance with laws and regulations (Occupational Health and Safety Act (OHSA), Employment Equity Act (EEA) and Basic Conditions of Employment Act (BCEA)
- Non-compliance with supply Chain Management procedures
- Incomplete supplier masterfile
- Inadequate contract management
- Audit findings raised not timeously resolved
- Inadequate and ineffective cash management procedures.

The Audit Committee has:

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

A formal risk assessment was carried out to identify the strategic and operational risks of the Commission. Action plans were developed by management to mitigate the risks identified. As a result a risk register was developed which is monitored by Internal Audit for effectiveness and by the Audit Committee in its oversight role.

The Commission has established a system of Internal Audit under the control and direction of the Audit Committee. As such, the Committee has during the financial year ended March 2014 reviewed:

- The activities and effectiveness of the Internal Audit function
- The accounting and auditing concerns identified as a result of the internal/external audits
- The effectiveness of internal control systems.

The Internal Audit unit has executed 100% of the approved internal audit plan. Based on the work performed Internal Audit conclusion was partially effective.

## THE QUALITY OF IN-YEAR MANAGEMENT AND QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA

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:

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

The Audit Committee therefore concurs with and accepts the Auditor-General of South Africa's report on the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

## AUDITOR'S REPORT

The Audit Committee has reviewed the Commission's implementation plan for audit issues raised in the prior year and is satisfied that the matters have been adequately resolved, except for the following.

- Differences between amounts as per fixed asset register, trial balance and annual financial statements
- Assets with zero balances
- Creditors with debit balances
- Long outstanding creditors.

A handwritten signature in black ink that reads "Dawood Coovadia".

Chairperson of the Audit Committee  
Mr Dawood Coovadia CA (SA)  
South African Human Rights Commission  
Date: 31 July 2014

# REPORT OF THE AUDITOR-GENERAL



## REPORT TO THE FINANCIAL STATEMENTS

### Introduction

I have audited the financial statements of the South African Human Rights Commission set out on pages 81 to 115 which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets, the 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

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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and 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.

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 risks 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the annual financial statements present fairly, in all material respects, the financial position of South African Human Rights Commission as at 31 March 2014 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 of South Africa, 1999 (Act no. 1 of 1999; PFMA).



### Emphasis of matter

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

### Restatement of corresponding figures

As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of errors discovered during 2014 in the financial statements of the South African Human Rights Commission at, and for the year ended, 31 March 2013.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as 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

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 2014:

- Programme 1: Promotion and Protection of Human Rights; and
- Programme 2: Research, Monitoring and Reporting on page 16 to 45.

I evaluated the reported performance information against the overall criteria of usefulness and reliability.

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).

I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

### Additional matter

Although I raised 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

Refer to the annual performance report on pages 16 to 45 for information on the achievement of the planned targets for the year.

## COMPLIANCE WITH LEGISLATION

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:

### Annual financial statements

The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA.

Material misstatements of non-current assets, current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### Expenditure management

Contractual obligations and money owed by the constitutional institution were not 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

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.

### Leadership

The leadership of the constitutional institution did not adequately review the financial statements prior to submission for auditing.

### Financial and performance management

Management did not implement effective controls throughout the financial year over financial reporting and related matters of compliance.

Management did not prepare accurate and complete financial reports that were supported and evidenced by reliable information.





# CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer submits his report for the year ended 31 March 2014.

## 1. INCORPORATION

The institution 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 engaged as a human rights institution and operates principally in South Africa.

### Spending trends from 2008/9-2013/14 as per standard items

Please refer to Annexure A at the end of this report.

The expenditure trend in the table in Annexure A reflects the results for the past five years, and the results of the financial year 2013/14.

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 2013/14 was R 111.5 million, which included depreciation on assets amounting to R2.199 million.

### Budget versus expenditure graphic analysis

Please refer to the 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.

### Services rendered by the Commission

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

Section 184(1): "The SA Human Rights Commission must –

- a. Promote respect for human rights and a 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 the powers, as regulated by national legislation, necessary to perform its functions, including the power –

- a. To investigate and to report on the 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."

Section 184(3) states as 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 the environment.”

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

#### Donor funding

There were no donor funding(s) for the period under review.

#### Trading entities / public enterprises

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

#### Other organisations 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 2014, the entity had accumulated surplus of R 19,699 million, and the entity's total assets exceeded its liabilities by R 19,699 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.

### 4. EXECUTIVE AUTHORITY

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

Name	Nationality
Adv M L Mushwana	South African
P Govender	South African
L Mokate	South African
B Malatji	South African



D Titus	South African
J Love	South African
MS Ameerma (1 February 2014)	South African

## 5. CORPORATE GOVERNANCE GENERAL

The members are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the members 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 (“the Code”) laid out in the King Report III on Corporate Governance for South Africa. The members have adopted King III principles and has 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 overseeing the audit functions, internal controls and the financial reporting process.

### Internal audit

In line with the PFMA requirements, the internal audit activity provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is 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 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.

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 Public Finance Management Act (Act 1 of 1999 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 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 2014. These 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 2014 were submitted to the Audit Committee for review and submission to Commissioners (Executive Authority) for final approval. The Executive Authority has approved these annual financial statements on 31 July 2014, in terms of Section 40(1)(c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended.

The annual financial statements as set out on pages 81 to 115 have been approved by the Accounting Officer and signed on behalf of the SAHRC by:



Mr K Ahmed  
Accounting Officer  
Johannesburg Braamfontein  
Thursday, 31 July 2014



# STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2014

	Note(s)	2014 R'000	2013 R'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	17 201	7 265
Inventories	3	189	207
Receivables from exchange transactions	4	3 171	350
Operating lease asset	10	41	8
		<b>20 602</b>	<b>7 830</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	10 902	12 249
Intangible assets	6	390	421
		<b>11 292</b>	<b>12 670</b>
<b>Total Assets</b>		<b>31 894</b>	<b>20 500</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables from exchange transactions	7	4 659	2 817
Employee benefits	8	3 055	2 746
Finance lease obligation	9	904	825
Operating lease liability	10	2 554	2 468
		<b>11 172</b>	<b>8 856</b>
<b>NON-CURRENT LIABILITIES</b>			
Finance lease obligation	9	1 023	495
<b>Total Liabilities</b>		<b>12 241</b>	<b>9 351</b>
<b>Net Assets</b>		<b>19 699</b>	<b>11 149</b>
<b>NET ASSETS</b>			
Accumulated surplus		<b>19 699</b>	<b>11 149</b>

# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2014

	Note(s)	2014 R'000	2013 Restated* R'000
<b>Revenue</b>			
Revenue from exchange transactions			
Exchange revenue	12	104	63
Interest received (trading)	12	680	417
Revenue from non-exchange transactions			
Donor income	13	–	389
Government grants	13	119 299	101 530
<b>Total revenue from exchange / non-exchange transactions</b>		<b>120 083</b>	<b>102 399</b>
<b>Expenditure</b>			
Personnel expenditure	14	(65 690)	(63 654)
Depreciation and amortisation	5	(2 199)	(1 437)
Finance costs	15	(142)	(124)
Debt impairment		(324)	(54)
Repairs and maintenance		(276)	(138)
Operating expenses	17	(7 219)	(6 927)
General expenses	16	(32 673)	(26 841)
<b>Total expenditure</b>		<b>(108 523)</b>	<b>(99 175)</b>
Total revenue		120 083	102 399
Total expenditure		(108 523)	(99 175)
<b>Operating surplus</b>		<b>11 560</b>	<b>3 224</b>
Loss on disposal of assets and liabilities		(3 010)	–
Surplus before taxation		8 550	3 224
Taxation		–	–
<b>Surplus for the year</b>		<b>8 550</b>	<b>3 224</b>

\*See Note 27 & 29



# STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2014

	Accumulated surplus R'000	Total net assets R'000
Balance at 01 April 2011 previously reported	6 412	6 401
Prior period adjustment	480	480
Deficit for the year	(1 524)	(1 524)
<b>Restated balance at 01 April 2012</b>	<b>5 368</b>	<b>5 357</b>
Surplus for the year previously reported	1 569	1 569
Restatement of retained earning – 2013	1 655	1 655
Net income (losses) recognised directly in net assets	3 224	3 224
Prior year adjustments	2 557	2 557
<b>Balance at 01 April 2013 – restated</b>	<b>11 149</b>	<b>11 149</b>
Surplus for the year	8 550	8 550
<b>Balance at 31 March 2014</b>	<b>19 699</b>	<b>19 699</b>

\*See Note 27 & 29

# CASH FLOW STATEMENT

for the year ended 31 March 2014

	Note(s)	2014 R'000	2013 Restated* R'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grant receipts		119 299	101 530
Other income (administrative fees)		27	63
Interest income		668	417
Other income		–	389
		<b>119 994</b>	<b>102 399</b>
<b>Payments</b>			
Employee costs		(65 381)	(62 649)
Suppliers		(38 280)	(34 877)
Finance costs		(142)	(124)
Other payments (prepayments)		(2 983)	(106)
		<b>(106 786)</b>	<b>(97 756)</b>
Total receipts		119 994	102 399
Total payments		(106 786)	(97 756)
<b>Net cash flows from operating activities</b>	18	<b>13 208</b>	<b>4 643</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(2 188)	(368)
Purchase of other intangible assets	6	(30)	(9)
<b>Net cash flows from investing activities</b>		<b>(2 218)</b>	<b>(377)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(1 054)	(828)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9 936</b>	<b>3 438</b>
Cash and cash equivalents at the beginning of the year		7 265	3 827
<b>Cash and cash equivalents at the end of the year</b>	2	<b>17 201</b>	<b>7 265</b>

\* See Note 27 & 29





# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2014

Budget on accrual basis

	Approval budget R'000	Adjust- ments R'000	Final budget R000	Actual amounts on compar- able basis R'000	Difference between final budget and actual R'000	Reference
<b>Statement of financial performance</b>						
<b>REVENUE</b>						
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>						
Exchange revenue	-	-	-	104	<b>104</b>	-
Interest received (trading)	-	-	-	680	<b>680</b>	-
<b>Total revenue from exchange transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>784</b>	<b>784</b>	<b>-</b>
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>						
TAXATION REVENUE						
Government grants and subsidies	115 999	3 300	<b>119 299</b>	119 299	-	1
<b>Total revenue from exchange transactions</b>	<b>-</b>			<b>784</b>	<b>784</b>	
<b>Total revenue from non-exchange transactions</b>	<b>115 999</b>	<b>3 300</b>	<b>119 929</b>	<b>119 299</b>	<b>-</b>	
<b>Total revenue</b>	<b>115 999</b>	<b>3 300</b>	<b>119 299</b>	<b>120 083</b>	<b>784</b>	
<b>EXPENDITURE</b>						
Personnel	(72 344)	-	<b>(72 344)</b>	(65 690)	<b>6 654</b>	2
Depreciation and amortisation	-	-	-	(2 199)	<b>(2 199)</b>	
Finance costs	-	-	-	(142)	<b>(142)</b>	
Debt impairment	-	-	-	(324)	<b>(324)</b>	
Repairs and maintenance	(221)	-	<b>(221)</b>	(276)	<b>(55)</b>	3
Operating expenditure	(12 355)	-	<b>(12 355)</b>	(7 219)	<b>5 136</b>	4
General expenses	(34 379)	-	<b>(34 379)</b>	(32 673)	<b>1 706</b>	5
<b>Total expenditure</b>	<b>(119 299)</b>	<b>-</b>	<b>(119 299)</b>	<b>(108 523)</b>	<b>10 776</b>	
	115 999	3 300	<b>119 299</b>	120 083	<b>784</b>	
	(119 299)	-	<b>(119 299)</b>	(108 523)	<b>10 776</b>	
<b>Operating surplus</b>	<b>(3 300)</b>	<b>3 300</b>	<b>-</b>	<b>11 560</b>	<b>11 560</b>	
Loss on disposal of assets and liabilities	-	-	-	(3 010)	<b>(3 010)</b>	
	<b>(3 300)</b>	<b>3 300</b>	<b>-</b>	<b>11 560</b>	<b>11 560</b>	
	-	-	-	(3 010)	<b>(3 010)</b>	
<b>Surplus before taxation</b>	<b>(3 300)</b>	<b>3 300</b>	<b>-</b>	<b>8 550</b>	<b>8 550</b>	
Deficit before taxation	(3 300)	3 300	-	8 550	<b>8 550</b>	
Taxation	-	-	-	-	-	
<b>Actual amount on Comparable Basis as Presented in the budget and actual comparative statement</b>	<b>(3 300)</b>	<b>3 300</b>	<b>-</b>	<b>8 550</b>	<b>8 550</b>	

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2014

## EXPLANATIONS ON VARIANCES BETWEEN THE BUDGET AND ACTUAL

### 1. Government grants

The increase in government grants stemmed from the allocation to the SA Human Rights Commission for legal representation at the Marikana Commission of Inquiry. This amount has been paid to the Centre for Applied Legal Studies (CALS) who is the legal representative of the SAHRC at the Farlam Commission of Inquiry.

### 2. Personnel expenditure

The savings in personnel expenditure are due to the vacant posts that were not filled or became vacant during the year. The Commission had a vacancy rate of lower than 10% at year-end. These posts will only be filled in the new financial year. The funds for these vacant posts have been utilised during the year to procure vehicles for the head office and provincial offices. These funds were committed at year-end. The non-payment of performance bonuses has contributed to the lower than budgeted expenditure.

### 3. Repairs and maintenance

The overspending in repairs and maintenance is as a result of the Free State provincial office relocation that required maintenance work to be done on the old offices (to restore the condition of the then occupied offices) and repairs that had to be effected at the Head Office for the Deputy Chairperson (who relocated from Cape Town) and the new Commissioner who joined in February 2014.

### 4. Operating expenses

Savings in operating expenses can be attributed to the fewer face-to-face senior management meetings and greater reliance on the video conferencing system. In addition, fewer meetings were held outside the office compared to the previous financial year, reducing the need for travel and accommodation costs.

### 5. General expenses

General expenses relate primarily to administrative expenses. The reason for the reduced expenditure despite the higher than budgeted audit fees cost and consulting costs stemmed from the notable savings in municipal services and placement fees (as the vacancy rate decreased from 25% at the beginning of the financial year to below 10% at year-end).



## 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, including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, 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, are disclosed below.

#### 1.1 SIGNIFICANT ESTIMATES AND JUDGEMENTS MADE BY MANAGEMENT

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:

##### Useful life of property, plant and equipment

The Commission reassessed the useful life of property, plant and equipment. The assumptions used in determining the useful life and residual values are based on the following:

- Asset type and what it is made of
- Asset special features
- Asset condition, i.e. the physical condition and age of the assets
- The rate of use of assets, number of users and location
- The residual value for vehicles set at the industry norm.

##### Interest used in the calculation of fair value of the financial instruments

Fair value of non-derivative financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

#### 1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, and are expected to be used for more than one period.

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

- It is probable that future economic benefits or service potential associated with the item will flow to the entity
- The cost or fair value 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 at no cost, or for a nominal cost, 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), unless the fair value of neither the asset received nor the asset given up is reliably measured. If the acquired item is not measured at its cost, its cost is measured at the carrying amount of the asset(s) given up.

## 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 costs of day to day servicing are recognised in surplus or deficit as incurred.

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 life to their estimated residual value.

The useful life of items of property, plant and equipment for the current and comparative periods have been assessed as follows:

Class	Estimated useful life in years
Computer equipment	
• Laptops and desktops	10 years
• Servers and switches	17 years
Office equipment	
• Printers and fridges, ect.	17 years
• Audiovisual equipment and conferencing	17 years
Furniture and fixtures	
• Furniture and fittings	20 years
• Gazebo, flags, banners and accessories	17 years
Motor vehicles	12 years
Library materials	20 years
Leasehold improvements	5 years
Finance lease (office equipment)	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.

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:

- Is separable, that 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, assets or liability, regardless of whether the entity intends to do so; or



## ACCOUNTING POLICIES (continued)

- Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separate from the entity or from other rights and obligations. A binding arrangement describes arrangements that confer similar rights and obligations on the parties to it as if it were in the form of a contract.

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

An intangible asset is recognised when:

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

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

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 thereof, the asset acquired is initially measured at fair value (the cost), unless the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at its cost, its cost is measured at the carrying amount of the asset 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:

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

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

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

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

Item	Useful life
Computer software	13 years

Intangible assets are derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss 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.

## ACCOUNTING POLICIES (continued)

### 1.4 FINANCIAL INSTRUMENTS

#### Classification

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

- Financial assets measured at amoritised cost
- 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 an 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 classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial 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 at fair value through surplus or deficit are recognised in surplus or deficit.

#### Subsequent measurement

Loans and receivables are subsequently measured at amoritised 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 value being included in surplus or deficit for the period.

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

Dividend income is recognised in surplus or deficit as part of other income when the entity's right to receive payment is established.

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 realised the 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's 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 cashflow analysis and option



## ACCOUNTING POLICIES (continued)

pricing models. If the there valuation technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique.

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

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

Short-term receivables and payables are not discounted where the initial credit period 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 (and for unlisted securities), 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.

### Impairment of financial assets

At each end of the reporting period, the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the entity, significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy and default on payments are all considered indicators of impairment.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

### Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default on or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

## ACCOUNTING POLICIES (continued)

### Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as loans and receivables, and subsequently measured at amortised cost.

## 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 of on the remaining balance of the liability.

### Operating leases – lessee

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

## 1.6 INVENTORIES

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration. Then their cost is 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 inventories is recognised as an expense in the period that the inventory was distributed, written off or consumed, unless the cost qualifies for capitalisation to the cost of another asset. The amount of any write-down of inventories to current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in the 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 NON-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





## ACCOUNTING POLICIES (continued)

adopted by a profit-orientated entity, it generates a commercial return.

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

### Recognition and measurement

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, 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.

### Recoverable service amount

The recoverable service amount of a non-cash-generating asset is the higher of fair value less costs to sell, and value-in-use. The value-in-use is the present value of the remaining service potential of the asset, and is determined using the most appropriate of the depreciated replacement cost, restoration cost or service units approach.

### Reversal of an impairment loss

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

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service 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 non-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 non-cash- generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### Redesignation

The redesignation of assets from a cash generating asset to a non-cash generating asset, or from a non-cash generating asset to a cash generating asset only occur when there is clear evidence that such a redesignation is appropriate.

## 1.8 EMPLOYEE BENEFITS

### Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical care) 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.

## ACCOUNTING POLICIES (continued)

The expected cost of 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.

### Defined contribution plans

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

### 1.9 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

Where the effect of time on 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 statement of financial performance.

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

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

- Necessarily entailed by the restructuring; and
- Not associated with the ongoing activities of the entity.

A contingent liability is a possible obligation that arises from 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 past events but is not recognised because of the following:

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

### 1.10 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 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.



## 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.

### Measurement

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

### Interest and administration fees

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

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

### 1.11 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.

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:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- The amount of the revenue can be measured reliably; and
- 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:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- The amount of the revenue can be measured reliably; and
- To the extent that 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 liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

## ACCOUNTING POLICIES (continued)

### 1.12 FRUITLESS AND WASTEFUL EXPENDITURE

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

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

### 1.13 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or 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 and which was condoned before year-end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required, with the exception of updating the note to the financial statements.

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

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

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

### 1.14 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.



## ACCOUNTING POLICIES (continued)

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

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

### 1.15 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.

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, that 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.

### 1.16 EFFECT OF NEW GRAP STANDARDS

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

GRAP 5	Borrowing costs
GRAP 100 (revised)	Discounted operations
GRAP 32	Service concession arrangements
GRAP 108	Statutory receivables
IGRAP 17	Service concession arrangements: where grantor controls a significant residual interest in an asset
GRAP 18	Segment reporting
GRAP 16	Intangible assets: website costs

The adoption of these GRAP standards and interpretations when they become effective is not expected to have a significant impact on the financial statements.

### 1.17 CHANGES IN ESTIMATES

For the period under review the Commission changed the accounting estimates in respect of the depreciation for computer equipment, office equipment and furniture since the previous pattern of depreciation differs from the actual pattern of economic benefits from depreciable assets.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2014 R'000	2013 R'000
<b>2. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Cash on hand	110	56
Bank balances	4 974	2 077
Short-term deposits	12 117	5 132
	<b>17 201</b>	<b>7 265</b>
<b>3. INVENTORIES</b>		
Consumable stores	189	207
<b>4. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Receivables from exchange transactions	<b>82</b>	<b>319</b>
Prepayments	3 089	106
Provision for impairment bad debts	–	(75)
	<b>3 171</b>	<b>350</b>

### Trade and other receivables past due but not impaired

Trade and other receivables which are less than 30 days past due are not considered to be impaired.

The ageing of amounts past due but not impaired is as follows:

Current	–	–
2 months past due	82	1
3 months past due	–	318
	<b>82</b>	<b>319</b>

Amounts that are outstanding for 3 months and older at year-end are considered doubtful debts. However, receivables not impaired at year-end are considered to be that of debtors with high credit quality and management has no reason to doubt recoverability.

### Reconciliation of provision for impairment of receivables from exchange transactions

Opening balance	(75)	75
Impairment (added) /written off during the year	75	(150)
	<b>–</b>	<b>(75)</b>

The maximum credit risk was calculated by deducting the allowance from the gross carrying amount. For the period under review the amount exposed to maximum credit risk is for trade and other receivables of R11 750 (2013 – R145 292).



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 5. PROPERTY, PLANT AND EQUIPMENT

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Furniture and fixtures	3 688	(1 764)	1 924	3 795	(1 755)	2 040
Motor vehicles	4 249	(1 869)	2 380	4 092	(1 676)	2 416
Office equipment	1 465	(433)	1 032	3 671	(1 677)	1 994
IT equipment	3 640	(1 135)	2 505	3 625	(1 632)	1 993
Leasehold improvements	196	(19)	177	141	(97)	44
Finance lease	3 580	(1 614)	1 966	3 151	(1 833)	1 318
Library materials	1 219	(301)	918	3 389	(945)	2 444
<b>Total</b>	<b>18 037</b>	<b>(7 135)</b>	<b>10 902</b>	<b>21 864</b>	<b>(9 615)</b>	<b>12 249</b>

#### Reconciliation of property, plant and equipment – 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	2 039	225	(150)	(190)	1 924
Motor vehicles	2 416	410	(105)	(341)	2 380
Office equipment	1 994	293	(1 055)	(200)	1 032
IT equipment	1 993	1 052	(261)	(279)	2 505
Leasehold improvements	44	146	–	(12)	178
Finance lease	1 318	1 612	(21)	(943)	1 966
Library materials	2 444	62	(1 417)	(171)	918
<b>Total</b>	<b>12 248</b>	<b>3 800</b>	<b>(3 009)</b>	<b>(2 136)</b>	<b>10 903</b>

#### Reconciliation of property, plant and equipment – 2013

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	2 592	103	(485)	(171)	2 039
Motor vehicles	2 736	–	–	(320)	2 416
Office equipment	2 137	94	(171)	(66)	1 994
IT equipment	2 341	–	(141)	(207)	1 993
Leasehold improvements	–	51	–	(7)	44
Finance lease	888	983	(1)	(552)	1 318
Library materials	4 273	120	(1 895)	(54)	2 444
<b>Total</b>	<b>14 967</b>	<b>1 351</b>	<b>(2 693)</b>	<b>(1 377)</b>	<b>12 248</b>

#### Assets with zero book value still in use

Purchase value of the assets with a zero book value in the fixed asset register that are still in use is R 535 166 (2013: R 319 514)

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

Leasehold improvements	176	44
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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 6. INTANGIBLE ASSETS

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	816	(426)	390	786	(365)	421

#### Reconciliation of intangible assets – 2014

	Opening balance	Additions	Amortisation	Total
Computer software	421	30	(61)	390

#### Reconciliation of intangible assets – 2013

	Opening balance	Additions	Amortisation	Total
Computer software	473	9	(61)	421

### 7. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	4 659	2 817
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#### Fair value of trade and other payables

Trade payables	4 659	2 817
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Trade payables are assumed to approximate fair value, as market-related interest rates were used in calculating the financial liability.

	2014 R'000	2013 R'000
Assumptions used		
Interest rate	9.00	8.50
Leave and 13 <sup>th</sup> cheque provision	3 055	2 746

### 8. EMPLOYEE BENEFITS DUE





## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2014 R'000	2013 R'000
<b>9. FINANCE LEASE OBLIGATION</b>		
Minimum lease payments due		
– within one year	1 035	846
– in second to fifth year inclusive	1 098	598
	<b>2 133</b>	<b>1 444</b>
less: Future finance charges	(206)	(124)
<b>Present value of minimum lease payments</b>	<b>1 927</b>	<b>1 320</b>
 Present value of minimum lease payments due		
– within one year	904	825
– in second to fifth year inclusive	1 023	495
	<b>1 927</b>	<b>1 320</b>
 Non-current liabilities	1 023	495
Current liabilities	904	825
	<b>1 927</b>	<b>1 320</b>

The South African Human Rights Commission has during the period under review made a total contribution of R918 624 (2013: R 268 773) to finance leases as defined in GRAP 13 and National Treasury RT3 as per Practice Note 5 of 2006/07 on finance lease transactions. These payments are irregular but condoned.

The average lease term was 36 months and the average effective borrowing rate was 9% (2013: 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. Refer to note 5.

### Terms and conditions

- (i) All the leases are for an agreed period, i.e. 12, 36 or 60 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 the SAHRC decides to terminate the contract with one month's written notice
- (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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 10. OPERATING LEASE COMMITMENTS

Current assets	41	8
Deferred operating lease expenditure recognised on a straight line basis	(2 554)	(2 468)
	<b>(2 513)</b>	<b>(2 460)</b>

Operating lease represents the rentals paid by the Commission for the office buildings for Head Office and the provincial offices.

Operating lease	<b>10 696</b>	<b>9 931</b>
-----------------	---------------	--------------

#### Terms and conditions

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

At the reporting date the Commission had outstanding commitments under the operating leases which fall due as follows:

Due within one year	11 493	10 822
Due within two to five years	12 345	21 655
<b>Total</b>	<b>23 838</b>	<b>32 477</b>

### 11. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Financial liabilities at amortised cost	Total
<b>2014</b>		
Trade and other payables from exchange transactions	4 659	4 659
Employee benefits due	3 055	3 055
Finance lease obligations	904	904
	<b>8 618</b>	<b>8 618</b>
<b>2013</b>		
Trade and other payables from exchange transactions	2 977	2 977
Employee benefits due	2 746	2 746
Finance lease obligations	825	825
	<b>6 548</b>	<b>6 548</b>

### 12. EXCHANGE REVENUE

Administrative fees	104	63
Interest received	680	417
	<b>784</b>	<b>480</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2014 R'000	2013 R'000
<b>13. NON-EXCHANGE REVENUE</b>		
Other income	–	389
Government grants	119 299	101 530
	<b>119 299</b>	<b>101 919</b>
<b>14. PERSONNEL EXPENDITURE</b>		
Basic salaries	43 895	45 465
Performance appraisal	345	1 625
Defined contribution plans	5 060	4 400
Travel allowances and subsistence	822	945
Medical aid – company contributions	2 746	2 258
Housing benefits and allowances	1 574	1 406
Non-pensionable allowance	4 862	4 049
Other short-term benefits	5 064	2 302
Voluntary severance packages	1 322	1 204
	<b>65 690</b>	<b>63 654</b>
<b>15. FINANCE COSTS</b>		
Interest on finance leases	142	124
<b>16. GENERAL EXPENSES</b>		
Advertising	461	260
Auditors' remuneration	2 348	1 563
Bank charges	110	95
Provision for impairment of debtors	–	(111)
Cleaning services	722	891
Conferences and seminars	2 841	1 496
Consulting and professional fees	3 021	774
Lease and hire expenses	387	815
Insurance	274	245
Internal audit fees	467	560
Lease rentals on operating lease	14 011	12 334
Motor vehicle expenses	354	264
Other administrative expenditure	–	227
Postage and courier	107	69
Printing and stationery	752	498
Placement fees	896	1 375
Municipal services	514	1 070
Telkom rental VPN	1 169	1 428
Security expenses	431	360
Staff training and development	1 365	621
Staff relocation	70	121
Subscriptions and membership fees	626	324
Telephone and fax	1 747	1 562
	<b>32 673</b>	<b>26 841</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2014 R'000	2013 R'000
<b>17. OPERATING EXPENSES</b>		
Translation and project costs	6 562	6 117
Strategic planning costs	253	424
Internal and external liaison	143	128
Plenary bosberaad and meetings	261	258
	<b>7 219</b>	<b>6 927</b>
<b>18. CASH GENERATED FROM OPERATIONS</b>		
Surplus	8 550	3 224
<b>Adjustments for:</b>		
Depreciation and amortisation	2 199	1 437
Loss on sale of property, plant and equipment	3 010	2 693
Debt impairment	324	54
Other non-cash items (loss on disposal)	(211)	(266)
<b>Interest charged on outstanding debts</b>		
Inventories	18	(67)
Receivables from exchange transactions	(2 821)	(81)
Payables from exchange transactions	2 139	(2 002)
Unspent conditional grants and receipts	–	(389)
Movement on operating lease	–	–
	<b>13 208</b>	<b>4 643</b>

**19. SUBSEQUENT EVENTS**

There have been facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

The Commission had to include under 'Employee Benefits' a provision of R 298 895, which is the amount due to employees as at 31 March 2014 as a result of a Commission for Conciliation, Mediation and Arbitration (CCMA) ruling in favour of the Commission's employees. This ruling was made after the reporting date of 23 June 2014 in the matter of unpaid performance bonuses for the year 2012/13, which was disputed by SAHRC employees.

**20. RISK MANAGEMENT****Capital risk management**

The Commission's objectives when managing capital are to safeguard the Commission's ability to continue as a going concern in order to provide benefits for the Commission's stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Commission consists of debt which includes the borrowings (excluding derivative financial liabilities) disclosed in note 9, cash and cash equivalents disclosed in note 2 and net assets as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### Financial risk management

The entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance. The entity uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department ('entity treasury') under policies approved by the members. 'Entity treasury' identifies, evaluates and hedges financial risks in close co-operation with the entity's operating units. The members provides written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivate financial instruments, and investment of excess liquidity.

### Liquidity risk

The Commission is exposed to liquidity risk, as it is dependent on the grant received from National Treasury. The receipt of grant amounts is necessary for the Commission to be able to make payments as and when required in terms of its financial liabilities.

The Commission minimises this risk by ensuring that enough cash reserves are available to cover its current liabilities through the analysis of the commitments against the cash available in its current and call accounts.

The table below analyses the entity's financial liabilities (excluding operating lease obligations) into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At 31 March 2014

	Carrying amount	Total contractual cash flows	Not later than one year	Between 2 and 5 years	Over 5 years
	R'000	R'000	R'000	R'000	R'000
Trade and other payables	4 705	4 705	4 705	–	–
Finance lease obligations	1 411	1 411	904	1 023	–
Employee benefits due	3 055	3 055	3 055	–	–
	<b>9 171</b>	<b>9 171</b>	<b>8 664</b>	<b>1 023</b>	<b>–</b>

At 31 March 2013

	Carrying amount	Total contractual cash flows	Not later than one year	Between 2 and 5 years	Over 5 years
	R'000	R'000	R'000	R'000	R'000
Trade and other payables	2 817	2 817	2 817	–	–
Finance lease obligations	1 320	1 320	825	495	–
Employee benefits due	2 746	2 746	2 746	–	–
	<b>6 883</b>	<b>6 883</b>	<b>6 388</b>	<b>495</b>	<b>–</b>

### Interest rate risk

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

The Commission's exposure to market risk (in the form of interest rate risk) arises as a result of the following:

- (a) Possible interest on late payment by the Commission
- (b) Interest income linked to rates prescribed by the National Treasury
- (c) Interest on accounts held at banking institutions
- (d) Discounting of financial instruments.

The Commission is mainly exposed to interest rate fluctuations. The Commission's financial assets and liabilities are managed in such a way that the fluctuations in variable rates do not have a material impact on the surplus / (deficit), as the Commission settles its outstanding obligations within 30 days and interest on outstanding debts is charged monthly using the applicable interest rates. (Refer to the sensitivity analysis below to illustrate the possible effect of changes in the variable interest rate on the financial assets and liabilities.)

The Commission's interest rate risk arises from long-term finance lease obligations and employee debt. Liabilities issued at variable rates expose the entity to cash flow interest rate risk.

### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Commission only deposits cash with a major bank with high quality credit standing, and limits exposure to any one counter-party.

Credit risk with respect to trade receivables relates to ex-employee debt and an amount owed by the Department of Public Works.

The relationship with the ex-employees of the Commission was previously of such a nature that the Commission would raise a debt for employees who damaged the Commission's vehicle due to negligence and also for all employees who left the employment of the Commission before the expiry of the period as stated in the relocation policy. A pro rata portion of the amount paid by the Commission in respect of the un-expired period is raised as debt.

### Payment terms

All debtors are requested to settle their accounts within 30 days. Debts are also recovered in instalments at the request of a debtor.

The Commission does not have any significant credit risk exposure to any counterparty or group of parties having similar characteristics.

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

Financial instrument	2014 R'000	2013 R'000
Trade and other receivables from exchange transactions	3 171	350
Cash and cash equivalents	17 201	7 265
	<b>20 372</b>	<b>7 615</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 21. MEMBERS' EMOLUMENTS

#### Executive

2014

	Salary	Bonus- es (13 <sup>th</sup> cheque)	Provident fund- contribution	Other expenses (medical housing etc.)	Allowances (cell phones and 3G)	Acting allowance	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Accounting Officer: Mr AK Ahmed	692	-	86	377	34	-	1 189
Chief Operations Officer: Ms L Khumalo	561	47	70	259	29	-	966
Chief Financial Officer: Mr P Makaneta	561	47	70	259	29	-	966
Head Corporate Services: Ms A Price	514	-	64	280	24	-	882
Head of Research: Mr K Singh	463	-	58	252	24	-	797
Head Parliamentary: Ms J Cohen	321	27	40	149	15	-	552
Head of Legal: Mr P Gregorius	463	39	58	252	24	-	836
Chief Audit Executive: Mr G Paulse	463	-	58	252	24	-	797
Head SS&G: Mr S Giyose	463	39	58	214	24	-	798
Provincial Manager GP: Ms C Kisson	463	39	58	214	24	-	798
Provincial Manager MP: MR E Mokonyane	463	39	58	214	24	-	798
Provincial Manager WC: Ms M Dugmore	463	39	58	214	24	-	798
Head of Commissioners: Ms N Webster	463	39	58	214	-	-	774
Provincial Manager KZN: Ms T Munoo	463	39	58	214	24	-	798
Provincial Manager LP: Mr V Mavhidula	463	39	58	214	6	-	780
Provincial Manager NW: Mr I Suleman	77	-	9	42	-	-	128
Provincial Manager NC: Ms C Williams	463	39	58	214	24	-	798
Provincial Manager (Acting) EC: Mr L Mpondo	315	26	39	-	-	444	824
Provincial Manager (Acting) FS: Mr B Jones	411	34	51	92	-	212	800
	<b>8 545</b>	<b>532</b>	<b>1 067</b>	<b>3 926</b>	<b>353</b>	<b>656</b>	<b>15 079</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

## 21. MEMBERS' EMOLUMENTS (continued)

2013

	Salary	Bonus- es (13 <sup>th</sup> cheque)	Provident fund contribu- tion	Other expenses (medical housing etc.)	Allowances (Cell phones and 3G)	Acting allowance	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Accounting Officer: Mr AK Ahmed	660	34	81	-	352	-	1 127
Deputy CEO: Adv N Mukweho	91	53	12	609	-	-	765
Chief Operations Officer: Ms Lkhumalo	527	29	66	-	241	88	951
Chief Financial Officer: Mr P Makaneta	411	17	51	-	215	-	694
Head Research: Mr K Singh	200	10	27	-	109	-	346
Head Corporate Services: Ms A Price	489	24	60	-	256	-	829
Head of Legal Services: Mr P Gregorious	439	22	52	-	152	36	701
Provincial Manager MP: Mr E Mokonyane	441	24	54	-	189	36	744
Head SS&G: Mr S Giyose	324	18	40	-	148	18	548
Provincial Manager GP: Ms C Kisson	429	18	53	-	164	36	700
Head Parliamentary: Ms J Cohen	398	20	49	33	179	84	763
Chief Audit Executive: Mr G Paulse	288	16	36	-	156	-	496
Head Commissioners: Ms N Webster	396	-	49	181	-	24	650
Provincial Manager KZN: Ms T Munnoo	447	22	55	-	167	36	727
Provincial Manager WC: Ms M Dugmore	396	18	49	-	181	24	668
Provincial Manager LP: Mr V Mavhidula	324	4	40	-	148	18	534
Provincial Manager NC: Ms C Williams	324	14	40	-	148	18	544
Head SSG (Acting): Ms S King	732	-	-	10	-	-	742
	7 316	343	814	833	2 805	418	12 529





## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 21. MEMBERS' EMOLUMENTS (continued)

#### Audit Committee members' remuneration

2014

	Committee fees R'000	Travel expenses R'000	Total R'000
Chairperson: D Coovadia	59	4	63
Mr W Hattingh	20	2	22
Mr P Mnisi	12	1	13
Ms P Seogati	24	3	27
	<b>115</b>	<b>10</b>	<b>125</b>

2013

	Committee fees R'000	Members' fees for service rendered R'000	Total R'000
Chairperson: Mr D Coovadia	33	3	36
Mr W Hattingh	16	2	18
Mr P Mnisi	16	1	17
Ms P Seogati	16	2	18
	<b>81</b>	<b>8</b>	<b>89</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

## 21. MEMBERS' EMOLUMENTS (continued)

## Non-executive

## 2014

	Basic salary R'000	13 <sup>th</sup> Cheque R'000	Expenses R'000	Provident fund R'000	Other benefits R'000	Total R'000
Chairperson: Adv ML Mushwana	635	-	385	79	34	1 133
Deputy Chairperson: Ms P Govender	540	44	257	67	20	928
Commissioner: Ms L Mokate	494	40	258	62	29	883
Commissioner: Mr BJ Malatji	494	40	258	62	29	883
Commissioner: MS Ameerma	85	-	39	11	-	135
Commissioner: Ms J Love	156	-	-	-	16	172
Commissioner: Mr D Titus	14	-	-	-	14	28
	<b>2 418</b>	<b>124</b>	<b>1 197</b>	<b>281</b>	<b>142</b>	<b>4 162</b>

## 2013

	Basic salary R'000	13 <sup>th</sup> Cheque R'000	Expenses R'000	Termina- tion pay out R'000	Provident fund contribu- tion R'000	Other benefits R'000	Total R'000
Chairperson: Adv ML Mushwana	634	-	330	-	76	34	1 074
Deputy Chairperson: Ms P Govender	538	44	237	-	65	20	904
Commissioner: Ms L Mokate	493	40	217	-	59	29	838
Commissioner: Mr BJ Malatji	493	40	217	-	59	29	838
Commissioner: Mr S Baai	233	-	68	36	19	-	356
Commissioner: Ms J Love	175	-	-	-	-	10	185
Commissioner: Mr D Titus	32	-	-	-	-	8	40
	<b>2 598</b>	<b>124</b>	<b>1 069</b>	<b>36</b>	<b>278</b>	<b>130</b>	<b>4 235</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 22. PROJECTS

Name of project balance 2013

	Opening balance R'000	Grant received R'000	Amount utilised R'000	Amount transferred R'000	Closing balance R'000
UNHCR (UN)	-	-	9	-	-
Atlantic Philanthropies	-	-	-	12	-
Australian Aid Grant	-	-	-	2	-
Open Society (OSISA)	389	-	(389)	-	-
<b>Total projects</b>	<b>389</b>	<b>-</b>	<b>(380)</b>	<b>14</b>	<b>-</b>

### 23. IRREGULAR FRUITLESS AND WASTEFUL EXPENDITURE

	2014 R'000	2013 R'000
Opening balance	1 190	1 190
Add irregular wasteful expenditure current year	79	1 050
Lease amount condoned / reversed	-	(1 050)
<b>Closing balance</b>	<b>1 269</b>	<b>1 190</b>

Irregular expenditure to the value of R 79 000 (2013: R 1 050 000) was incurred in the current year. Irregular expenditure emanates from non-compliance with National Treasury Practice 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 therefore none of the expenditure had been condoned as at year-end. No disciplinary proceedings had been taken, since the irregular expenditure did not warrant such action.

### 24. 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 were documented and reported to the members who considered them and subsequently approved the deviation from the normal supply chain management regulations.

The total deviations from the above-mentioned Government Gazette amounted to R6 697 000.

### 25. 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 2013/04/01 to 2014/03/31. The annual financial statements differ from the budget, which is approved on the cash basis.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 26. CONTINGENCIES

The nature of cases and the estimates of their financial effect are as follows:

#### Categories of contingent liability

	Probable loss	
	2014 R'000	2013 R'000
Guarantee issued to the bank	685	682
Nehawu (retrenchments)	9 050	8 323
Professor Jozana (recruitments dispute)	–	–
<b>Total</b>	<b>9 736</b>	<b>9 005</b>

At year-end the Commission was uncertain as to the timing of any outflow and the possibility of any reimbursements relating to the contingent liabilities listed.

The retrenchments contingent liability is as a result of a restructuring process that the Commission embarked upon, which resulted in the retrenchment of seven (7) staff members who could not be absorbed into the new structure. Nehawu then lodged an unfair dismissal case with the CCMA. The matter went for conciliation on 13 May 2013 but could not be resolved. Nehawu indicated that they shall take this case to the Labour Court.

#### Commitments schedule as at 31 March 2014

Commitments schedule for purchase orders issued to suppliers for goods not yet received as at 31 March 2014	2014 R'000	2013 R'000
Department of Public Works	29	280
Neo Technologies	12	21
One Way Up	144	43
Sound Idea Productions	18	94
Emergent Capital Management	60	15
Into The Limelight	46	10
InnonAct CC	56	137
Avitha Trading Enterprise	20	31
McCarthy Toyota Durban	317	5
Imperial Toyota Nelspruit	359	2
Jabatha	132	1 707
Astrotech Conference Center	41	244
Sensory Solution	35	14
Budget Office furniture	31	2
Donna Reid Designs	62	9
Other supplies	734	1
Cecil Nurse Business Furniture EC	66	3
Congress Rental	–	9
	<b>2 162</b>	<b>2 627</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 27. AUDITORS' REMUNERATION

Financial instrument	2014 R'000	2013 R'000
Fees	2 348	1 563

### 28. 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 both the 2012 and 2013 financial years to take into account the errors discovered.

#### Review of useful lives of assets.

During the 2013/14 financial year, the Commission changed its fixed assets useful lives, which resulted in the correction of the depreciation error recognised in the prior years. The useful lives of items of property, plant and equipment have been re-assessed as reflected in note 1.2 of our accounting policy note. The review of useful was also part of cleaning the fixed asset register to ensure better reporting and disclosure. As a result of the review of useful live in the current year, the prior year PPE figures reported had to be restated to take into account this review.

In the process of reviewing the useful lives of assets management had to reclassify the asset types to ensure consistency and uniformity for the purposes of depreciating our assets.

#### Assets omitted in the 2012 financial year.

While cleaning up the fixed asset register, management discovered that there were assets which were omitted in the 2011/12 financial year and were then added back into the fixed asset register to ensure completeness and correct valuation of assets. These were related to finance leases, computer equipment, office equipment and library materials. The cost prices, accumulated depreciation and depreciation of these assets have been included in the prior period error amounts disclosed below.

#### Property, plant and equipment @ cost and accumulated depreciation

These corrections resulted in correction of prior year figures and the impact is as follows:

The effect of the Correction of Error is as follows:

#### Statement of Financial Position:

(Increase) / decrease in Accumulated Surplus	(4 735.00)	(3 687.00)
(Increase) / decrease in Accumulated Surplus	(336.45)	(2 086.83)
Increase / (decrease) in Property, Plant and Equipment at cost	(493.62)	2 821.00
Increase / (decrease) in intangible at cost	(118.64)	(84.74)
Increase / (decrease) in accumulated depreciation-PPE	5 227.44	3 518.45
Increase / (decrease) in accumulated amortisation- Intangible asset	456.27	(480.89)
	-	-

The effect of the Correction of Error is as follows:

#### Statement of Financial Position:

(Increase) / decrease in Accumulated Surplus	(8.00)	-
Increase / (decrease) in deferred lease asset	8.00	-
	-	-

2013	2012
(4 735.00)	(3 687.00)
(336.45)	(2 086.83)
(493.62)	2 821.00
(118.64)	(84.74)
5 227.44	3 518.45
456.27	(480.89)
-	-
2013	2012
(8.00)	-
8.00	-
-	-

### Finance lease and operating lease obligation

#### Operating lease liability

An operating lease liability was raised in the prior period after the lease payments were equalised over the lease term period. The lease for Spitzkop Properties (Pty) Ltd relating to Parking in East London was not initially recognized as an operating lease.

The effect of the Correction of Error is as follows:

#### Statement of Financial Position:

(Increase) / decrease in Accumulated Surplus  
(Increase) / decrease in short term finance lease obligation-  
(Increase) / decrease in operating lease

2013 R'000	2012 R'000
1 114.00	1 507.00
(90.00)	(536.00)
(1 024.00)	(971.00)
-	-

### Long term finance lease obligation

#### Finance Leases

The Commission omitted to include four finance lease contracts relating to our telephone system in the 2013 financial year. These contracts had to be included in the fixed asset register and we adjusted the finance lease obligation reported in 2013.

The effect of the Correction of Error is as follows:

#### Statement of Financial Position:

(Increase) / decrease in Accumulated Surplus  
(Increase) / decrease in long term finance lease obligation

2013 R'000	2012 R'000
125.00	45.00
(125.00)	(45.00)
-	-

### Employee cost

An employee cost of R12,000 was misallocated to trade and other payables. We had to adjust it accordingly.

The effect of the Correction of Error is as follows:

#### Statement of Financial Position:

(Increase) / decrease in Accumulated Surplus  
(Increase) / decrease in payable

#### Statement of Financial Performance

(Increase) / decrease in employee cost

2013 R'000	2012 R'000
(12.00)	-
12.00	-
-	-
12.00	-
12.00	-



### Depreciation and amortisation

This error is as a result of the review of useful lives of assets as indicated above.

These corrections resulted in correction of prior year figures and the impact is as follows:

	2013 R'000	2012 R'000
<b>Statement of Financial Position:</b>		
(Increase) / decrease in Accumulated Surplus	1 455.00	-
Accumulated depreciation	(1 455.00)	-
	-	-
<b>Statement of Financial Performance</b>		
(Increase) / decrease in depreciation	(1 455.00)	-
	(1 455.00)	-

### General expenses

There were misallocations between general and operating expenses.

### Loss on sale of assets

This is a reversal of the loss which was recognised in the prior year and was rectified together with other losses on disposal of assets.

These corrections resulted in correction of prior year figures and the impact is as follows:

	2013 R'000	2012 R'000
<b>Statement of Financial Position:</b>		
(Increase) / decrease in Accumulated Surplus	(211.00)	-
	(211.00)	-
<b>Statement of Financial Performance</b>		
(Increase) / decrease in general expenses	165.00	-
(Increase) / decrease in operating expenses	(165.00)	-
(Increase) / decrease in profit or loss on sale of asset	211.00	-
	211.00	-
<b>Net accumulated surplus</b>	<b>(2 522.00)</b>	<b>(2 135.00)</b>

## 29. COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

## REVIEW OF ACTIVITIES

### MAIN BUSINESS AND OPERATIONS

#### 1. Spending Trends from 2008/9 – 2013/14 as per Standard items

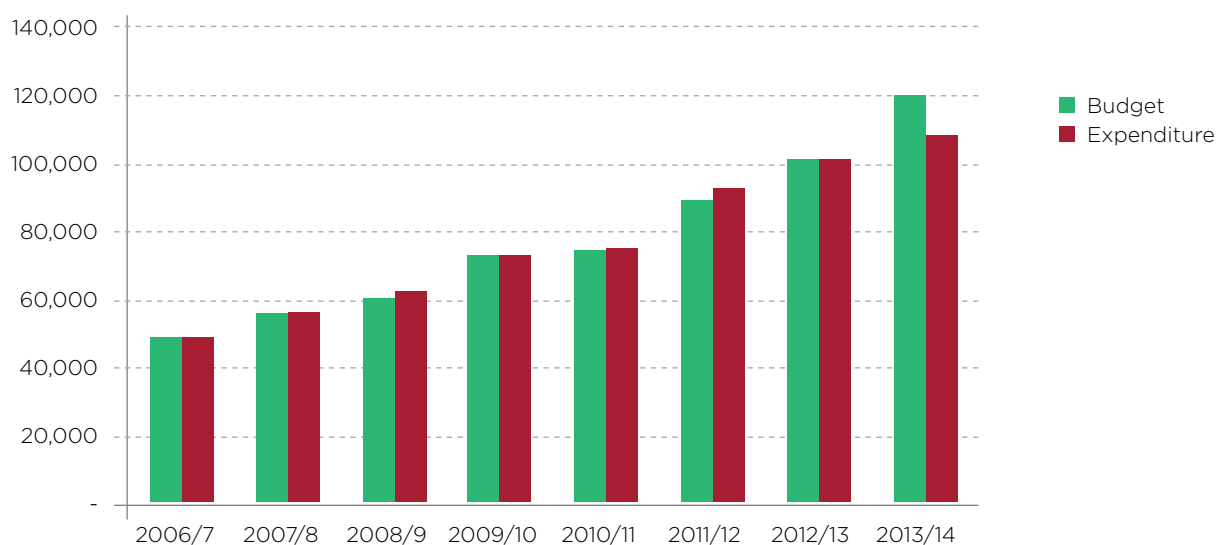
Standard items	Audited Expenditure Outcomes					
	R'000 2008/9	R'000 2009/10	R'000 2010/11	R'000 2011/12	R'000 2012/13	R'000 2013/14
Personnel cost	38 966	46 851	50 308	56 156	63 654	65 690
Administrative expenses	7 464	9 235	5 937	4 573	6 927	7 219
Inventories	309	693	557	540	207	189
Equipment	1 525	632	604	1 002	376	2 218
Land and buildings	7 432	7 820	10 513	12 185	12 334	14 011
Professional services	7 287	7 524	7 039	18 423	15 677	19 196
<b>TOTAL</b>	<b>62 983</b>	<b>72 755</b>	<b>74 958</b>	<b>92 879</b>	<b>99 175</b>	<b>108 523</b>
<b>Baseline allocation</b>	<b>60 603</b>	<b>72 755</b>	<b>73 474</b>	<b>89 066</b>	<b>100 736</b>	<b>115 999.00</b>
Additional funding	585	1 257	894	707	794	3 300.00
Donor funding	495	996	608	272	-	

The expenditure trend in the table above reflects the results for the past five years, and the results of the financial year 2012/14.

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 2013/14 was R 108.5 million, which included depreciation on assets amounting to R2.2m

#### 2. Budget vs. Expenditure Graphic Analysis

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







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