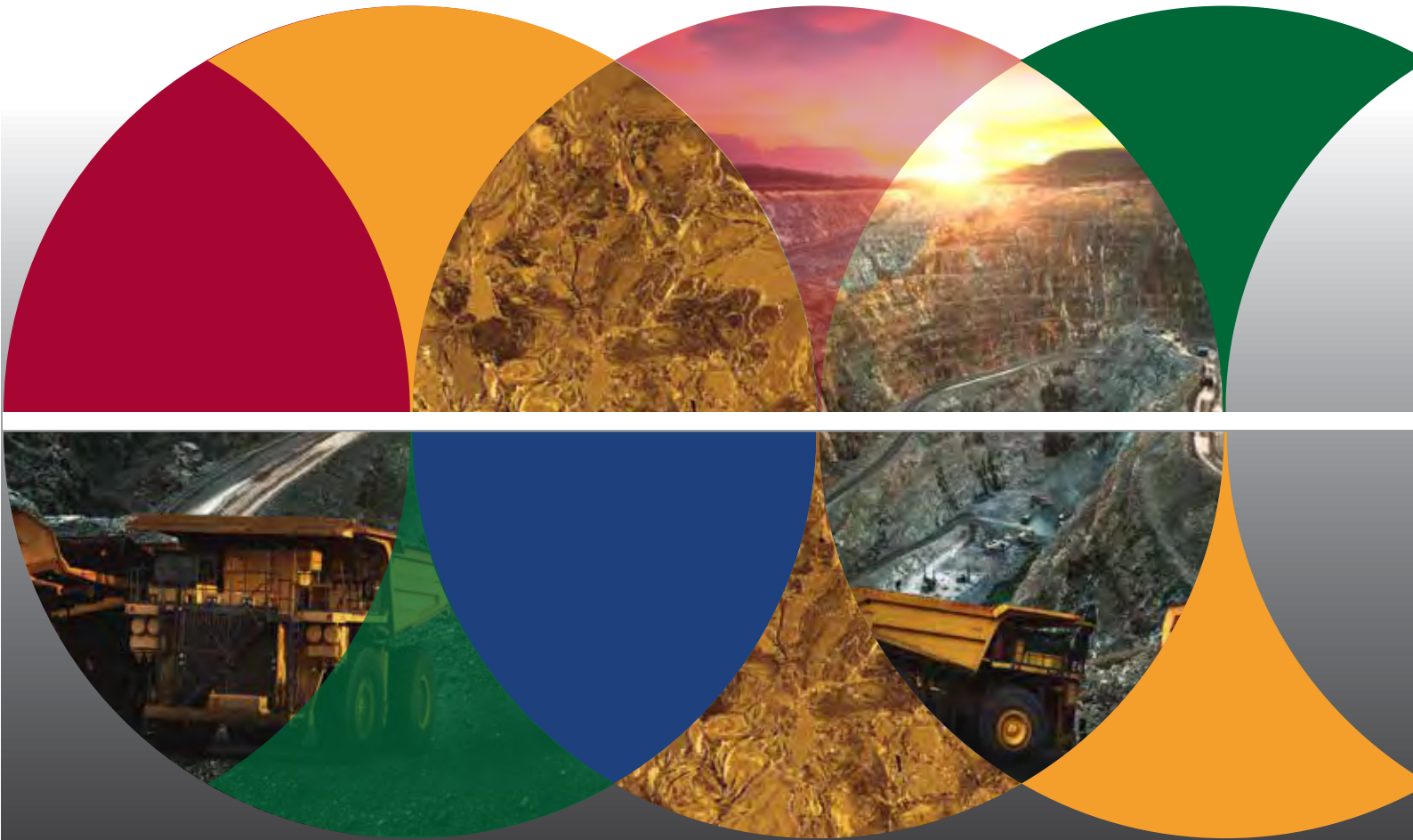




MHSC

Mine Health and Safety Council



MINE HEALTH AND SAFETY COUNCIL
ANNUAL REPORT
2022/2023 FINANCIAL YEAR



MHSC

Mine Health and Safety Council

MINE HEALTH AND SAFETY COUNCIL

ANNUAL REPORT

2022/2023 FINANCIAL YEAR

TABLE OF CONTENT

PART A

1.1	PUBLIC ENTITY'S GENERAL INFORMATION	6
1.2	LIST OF ABBREVIATIONS/ACRONYMS	7
1.3	TERMS AND DEFINITIONS	10
1.4	FOREWORD BY THE CHAIRPERSON	11
1.5	CHIEF EXECUTIVE OFFICER'S OVERVIEW	14
1.6	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT	18
1.7	STRATEGIC OVERVIEW	19
1.8	LEGISLATIVE AND OTHER MANDATES.....	20
1.9	ORGANISATIONAL STRUCTURE	21

PART B

2.1	AUDITOR'S REPORT: PREDETERMINED OBJECTIVES.....	24
2.2	SERVICE DELIVERY ENVIRONMENT	24
2.3	KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES	35
2.4	LINKING PERFORMANCE WITH BUDGETS	45
2.5	CAPITAL, MAINTENANCE AND ASSET MANAGEMENT PLAN	45

PART C

3.1	INTRODUCTION	48
3.2	PORTFOLIO COMMITTEES	48
3.3	EXECUTIVE AUTHORITY	48
3.4	THE ACCOUNTING AUTHORITY / BOARD	48
3.5	HUMAN RESOURCE AND REMUNERATION ADVISORY COMMITTEE (HRRAC) MEMBERSHIP AND ATTENDANCE	60
3.6	SOCIAL AND ETHICS COMMITTEE (SEC) MEMBERSHIP AND ATTENDANCE	60
3.7	SAFETY IN MINES RESEARCH ADVISORY COMMITTEE MEMBERSHIP AND ATTENDANCE (SIMRAC)	61
3.8	CULTURE TRANSFORMATION ADVISORY COMMITTEE (CTAC) MEMBERSHIP AND ATTENDANCE.....	62
3.9	MINING REGULATION ADVISORY COMMITTEE (MRAC)	64
3.10	MINING OCCUPATIONAL HEALTH ADVISORY COMMITTEE (MOHAC).....	65
3.11	MINING INDUSTRY TB AND HIV/AIDS ADVISORY COMMITTEE (MITHAC)	66
3.12	WOMEN IN MINING ADVISORY COMMITTEE MEMBERSHIP AND ATTENDANCE (WIMAC)	68
3.13.	MINING OCCUPATIONAL SAFETY ADVISORY COMMITTEE MEMBERSHIP AND ATTENDANCE (MOSAC)	69

3.13	REMUNERATION OF BOARD MEMBERS	70
3.14	RISK MANAGEMENT	70
3.15	INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE	71
3.16	COMPLIANCE WITH LAWS AND REGULATIONS	73
3.17	FRAUD AND CORRUPTION	73
3.18	MINIMISING CONFLICT OF INTEREST	73
3.19	CODE OF CONDUCT	73
3.20	HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	73
3.21	SOCIAL RESPONSIBILITY	73
3.22	AUDIT AND RISK COMMITTEE REPORT	74
3.23	B-BBEE COMPLIANCE PERFORMANCE INFORMATION	77

PART D

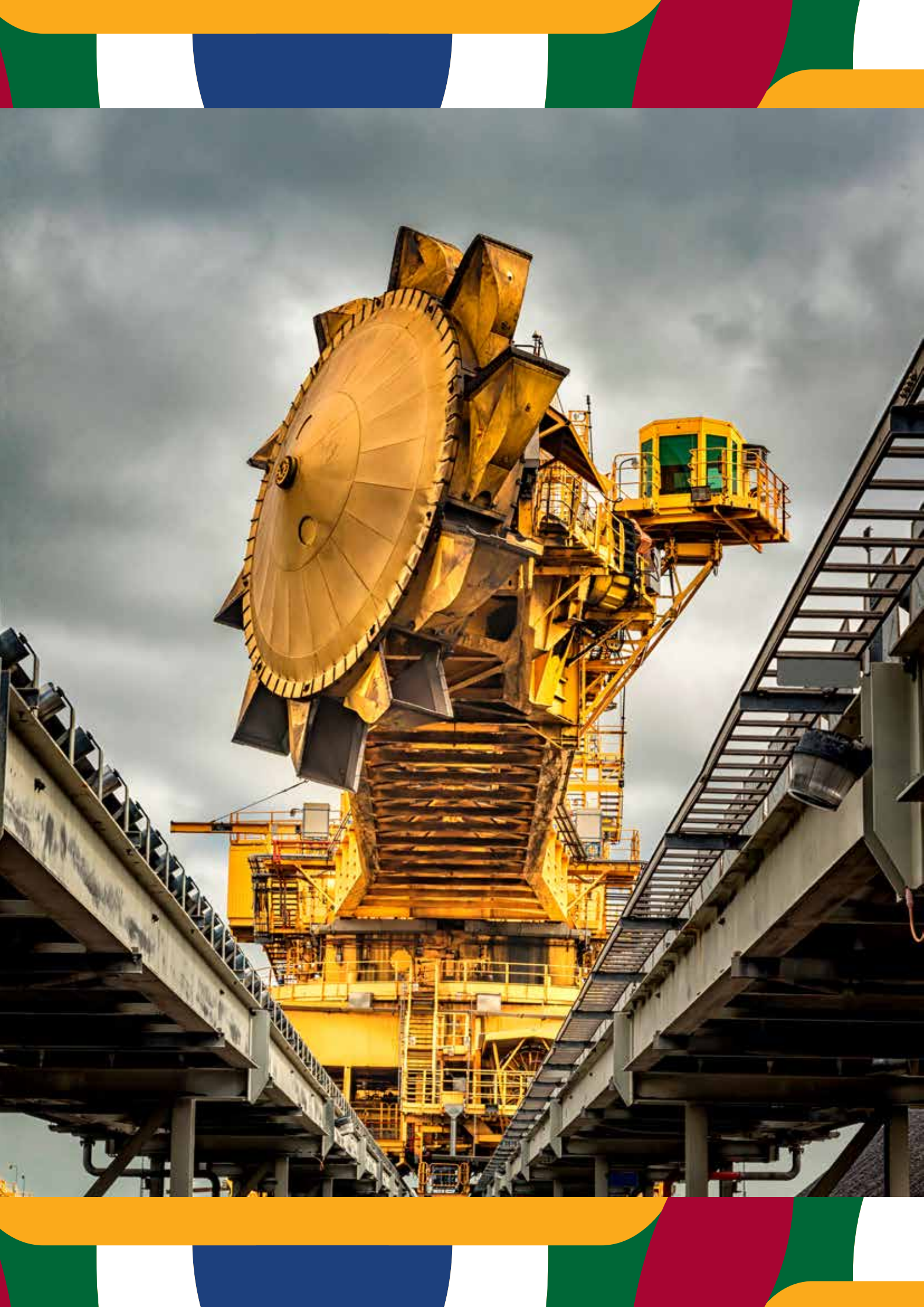
4.1	INTRODUCTION	80
4.2	HUMAN RESOURCES OVERSIGHT STATISTICS	83

PART E

5.1	IRREGULAR EXPENDITURE	92
5.2	FRUITLESS AND WASTEFUL EXPENDITURE	94
5.3	INFORMATION ON LATE AND / OR NON-PAYMENT OF SUPPLIERS	97
5.4	INFORMATION ON SUPPLY CHAIN MANAGEMENT	97

PART F

COUNCIL'S RESPONSIBILITIES AND APPROVAL	104
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS	106
ANNEXURE TO THE AUDITOR'S REPORT	111
STATEMENT OF FINANCIAL POSITION	115
STATEMENT OF FINANCIAL PERFORMANCE	116
STATEMENT OF CHANGES IN NET ASSETS	117
CASH FLOW STATEMENT	118
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	119
ACCOUNTING POLICIES	120-133
NOTES TO THE FINANCIAL STATEMENTS	134-153





MHSC

Mine Health and Safety Council

PART A:
GENERAL
INFORMATION

1.1 PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME: Mine Health and Safety Council	
PHYSICAL ADDRESS:	145 Western Service Road Western Wood Office Park, B7 Maple Place, Woodmead, 2090 Gauteng, South Africa
POSTAL ADDRESS:	Private Bag X11 Wendywood 2144
TELEPHONE NUMBER/S:	+27 11 070 4200 +27 11 656 1797
EMAIL ADDRESS:	communications@mhsc.org.za
WEBSITE ADDRESS:	www.mhsc.org.za
EXTERNAL AUDITORS:	Auditor-General South Africa 4 Daventry Street, Lynnwood Bridge Office Park, Lynnwood Manor, Pretoria, 0001
BANKERS:	First National Bank (FNB) 2 First Place, 6 Floor, Cnr Jeppe & Simmonds Street, Bank City Johannesburg

1.2 LIST OF ABBREVIATIONS/ACRONYMS

4IR	Fourth Industrial Revolution
AGSA	Auditor-General South Africa
AIDS	Acquired Immune Deficiency Syndrome
ARC	Audit and Risk Committee
ASB	Accounting Standards Board
ASPASA	Aggregate and Sand Producers Association of Southern Africa
BBBEE	Broad-Based Black Economic Empowerment
BSC	Balanced Score Card
CEF	Central Energy Fund
CEO	Chief Executive Officer
CETM	Centre for Education and Training of Mineworkers
CFO	Chief Financial Officer
CGO	Corporate Governance Officer
CGS	Council for Geoscience
CHCO	Chief Human Capital Officer
COID	Compensation for Occupational Injuries and Diseases
COSATU	Congress of South African Trade Unions
CSIR	Council for Scientific and Industrial Research
CIoM	Chief Inspector of Mines
CoE	Centre of Excellence
CoP	Code of Practice
CROO	Chief Research Operations Officer
CTAC	Culture Transformation Advisory Committee
DBSA	Development Bank of South Africa
DMRE	Department of Mineral Resources and Energy
DoH	Department of Health
DoL	Department of Labour
EXCO	Executive Committee
FoG	Falls of Ground
GBVF	Gender-Based Violence and Femicide
GRAP	Generally Recognised Accounting Practice
GRC	Governance, Risk, and Compliance
HATS	HIV/AIDS, TB, and Silicosis

1.2 LIST OF ABBREVIATIONS/ACRONYMS

HDF	Housing Development Fund
HIV	Human Immunodeficiency Virus
HR	Human Resources
HRRAC	Human Resources and Remuneration Advisory Committee
ICT	Information Communication Technology
ICTSC	Information Communication Technology Steering Committee
ICTSCC	Information Communication Technology Steering Committee Charter
GRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
IP	Intellectual Property
LSD	Low Sulphur Diesel
MCSA	Minerals Council South Africa
MEC	Member of Executive Council MHSA Mine Health and Safety Act (No. 29 of 1996) as amended
MHSA	Mine Health and Safety Act (Act No. 29 of 1996)
MHSC	Mine Health and Safety Council
MHSI	Mine Health and Safety Inspectorate
MINTEK	Council for Mineral Technology
MITHAC	Mining Industry TB, HIV and AIDS Advisory Committee
MoA	Memorandum of Agreement
MOHAC	Mining Occupational Health Advisory Committee
MOSH	Mining Industry Occupational Safety and Health
MOSAC	Mining Occupational Safety Advisory Committee
MoU	Memorandum of Understanding
MPLS	Missing Person Locator System
MQA	Mining Qualifications Authority
MRAC	Mining Regulations Advisory Committee
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NGO	Non-Governmental Organisation
NEHAWU	National Education, Health and Allied Workers' Union
NIHL	Noise Induced Hearing Loss
NIOH	National Institute of Occupational Health
NW	North West

OHN	Occupational Health Nurse
OHP	Occupational Health Practitioner
OMP	Occupational Medical Practitioner
OHS	Occupational Health and Safety
PDS	Proximity Detection System
PDTC	Program Delivery Technical Committee
PFMA	Public Finance Management Act (No. 1 of 1999) as amended
PPC	Parliamentary Portfolio Committee
PPE	Protective Personnel Equipment
RDTC	Research Determination Technical Committee
RODTC	Research Outcome Dissemination Technical Committee
TR	Treasury Regulations
SALGA	South African Local Government Association
SAMI	South African Mining Industry
SAMRASS	South African Mines Reportable Accident Statistical System
SANAC	South African National AIDS Council
SANIRE	South African Institute of Rock Engineering
SANS	South African National Standards
SCM	Supply Chain Management
SCSRs	Self-Contained Self-Rescuers
SIMRAC	Safety in Mines Research Advisory Committee
SMME	Small, Medium, and Micro-Enterprises
STS	Standard Threshold Shift
TB	Tuberculosis
TTK	Technology Transfer and Knowledge
TIA	Technology Innovation Agency
ULSD	Ultra-Low-Sulphur Diesel
UP	University of Pretoria
WHO	World Health Organisation
WiM	Women in Mining
WIMAC	Women in Mining Advisory Committee
WITS	University of the Witwatersrand
WSP	Workplace Skills Plan

1.3 TERMS AND DEFINITIONS

CHIEF INSPECTOR OF MINES means the officer appointed in terms of section 48(1) of the Mine Health and Safety Act as amended, and includes any officer acting in that capacity.

COUNCIL means the Accounting Authority of the Mine Health and Safety Council established in terms of section 41(1) of the Mine Health and Safety Act, 1996 as amended.

HAZARD means a source of, or exposure to danger.

HEALTH means occupational health at mines.

HEALTH HAZARD means any physical, chemical or biological hazard to health including anything declared to be a health hazard by the Minister.

MINES means any excavation and activity where mineral deposits are mined; all buildings, structures, machinery, dumps, roads or objects that are used during the winning, exploitation, and processing of a mineral.

MINISTER means the South African Minister of Mineral Resources and Energy.

OCCUPATIONAL HEALTH means occupational hygiene and occupational medicine.

OCCUPATIONAL HYGIENE means the anticipation, recognition, evaluation and control of conditions at a mine that may cause illness or adverse health effects to persons.

OCCUPATIONAL MEDICINE means the prevention, diagnosis and treatment of illness, injury and adverse health effects associated with a particular type of work.

RESEARCH THRUST AREAS means research focus areas.

RISK means the likelihood that occupational injury or harm to persons will occur.

STRATEGIC OBJECTIVES means organisational outcomes that are critical to the achievement of the Mine Health and Safety Council's mission for a period of three (3) to five (5) years.

1.4 FOREWORD BY THE CHAIRPERSON



It is indeed an honour and a great privilege to present, on behalf of the Mine Health and Safety Council (MHSC), the Annual Report for the financial year ended 31st March 2023 to the Honourable Minister of Mineral Resources and Energy, Mr Gwede Mantashe, our key allies and partners, Tripartite industry stakeholders, State, Organised Labour, Employers in the mining industry and other relevant stakeholders.

The Board approved the augmented MHSC Strategy for 2020/21 – 2024/25 in January 2022 to set the tone for the MHSC strategic direction. MHSC continued to implement its mandate through prioritisation of research projects, stakeholder management and collaborations with strategic partners. MHSC achieved 86% of all its initiatives linked to the strategic objectives as part of delivery on its mandate that includes: advising the Minister of Mineral Resources and Energy on all Occupational Health and Safety (OHS) matters in the mining industry which include regulations, research, OHS promotion and liaison with various stakeholders on these matters.

During the year under review, the MHSC submitted nineteen advisory notes to the Minister, these were:

- a. Advisory Note on Trackless Mobile Machinery Regulations.
- b. Advisory Note on revised Measures for the Prevention, Mitigation and Management of COVID-19 Pandemic in the South African Mining Industry.
- c. Advisory Note on COVID-19 Vaccinations in South African Mines.
- d. Advisory Note on the Guideline for the compilation of a mandatory code of practice for the management of medical incapacity due to ill health and injury.
- e. Advisory Note on the Selection and Provision of Personal Protective Equipment for Women in the South African Mining Industry and the WIM PPE Audit Tool.
- f. An Advisory Note on the 2020 and 2021 Self-Contained Self Rescuer (SCSR) monitoring programmes (linked to Chapter 16 of the MHSA on Rescue, First aid and Emergency response) on MHSC Research Programme 2023/24.
- g. The advisory note on the 2022 OHS Summit.
- h. Advisory Note on the “Development of a Framework for Employers to Effectively Manage Contractors to Improve OHS Performance in the SAMI”.

- i. Advisory note on the 2020 and 2021 Self Contained Self Rescuer Monitoring Programmes Advisory Note.
- j. Advisory Note on the Guideline for the Management of GBVF, Safety and Security Challenges for Women in the South African Mining Industry and Audit Tool.
- k. Bi-annual review on state of health and safety at mines for quarter one of the 2022/2023 Financial Year advisory note.
- l. Bi-annual review on state of health and safety at mines for quarter one, two and three of the 2022/2023 Financial Year advisory note.
- m. 2023-24 women in mining programme.
- n. MHSC occupational health and safety research programme for 2024/2025.
- o. 2023-24 legislative programme.
- p. Advisory note on research project CoE 190605 “Is the current crystalline silica dust exposure medical surveillance system in the SAMI comprehensive to monitor all organs adverse health outcomes?”
- q. Advisory note on research project CoE 180607: “Review the current airborne exposure limits as listed in schedule 22.9 (a).
- r. Advisory note on research project CoE 180902 “Develop occupational health and safety (OHS) risk management guidelines for the South African Mining Industry (SAMI)”.
- s. Advisory note on research project CoE 180906 “Determine the capacity of mine health facilities to accommodate surrounding communities”.

The MHSC Trackless Mobile Machinery (TMM) regulation was promulgated in quarter three of 2022/23.

In November 2022, the MHSC hosted the Dissemination Workshop on Self Contained and Self Rescuer Devices, participated at industry workshops and Programmes, and directed and presented research project outcomes at these workshops.

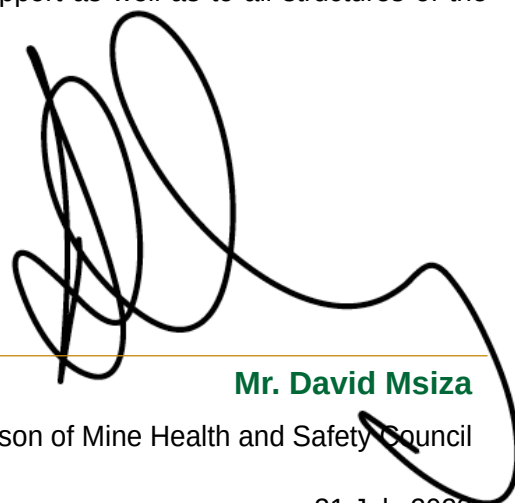
The 2022 Mine Occupational Health and Safety Tripartite Summit was held in the 3rd Quarter on the 13-14 October 2022 and was a great success. The Minister and Principals were also engaged at the MHSC OHS Summit and a few industry initiatives.

During the year under review, the governance Committees were fully capacitated and functional. Council has approved the Human Capital Strategy and Plan, which is being implemented to support the achievement of highly skilled, motivated, and capable MHSC employees, Council Advisory Committees and Council.

On the financial strategic objectives, the company received payments of R58.7m, against a target of R78.4m, which represent 53% of the total amount levied. Data for billing purposes is usually received in September each year. However, there are times when such data is received towards the end of November. To mitigate this risk, MHSC is investigating the use of prior year production data to avoid delays in billing and collection of 2023/24 levies.

MHSC is in the process of procuring a new Office building, and relocation to the new office block is scheduled to happen in the 2023/24 Financial Year.

I wish to extend my appreciation to the Minister of Mineral Resources and Energy for the continued stewardship and support, and for trusting the MHSC Board with such a mammoth mandate. I would also like to extend my sincere thanks to the Council, Council Advisory Committees and Internal and External Auditors. My appreciation also goes to MHSC Executives and Staff for the performance and support as well as to all structures of the MHSC and its stakeholders.

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Mr. David Msiza

Chairperson of Mine Health and Safety Council

31 July 2023

1.5 CHIEF EXECUTIVE OFFICER'S OVERVIEW



The MHSC has adopted a Balanced Scorecard (BSC) system to measure its performance at corporate, business unit and individual levels.

Based on the 2022/2023 Annual Performance Plan initiatives, the MHSC achieved an overall performance score of eighty-six percent compared to the fifty-one percent in the previous financial period. This is against a minimum target of eighty percent for the financial year under review. The major challenge facing the organisation is the high vacancy rate at specialist, management, and executive levels.

During the current financial year, Council approved the Strategic Partners Collaboration Programmes, comprehensive Stakeholder Management Strategy and Interaction Programme for Minister and Principals, which will assist in the promotion of a culture of health and safety within the South African Mining Industry (SAMI).

Engagements have taken place with the following Stakeholders:

- a. Coaltech – partnerships on Klopperbos Research Facility
- b. Mandela Mining Precinct – collaboration on health and safety research
- c. CSIR – partnership on the operation of Klopperbos Research Facility
- d. Minerals Council of South Africa – partnerships and collaboration on health and safety matters in the SAMI.
- e. MQA – Collaboration on training initiatives
- f. MOSH

In November 2022, the MHSC hosted the Dissemination Workshop on Self Contained and Self Rescuer Devices, participated at industry workshops and Programmes, and directed and presented research project outcomes at these workshops.

The MHSC participated in the various initiatives inclusive of virtual global collaboration workshop hosted by China-South Africa Joint Research Centre on the Development and Utilisation of Mineral Resources, the South Africa AIDS Conference held in Durban, the Western Cape WIM Day and the Institute of Quarrying Conference.

The participation at the SAAIDS Conference also included exhibition of the HIV/AIDS and TB research outcomes, as well as displaying the TB awareness campaign Video at Satellite Hybrid session. The MHSC continues to participate at the RTFs throughout the country to promote a culture of Occupational Health and Safety within the SAMI.

The culture transformation programme was revised and the progress for 2022/23 reported on. Engagements took place with the following stakeholders:

- SAMA at the 2022 TB conference discussing Occupational Health matters within the mining industry.
- MMPA through a virtual workshop held under the theme: The future of Tuberculosis to a brighter tomorrow; Turning the tide on Tuberculosis.

The MHSC disseminated books (especially the MHSC history book) and compendiums on rock burst, rock falls and Transport and Mining Machinery Systems amongst others at the Coal Safe Conference.

The MHSC participated at the SA TB Conference where Exhibition and Dissemination of TB, HIV Pamphlets and Playing Cards, Guidelines, Books, Posters, and electronic material were disseminated.

During the period under review, the MHSC welcomed the appointment of the Chief Executive Officer, the Chief Research Operations Officer, the Finance Manager, the Human Capital Manager, the Strategy and Organisational Performance Manager and the Legal, Risk and Compliance Managers, among others.

During the year, the CEO spent a significant amount of time on the implementation of the Organisation Renewal Project, which seeks to improve staff morale and organisational performance, through the following initiatives:

- Organisational structures review.
- Organisational culture review and transformation.
- Review of HR policies.
- Rigorous review of the organisational performance management practices - focusing on planned initiatives and targets, and grounds for poor performance.
- Analysis of all labour disputes and associated legal expenditure.
- Regular engagements with staff and union representatives to ensuring rebuilding of personnel relations, which had deteriorated over the recent years.

The MHSC appointed a service provider to assist employees with wellness. A new initiative to utilise employee relations specialists instead of lawyers, to resolve labour disputes, was implemented. These efforts are yielding results with several grievances been addressed internally, without the need of utilisation of the legal panel.

The MHSC entered into a three-year Cost-Of-Living-Adjustment Agreement with the recognised organised labour, NEHAWU. Management continues to engage organised labour to improve working relations with employees.

During the year under review, the governance Committees were fully capacitated and functional. Council has approved the Human Capital Strategy and Plan, which is being implemented to support the achievement of highly skilled, motivated, and capable MHSC employees, Council Advisory Committees and Council.

During the year under review, MHSC experienced twelve (12) terminations due to irregular expenditure incurred in previous years; four (4) of the terminations were dismissals, one (1) was due to retirement, and seven (7) were due to resignation.

The MHSC has prioritised the appointment of the service providers for employee relations and employee wellness programme. The appointment of the employee relations service provider will assist in reducing the current MHSC legal expenditure. The Transformation Committee was formed during this quarter and conducted various workshops to educate and create awareness on MHSC Values.

There is a significant risk of weakened ICT controls and ineffective functioning of the ICT Governance Committee. Management has implemented solutions to deal with this risk, through the appointment of the acting ICT Manager, and the recruitment of the Chairperson of the ICT Governance Committee. It is unfortunate to report that on the 28th of July 2022, R234 230.50 was paid into the wrong account of the service provider due to MHSC emails being intercepted by hackers due to the weakening of the controls in the ICT environment. A further R384 409.47 and R529 469.75 were paid into wrong accounts on the 2nd of September 2022 and on the 15th of November 2022 respectively by debtors, due to MHSC emails being intercepted. The issue has been reported to the South African Police Services, and the MHSC also appointed a service provider to investigate the circumstances surrounding the fraudulent payments.

On the financial strategic objectives, the company received payments of R58.7m, against a target of R78.4m, which represent 53% of the total amount levied. Data for billing purposes is usually received in September each year. However, there are times when such data is received towards the end of November. To mitigate this risk, MHSC is investigating the use of prior year production data to avoid delays in billing and collection of 2023/24 levies.

Additionally, the MHSC continues to review measures to improve the levy model taking into consideration the performance of the industry and the improvement in health and safety performance. As part of its strategic imperatives, the MHSC is implementing the Revenue Generation Strategy which seeks to look at other means of funding which will assist the MHSC to better fund its operational activities and research programmes with the aim of getting ever closer to the goal of Zero Harm.

The transfer process of the MHSC office building is at an advanced stage and is expected to be finalised in the next financial year. The MHSC appointed a service provider for the implementation, support and maintenance of an Integrated Financial Management System (IFMS) for the period of thirty six months. Training of MHSC staff is ongoing and the employees are familiarising themselves with the system to ensure that there are no challenges when the system goes live. The system is currently being tested (user acceptance testing phase).

I would like to thank the MHSC Board members and its advisory committees as well as the governance committees, under the capable leadership of the chairperson, Mr. David Msiza, for their support and guidance throughout the year. Special appreciation goes to; the Parliament Portfolio Committee on Mineral Resources and Energy for their continued support, commitment, oversight and guidance; the Honourable Minister, Gwede Samson Mantashe; and the officials of the Department of Mineral Resources and Energy.

Lastly, I would like to thank MHSC team for their much-valued contribution in the past financial year. Through hard work and the spirit of continuous improvement, I am certain that the future looks brighter. We share a common vision of achieving Zero Harm in the South African Mining Industry. We salute all mining industry employees who lost their lives in the line of duty. May their souls rest in perfect peace. Zero Harm in our lifetime!!



Mr. David Mamphitha

Chief Executive Officer

31 July 2023



1.6 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- All information and amounts disclosed in the annual report is consistent with the Annual Financial Statements audited by the Auditor General.
- The annual report is complete, accurate and free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the GRAP standards applicable to the public entity.
- The accounting authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The accounting authority is responsible for establishing and implementing a system of internal control, and designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.
- In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2023.

Yours faithfully



Mr. David Mamphitha

Chief Executive Officer

31 July 2023



Mr. David Msiza

Chairperson of the Board

31 July 2023

1.7 STRATEGIC OVERVIEW

1.7.1 Vision Statement

Zero Harm to mine employees and communities affected by mining activities.

1.7.2 Mission

To promote a culture of OHS in the mining industry and to make a meaningful contribution to improved OHS through a tripartite relationship between Mine Employers, Mine Employees and the State.

1.7.3 Values

The MHSC prides itself on a set of shared values that inform and guide the interaction between employees, stakeholders and the mining industry at large. The acronym “**CIRA**” represents MHSC core values.

Caring - displaying kindness and concern to others.

Integrity - Integrity, honesty and ethical approach in everything we do.

Respect - Respect each other and value diversity in ideas, work style, background and skills.

Accountability – Fully commits to improving health and safety culture in the SAMI.

1.7.4 Goals

MHSC is pursuing the following goals and all the strategic objectives will be linked to the achievement of these goals:

- (a) To facilitate **Zero Harm** to communities and mine workers because of mining activities.
- (b) To provide knowledge leadership in Occupational Health and Safety in the South African Mining Industry.

1.7.5 Slogan

Every mineworker returning from work unharmed every day. Striving for Zero Harm.

1.8 LEGISLATIVE AND OTHER MANDATES

MHSC was established in terms of section 41, read with Schedule 6 of the Mine Health and Safety Act (29 of 1996), as amended. The MHSC is listed as a schedule 3A Public Entity in terms of the Public Finance Management Act (Act No. 1 of 1999), as amended.

The mandate of the Mine Health and Safety Council is derived from section 43 of the Mine Health and Safety Act No. 29 of 1996, as amended, which states that the MHSC must:

- (a) advise the Minister on health and safety at mines including, but not limited to, any legislation on mine rehabilitation in so far as it concerns health and safety;
- (b) co-ordinate the activities of its committees, receive reports from the committees and liaise with the Mining Qualifications Authority on matters relating to health and safety;
- (c) liaise with any other statutory bodies concerned with matters relating to health and safety;
- (d) promote a culture of health and safety in the mining industry;
- (e) at least once every two years, arrange and co-ordinate a tripartite summit to review the state of health and safety at mines; and
- (f) annually advise the Minister on relevant research relating to health and safety, at mines.

1.9 ORGANISATIONAL STRUCTURE

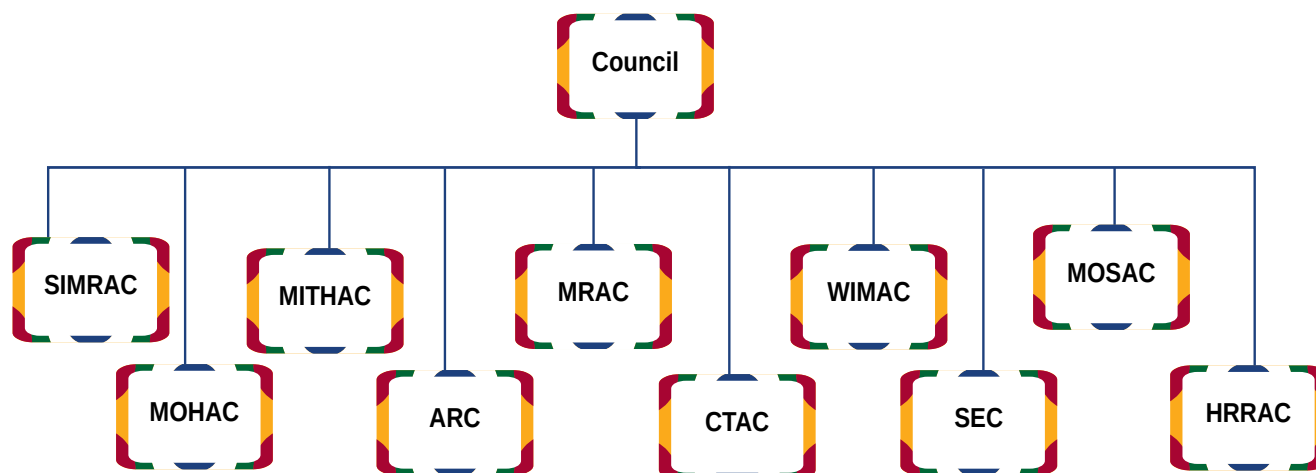


Figure 1: MHSC Structure

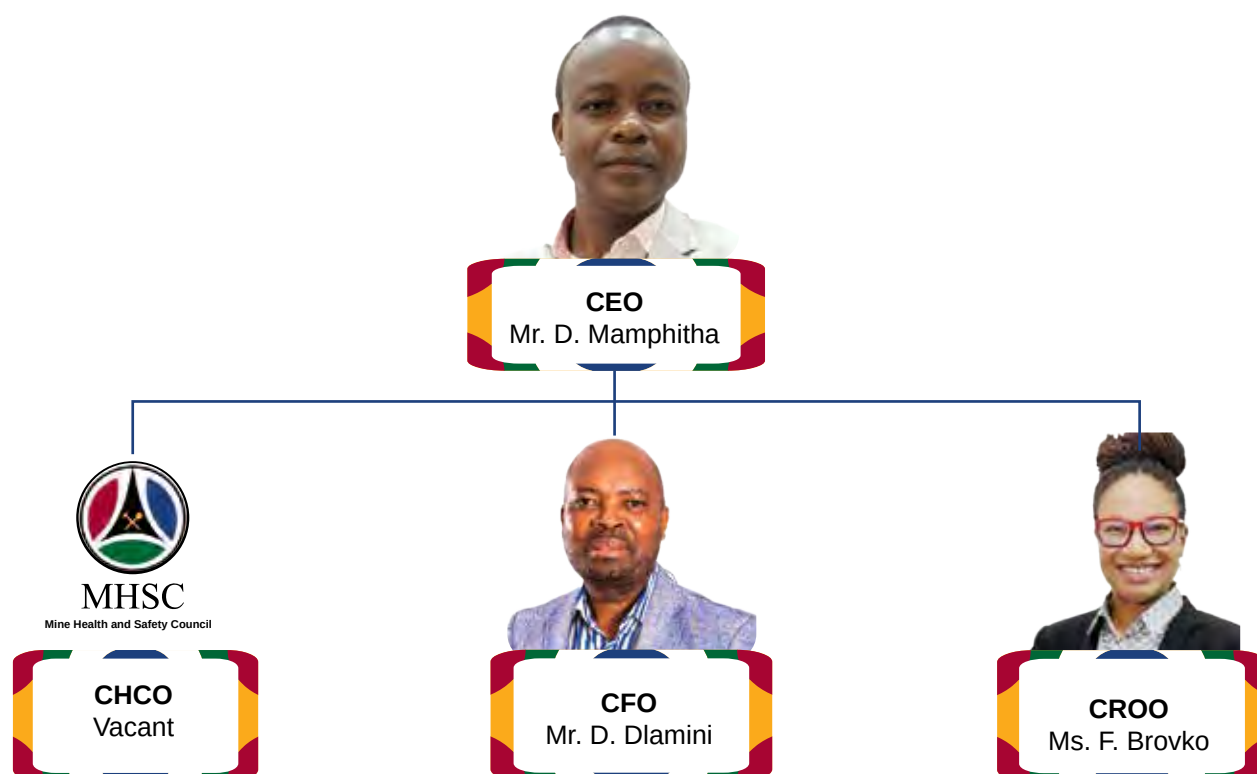


Figure 2: MHSC Office Structure





MHSC

Mine Health and Safety Council

PART B: PERFORMANCE INFORMATION

2.1 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

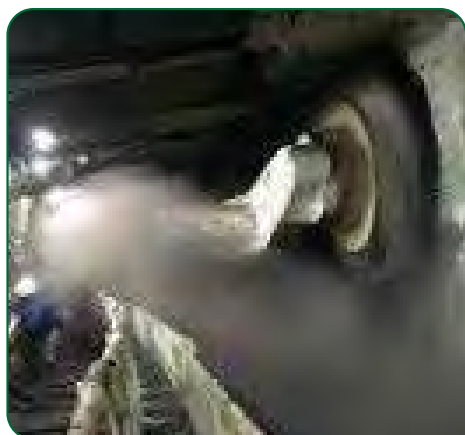
The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 106 to 114 of the Report of the Auditors Report, published as Part F: Financial Information.

2.2 SERVICE DELIVERY ENVIRONMENT

The MHSC has completed various research projects, which will assist the SAMI to achieve the goal of Zero Harm.

2.2.1 COE 190605: IS THE CURRENT CRYSTALLINE SILICA DUST EXPOSURE MEDICAL SURVEILLANCE SYSTEM IN THE SAMI COMPREHENSIVE TO MONITOR ALL ORGANS ADVERSE HEALTH OUTCOMES



Background

The main objective of the Mine Health and Safety Act 29 of 1996 (MHS Act) is to provide for protection of the health and safety of employees and other persons at mines through authorised enforcements of standards and code of practices developed under the act. Section 5 of the MHS Act, stipulates that the employer must, as reasonably as practicable, ensure the health and safety of employees at the mine.

Section 13.2 further mandates mining employers to establish and maintain systems of medical surveillance aimed at eliminating or minimising, controlling, preventing and detecting occupational diseases.

Guidelines regarding medical surveillance for silica dust exposure are provided in Section 11.7 of the MHS Act. Currently, medical surveillance for Respirable Crystalline Silica (RCS) dust exposure, is mainly focused on the cardiorespiratory organs according to stipulations of Section 11.7 of the MHS Act. This is due to the airborne nature of respirable silica dust, which when inhaled, ends up in bronchioles leading to cell fibrogenesis causing lung impairment and disease. The cardiorespiratory system, is also stipulated in the mandatory Code of Practice (COP) for RCS dust exposure medical surveillance for monitoring in the South African Mining Industry (SAMI). However, recent record review and case study articles of RCS dust exposed individuals have found increasing risk of other diseases such as lung cancer, renal diseases, and systemic autoimmune diseases like progressive multiple sclerosis. It is therefore necessary to assess regulations, standards and practices in the SAMI to determine the effectiveness of the RCS dust exposure medical surveillance system in place.

Aim of the study

The aim of this research study is to determine if the existing RCS dust exposure medical surveillance system in the SAMI is effective enough to monitor all organs that are adversely affected.

Recommendations

Based on the gaps identified in the existing Mandatory COP for RCS dust exposure, it was recommended that the MHSC and its stakeholders update Regulation 11.7 of the MHS Act and the Mandatory COP for RCS dust exposure (DMRE 16/3/2/4-A1) to include following examinations:

- Cardiovascular examinations to detect Cor Pulmonale and CVD
- Renal examinations to detect CKD and ESRD
- Autoimmune examinations to detect RA, SLE and multiple scleroderma

The Mandatory COP for RCS dust exposure (DMRE 16/3/2/4-A1), should also be updated to recommend that tissue biopsy, DLCO test, bronchoscopy, CT scans, sputum test and skin test be added to the existing cardiorespiratory tests for more enhanced medical screening of pneumoconiosis.

Suggestions for further research

It is recommended that the Mandatory COP for noise and coal dust systems of medical surveillance should be reviewed for comprehensiveness to enable the realisation of a zero-harm environment in the SAMI.

2.2.2 COE 180201: STUDY ON GOOD LEDGING PRACTICES AND THE DEVELOPMENT OF VIRTUAL VIDEO TRAINING MATERIAL BASED ON GOOD LEDGING PRACTICES

Background

This project was initiated by the Mine Health and Safety Council (MHSC) to address the concerns about the current shortfalls in ledging-specific training content in the South African Mining Industry (SAMI) to improve the safety and productivity of the ledging process, existing practices and ledging-specific skills. The aim is to review industry best practices, “tricks of the ledging trade” and acquire inputs from ledging practitioners and experts to develop a ledging good practices guideline that can be used to develop comprehensive ledging training programmes or ledging-specific training content. It is important to emphasize that the purpose of this research is not to prescribe a Good Practices Guideline that should be implemented as a COP or SOP on active mining operations, but to investigate the collective good practices already captured in existing COPs or SOPs as well as the ‘unwritten’ good practices developed in active operations. This guideline, can therefore be used to describe good ledging practices across various operations and commodities as well as create the foundation to develop comprehensive ledging-specific training material.

Currently, there are four ledging methods (summarised in Figure 2 below) used in South African hard-rock mines and a variety of sequences that can be implemented under different circumstances, based on the geological modelling and rock engineering considerations. Three of the four ledging methods, namely breast ledging, up-dip ledging, and down-dip ledging, relate to finger-raise mining layouts. The fourth method of ledging is named wide-raising.

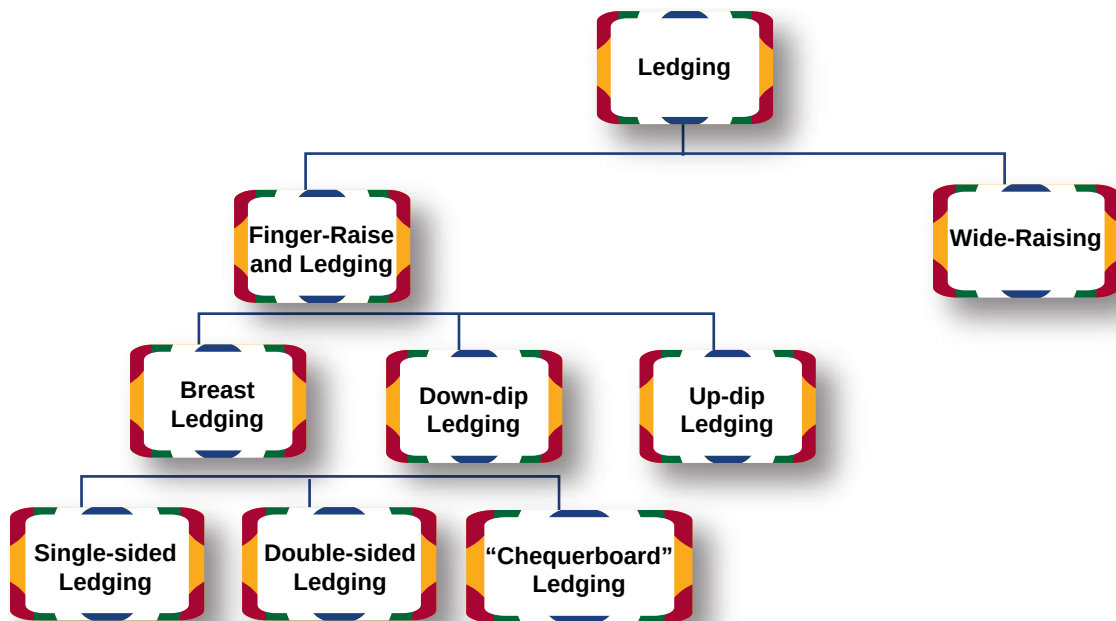


Figure 2: Ledging Categories

Objectives of the study:

- Identify, review and analyse good practices for ledging in the SAMI.
- Identify and address information gaps based on an assessment tool developed during the project.
- Propose good ledging practices and develop a Guidance Document.
- Develop proposed scope and plan, as a separate proposal, for how to develop animated training material based on the identified leading ledging practices.

Conclusion

The final project report summarises the main focus areas and outcomes for each of the individual sections (milestones) as completed through the course of this project leading up to the final deliverable, i.e. the Good Ledging Practices Guidance Document. It was created from an amalgamation of industry good practices as well as expert knowledge on ledging practices. This guidance document consists of the following key guidelines for ledging practices:

- A decision-making flow diagram is intended to help select the best-suited ledging method for different mining environments.
- The importance of an ore reserve management plan and a development service strategy (DSS) plan is highlighted as the foundation of ledging and future stoping activities. Even if the environment is not ideal to implement a fully conceived ore reserve management plan, the principles behind ore reserve management can contribute significantly to the success of the ledging operation.

- Pre-ledging flow diagram and key considerations.
- Ledging flow diagram accompanied by ledging guidelines and considerations explaining good practices for down- and up-dip ledging as well as breast and wide-raise ledging.
- Overstopping guidelines for ledging.
- Post-ledging guidelines along with enabling and supporting factors for ledging operations.

These guidelines are intended to add value to ledging operations by supporting organisations in their efforts to achieve Zero Harm during mining activities.

2.2.3 THE MHSC HELD THE FOLLOWING EVENTS DURING THE 2022/23 FINANCIAL YEAR:

2.2.3.1 2022 MINE HEALTH AND SAFETY TRIPARTITE SUMMIT



A successful **2022 Mine Health and Safety Tripartite Summit** hosted by the Department of Mineral Resources and Energy, and the Mine Health and Safety Council (MHSC) took place from 13 to 14 October 2022 at the Gallagher Convention Centre in Midrand, under the theme “Zero Harm in our lifetime”.

The Minister of Mineral Resources and Energy, Honourable Gwede Mantashe opened the conference by expressing renewed determination to meet the theme of the summit. The minister pointed out that the department expects the industry to grow and contribute significantly to the economy, moving from the current over 8% share of GDP to over 12%.



There were key discussions that needed to take place, and were conducted in the form of breakaway sessions. The topics discussed were:

- Mine fires and explosions.
- Occupational lung diseases (OLDs) and noise-induced hearing loss (NIHL).
- TB, HIV/Aids, Culture Transformation (CTF), and the Milestone Reporting Portal (MRP).
- Women in Mining – GBVF and WiM Needs Analysis.
- Falls of ground and rockbursts, transportation and mining
- The right to refuse dangerous work and to leave dangerous workplaces.

Feedback on the outcomes of the breakaway sessions were given to the broader audience. The CEO of the MHSC, Mr. David Mamphitha, gave an overview of OHS performance from 2014 to 2022, indicating what each summit had strived to produce, and the success so far in each of the designated milestones. The data presented was based on a small sample, because there are a limited number of mines reporting. He encouraged mines to participate and consider emerging risks to ensure planning and risk mitigation in their efforts and turnout, with the total audience numbering 1 326, against the 750 targeted number to reach the milestones by 2024. Detailed progress on the MHSC 2014 to 2022 milestone initiatives, was given by the MHSC Chief Research Operating Officer (CROO), Fatheela Brovko.



The principal stakeholders announced their support and commitment to the principals of “Zero Harm”, and acknowledged the need to collaborate to achieve both this goal and the 2024 target for these milestones. Tripartite stakeholders, MHSC partners and OEMs were invited to exhibit at the Summit, alongside the MHSC in promoting the culture of health and safety at the mines.



2.2.3.2 MHSC WORLD AIDS DAY (WAD) COMMEMORATION

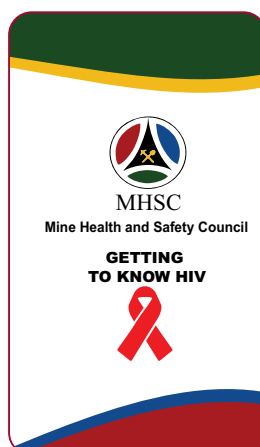
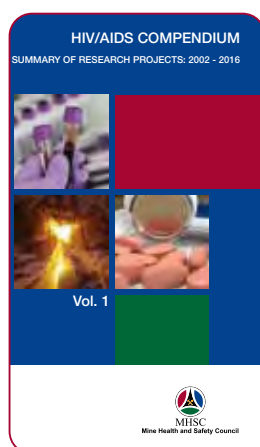


The Mine Health and Safety Council (MHSC), in collaboration with Harmony Doornkop mine, commemorated World Aids Day on 9 December 2022 in the South African Mining Industry (SAMI) after the global commemoration on 1 December 2022.

The 2022 theme for the SAMI is: Equalise and integrate to end HIV/Aids and TB in the SAMI. In solidarity with global and national efforts, this calls for the SAMI to identify and address any inequalities that drive HIV/ Aids and TB in mines and peri-mining communities. The theme is also a reminder to the SAMI to integrate health services and collaborative efforts to improve access to prevention, treatment and care.

The commemoration was well attended by Harmony employees. The targeted number of employees expected to attend was between 1 000 to 1 500, however a total of 1 702 employees attended. The event was well supported by different internal and external stakeholder representatives (District Health, NGOs, MHSC, Harmony, DMRE, MCSA, and organised labour representatives).

On the day, a total of 608 employees were screened for HIV, TB, and non-communicable diseases (NCDs). A total of 527 (100% uptake) agreed to test for HIV, with a total of 81 employees already on the HIV programme. Health services were rendered by Harmony's health team and St Martins local NGO. No new TB presumptive cases were identified during TB screening.



2.2.3.3 2023 WOMEN IN MINING INDABA



The MHSC hosted the Women in Mining (WiM) Indaba on the 16th and 17th of February 2023. The Indaba took place at Birchwood OR Tambo and Conference Centre under the Theme “Improving the Health and Safety of Women in the South African mining industry”. This is a platform created for women employed in the South African Mining Industry (SAMI) to engage in issues affecting them.

The main purpose of the 2023 WiM Indaba to raise awareness and discuss emerging trends in occupational health and safety matters for women in the mining industry. The Women in Mining Advisory Committee (WIMAC) developed an action plan to address occupational health and safety, economic empowerment, and Gender-Based Violence, and reviewed Personal Protective Equipment (PPE) guidelines. The Indaba also aimed to promote common interpretation and implementation of legislative instruments and network to resolve WIM issues, reflect on guidelines and ensure their implementation. The Indaba also highlighted progress made in addressing WiM matters and redressing emerging challenges in the industry.

All the regional WiM Chairpersons attended the Indaba and gave a presentation on their 5-Year Strategic plan for their respective regions. Minerals Council South Africa, delivered a presentation on the MOU on the establishment of Thuthuzela Centres (TTCs). WiM Initiatives by Ekapa Mine were presented, which are based on improving the working conditions for women in the mine. These includes a platform created to deal with issues on Gender-Based Violence and Femicide (GBVF).

Milestones achieved by MHSC and its Tripartite Stakeholders around WiM matters:

The 2019 WiM Indaba Action Plan (WIAP) has made progress on various action items related to the improvement of WIM structures and initiatives. Completed action items include:

- the formation of a stand-alone Women in Mining Advisory Committee (WIMAC) at the MHSC to provide timely advice on WiM occupational health and safety and security issues, and the drafting and approval of a WiM constitution.

- Ongoing action items include breaking down silos between employers and organised labour at mining operations to ensure alignment of WiM structures and objectives,
- developing a guideline for a mandatory Code of Practice (COP), and developing five-year strategic plans and work plans for regional WiM forums.
- Progress has also been made on initiatives related to MHSC and WIMAC interventions on; reproductive health, PPE for women, and sexual harassment.
- Completed research 'Project SIM 160902' that aimed to assess the ergonomic design of self-contained self-rescuer (SCSR) devices for use by women in South African mining. The findings revealed that SCSR devices were considered too heavy, uncomfortable, and a disturbance to work by female mineworkers. A booklet summarising the project, its findings and recommendations was developed and disseminated in the SAMI.

Highlighting recent work on the 'horizon' for WiM, which will be shared with the mining industry:

- Revised Guideline for the Mandatory Code of Practice for the Provision of approved Guideline for Personal Protective Equipment (PPE), which has been approved and waiting gazetting.
- Guideline for Gender-Based Violence and Femicide (GBVF), also approved and waiting gazetting.
- Draft Gender Response Planning Budgeting Monitoring Evaluation and Auditing (GRPMBEA) for Women in the South African Mining Industry, waiting for approval, thereafter will be submitted for gazetting.

Exhibition:

A small exhibition aimed at maximum impact, was set-up, and the exhibitors were:

- The MHSC – showcasing research outcomes on Sexual Harassment, Safety and Security for WiM, booklet on outcomes of the project on Self Contained Self rescuer devices for WIM, as well as the WiM Constitution.
- MQA – empowering WiM by showcasing the educational and self-development programmes they offer including bursaries.
- MINTEK - empowering delegates and showcasing their innovative self-testing HIV kits.

2.2.3.4 WORLD TB DAY COMMEMORATIONS



Each year 24 March, the World Tuberculosis (TB) Day is commemorated across the globe. The MHSC, annually commemorates the TB Day by hosting a commemorative event. Through MITHAC, the MHSC, together with the tripartite stakeholders and strategic partners commemorated the World TB Day throughout the month of March. In solidarity with the world and our nation, the 2023 World TB Day for the South African Mining Industry commemorated under the theme ‘Yes! Together we can end TB’, adopted from the National theme, and customised for the mining industry. MHSC TB awareness campaign for the SAMI was commemorated through various forms, as follows;

a) Regional Tripartite Forums (RTFs):

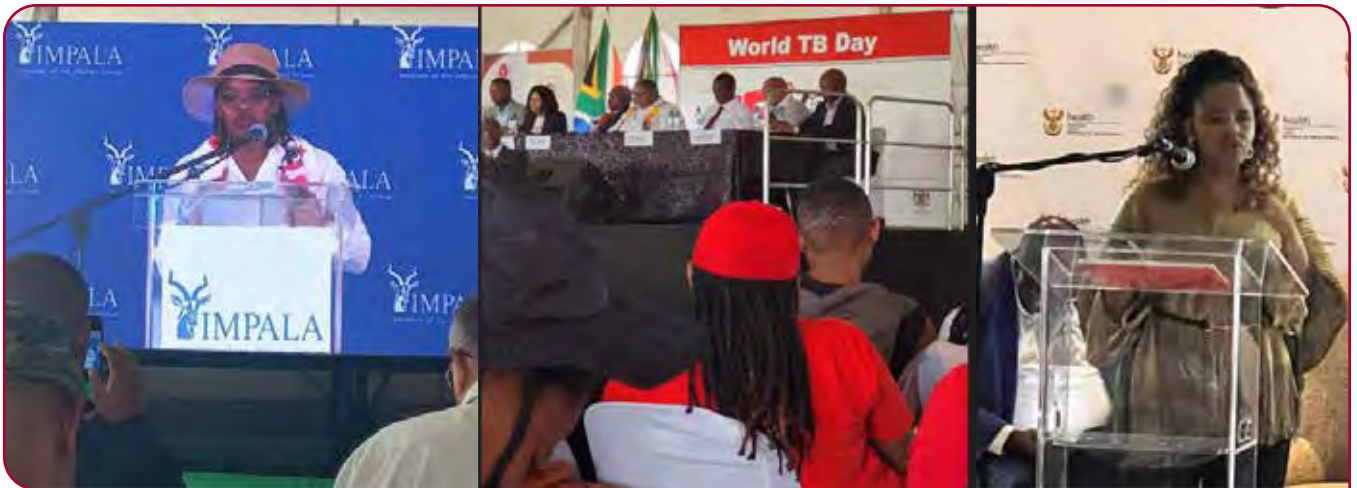
The TB campaign was run through identified Regional Tripartite Forums (RTFs) in the regions with high prevalence of TB. The awareness was through presentations and TB material (pamphlets, posters) disseminated at these RTFs, and also uploaded online for easy access by all the mines. The identified RTFs included regions: North West Klerksdorp, Western Cape George, Mpumalanga Underground Hard Rock, Northern Cape Namaqualand, and Gauteng Merafong.



b) National Department of Health:

Participating at the National Department of Health TB Day in the Bojanala district in the North West Province on 23 and 24 March 2023, under theme “Yes! You and I can End TB”. The 23rd March campaign started at Impala Platinum, then continued at Sibanye Stillwater where the MHSC CEO gave a presentation, followed by the Minister’s engagement Dinner at the end of the day. The 24th of March was a public event where surrounding mines and communities were engaged at the Tlhabane Stadium. High profile delegates and representatives in attendance were the SA Deputy President, Premier of the North West Province, Minister of Health, Executive Mayor of Rustenburg, Executive Mayor of Bojanala District, MEC of Health, SANAC, SALGA, WHO, Union representative (President of COSATU), Traditional Leadership, Deputy Minister of Health, NW Provincial Legislature and the Department of Health and of Social Development.

The MHSC Executive Members and some MITHAC representatives supported both days of this National TB event in Rustenburg.



c) TB Video Campaign:

MHSC embarked on producing a short, impactful video clip in promoting TB awareness. The intention is to disseminate the awareness video via social media platforms in order to reach as many mine workers as possible. Participants included the Chairperson of MITHAC and MHSC Board Member, Dr. Lindiwe Ndelu; MHSC Board Member Organised Labour representative, Adv. Paul Mardon; Employer representative, Dr. Moyo; TB and HIV Ambassador, Mr. Chief Motone; MHSC EXCO, inclusive of CEO, Mr. David Mamphitha; CFO, Mr. Dumisani Dlamini; and CROO, Ms. Fatheela Brovko.



2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The Mine Health and Safety Act (MHSA), Act 29 of 1996 was promulgated following the outcomes of the Leon Commission. Before the promulgation of the MHSA, the safety of the South African mine workers was provided for in the Mines and Works Act No. 12 of 1911 and its applicable regulations.

The Mines and Works Act no. 12 of 1911 was repealed by the Mines and Works Act No. 27 of 1956 and after that, Act No. 27 of 1956 was repealed by the Minerals Act No 50 of 1991. It should be noted that the Minerals Act was focused predominantly on the Safety issues in the mining industry with no emphasis on promoting the occupational health status of the workers. The Leon Commission identified various shortfalls in the Minerals Act regarding Occupational Health and Safety of workers in the industry, and the following recommendations were made.

The new Mine Health and Safety Act was to be drafted so that it can provide the comprehensive legal framework for creating a healthy and safe working environment:

- Restructuring of the enforcement agency;
- Promulgation of regulations on rock falls and rock burst;
- Promulgation of regulations and measures to protect the health of workers including occupational and medical surveillance programmes with specific reference to Tuberculosis;
- Restructure research institutions and health information systems and;
- Ensure appropriate training and certification of all workers in the mining industry

It was after intensive discussions and consultations between government, employers and employee representatives that many of these recommendations were incorporated in the Mine Health and Safety Act (MHSA), 29 of 1996.

2.3.1 PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/ OBJECTIVE

The MHSC has adopted a Balanced Scorecard (BSC) system to measure its performance at corporate, business unit and individual levels. The table below indicates the performance overview for the 2022/23 Financial Year.

Strategic Objective	Weight	Target	Actual	Status
CP01 – Provide advice to the Minister on health and safety matters in the South African Mining Industry and communities affected by mining.	20%	85%	89%	Achieved
CP02 – Promote a culture of health and safety in the SAMI through engagement, communication, participation and dissemination of Occupational Health and Safety (OHS) best practices.	20%	100%	87%	Achieved
CP03 – Liaise with statutory bodies, strategic partners and stakeholders on matters relating to OHS.	15%	100%	100%	Achieved
LG01 – Ensure best Human Capital management practices that will support the achievement of highly skilled, motivated and capable MHSC employees, Council Advisory Committees and Council.	10%	100%	78%	Partially Achieved
IP01 – Leverage on the Fourth Industrial Revolution (4IR) for improvement of OHS in the SAMI and internal effectiveness.	10%	90%	50%	Not Achieved
FP 01 – Ensure financial sustainability of MHSC.	15%	70%	53%	Partially Achieved
FP 02 – Ensure efficient and effective financial management.	10%	95%	84%	Achieved

The MHSC has achieved an overall annual performance of eighty-six percent (86%). This a huge improvement against the 2021/22 performance of fifty-one percent (51%).

The MHSC utilises the robot methodology below to interpret its organisational performance.

If the performance is greater than 80% of the planned target, then it is considered Achieved	If the performance is between 51% and 79% of the planned target, then it is considered Partially Achieved	If the performance is less than 50% of the planned target, then it is considered Not Achieved
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Legend for Performance Rating

Name of the Objective (CP01):

Provide advice to the Minister on health and safety matters in the South African Mining Industry and communities affected by mining.

Definition:

Develop interventions that will address current and emerging OHS risks and advise the Minister through advisory notes and engagements.

Primary Measure:	Audited Actual 2020/21	Audited Actual 2021/22	Planned Target 2022/23:	Actual Achievement:	Deviation from Planned Target to Actual:	Reasons for Deviation
Percentage of initiatives implemented	61%	22%	85%	89%	4%	The overachievement is as a result of a catch-up plan that was prepared and implemented for non-performance in the previous financial year.

Initiative 1: Develop a legislative programme for Ministers approval.

- The MHSC legislative programme was reviewed by Council and submitted for Minister's approval.

Initiative 2: Implement the approved legislative programme.

- The MHSC submitted the following Legislative Notes during the year to the DMRE:
 - Trackless Mobile Machinery Regulations;*
 - Advisory Note on revised Measures for the Prevention, Mitigation and Management of COVID-19 Pandemic in the South African Mining Industry;*
 - Advisory Note on COVID-19 Vaccinations in South African Mines;*
 - Advisory Note on the Guideline for the Management of GBVF, Safety and Security Challenges for Women in the South African Mining Industry and Audit Tool;*
 - Advisory note on the Guideline for the compilation of a Mandatory Code of Practice for the management of medical incapacity due to ill health and injury;*
 - Advisory Note on the Selection and Provision of Personal Protective Equipment for Women in the South African Mining Industry and the WIM PPE Audit Tool; and*
 - Advisory note on the 2020 and 2021 Self-Contained Self Rescuer (SCSR) monitoring programmes (linked to Chapter 16 of the MHSa on Rescue, First aid and Emergency response).*

Initiative 3: Develop a costed research programme for approval by the Minister and submission to Minister of Finance

- The costed research programme was developed and recommended by Council and submitted to the Minister for approval.

Name of the Objective (CP01):

Provide advice to the Minister on health and safety matters in the South African Mining Industry and communities affected by mining.

Definition:

Develop interventions that will address current and emerging OHS risks and advise the Minister through advisory notes and engagements.

Initiative 4: Implement the approved research programme.

- The following advisory notes were approved by Council and submitted to the Minister:
 - *Determine the Capacity of Mine Health Facilities to Accommodate Surrounding Communities,*
 - *Review the current airborne exposure limits as listed in schedule 22.9(a);*
 - *Develop Occupational Health and Safety (OHS) Risk Management Guidelines for the South African Mining Industry (SAMI);*
 - *Is the current crystalline silica dust exposure medical surveillance system in the SAMI comprehensive to monitor all organs adverse health outcomes; and*
 - *The development of a framework for employers to effectively manage contractors to improve occupational health and safety (OHS) performance in the South African Mining Industry.*

Initiative 5: Review the state of health and safety performance in the SAMI and advise the Minister on relevant interventions.

- An analysis on Occupational Health and Safety (OHS) statistics were conducted and an advisory note was submitted to the Minister.

Initiative 6: Provide Advice on Collection, processing and distribution of OHS data to the industry.

- Advisory Note on collection, processing and distribution of health data was approved by Council however was not distributed to the SAMI.

Initiative 7: Develop Women in Mining Programme for approval by Council and submission to the Minister.

- Women in Mining Programme was developed, approved by Council and submitted to the Minister.

Name of the Objective (CP02):

Promote a culture of health and safety in the SAMI through engagement, communication, participation and dissemination of Occupational Health and Safety (OHS) best practices.

Definition:

Share and facilitate implementation of OHS best practices in the SAMI through technology innovations, knowledge transfer and training initiatives on OHS.

Primary Measure:	Audited Actual 2020/21	Audited Actual 2021/22	Planned Target 2022/23:	Actual Achievement:	Deviation from Planned Target to Actual:	Reasons for Deviation
Percentage of initiatives implemented	77%	59%	100%	87%	(13%)	The MHSC had challenges with the Milestone Reporting Portal (MRP) during the financial year.

Initiative 1: Review the CTF programme for approval by Council.

- The CTF programme was reviewed, updated and approved by Council.

Initiative 2: Implement the approved CTF programme.

- Two (2) of the six (6) initiatives as per the CTF programme were implemented during the current financial year whilst four (4) could not be implemented due to challenges with Milestone Reporting Portal (MRP) and capacity constraints within the CoE. The Gap analysis could not be done.

Initiative 3: Annual publication and communication of research results.

- Report on research results were approved by Council and published.

Initiative 4: Review the dissemination framework and guidelines.

- The dissemination framework and guidelines implementation plan was reviewed and approved.

Initiative 5: Implement the dissemination framework and guidelines.

- The dissemination framework and guidelines were implemented.

Name of the Objective (CP03):

Liaise with statutory bodies, strategic partners and stakeholders on matters relating to OHS.

Definition:

Collaboration with statutory bodies, strategic partners and stakeholders on OHS matters.

Primary Measure:	Audited Actual 2020/21	Audited Actual 2021/22	Planned Target 2022/23:	Actual Achievement:	Deviation from Planned Target to Actual:	Reasons for Deviation
Percentage of initiatives implemented	75%	44%	100%	100%	-	N/A

Initiative 1: Develop the Strategic partners' and Global collaboration programme and submit to Council for approval.

- The Strategic Partners Collaboration Programmes was developed and approved by Council.

Initiative 2: Implement the Strategic partners' and Global collaboration programme.

- All initiatives were implemented as per the plan and the report on the implementation of the Stakeholder Management strategy was submitted and approved by Council.

Initiative 3: Review a comprehensive Stakeholder Management strategy and submit to Council for approval.

- The Stakeholder Management strategy was developed and approved by Council.

Initiative 4: Implement the Comprehensive Stakeholder Management Strategy.

- All initiatives were implemented as per the plan and the report on the implementation of the Stakeholder Management Strategy submitted and approved by Council.

Initiative 5: Review Interaction Programme for Minister and Stakeholders Principals.

- The Interaction Programme for Minister and Principals was reviewed and approved by Council.

Initiative 6: Implement Interaction Programme with Minister and Stakeholders Principals.

- All initiatives were implemented as per the plan and the report on the implementation of the Interaction with Ministry and Principals was submitted and approved by Council.

Name of the Objective (LG01):

Ensure best Human Capital management practices that will support the achievement of a highly skilled, motivated and capable MHSC employees, Council Advisory Committees and Council

Definition:

Implementation of best Human Capital practices utilising the Human Capital Strategy.

Primary Measure:	Audited Actual 2020/21	Audited Actual 2021/22	Planned Target 2022/23:	Actual Achievement:	Deviation from Planned Target to Actual:	Reasons for Deviation
Percentage of initiatives implemented	43%	58%	100%	78%	(22%)	Capacity constraints (vacancies) within the Corporate Services. The Organisational Efficiency Study (OES) was advertised and was non responsive.

Initiative 1: Review the Human Capital Strategy and Plan for Council approval.

- The HR Strategy and Plan was reviewed and approved by Council.

Initiative 2: Implement the approved Human Capital Plan 2022/23.

- The MHSC has partially implemented the approved human capital plan. During the current financial year, forty-three (43) of the seventy-six (76) initiatives were implemented. The MHSC experienced challenges with recruitment of certain posts as the recommended candidates did not accept the offers. The MHSC has reviewed the recruitment process and the vacancies (including within the Corporate Services Unit) will be filled.
- The outstanding human capital initiatives will be incorporated into the 2023/24 human capital plan.

Name of the Objective (IP01):

Leverage on the fourth industrial revolution (4IR) for improvement of OHS in the SAMI and internal effectiveness.

Definition:

Continuous monitoring of the impact of the 4IR related developments for improvement of OHS in the SAMI.

Primary Measure:	Audited Actual 2020/21	Audited Actual 2021/22	Planned Target 2022/23:	Actual Achievement:	Deviation from Planned Target to Actual:	Reasons for Deviation
Percentage of initiatives implemented	0%	0%	90%	50%	(40%)	There were delays in the finalisation of the 4IR programme, as a result it could not be implemented.

Initiative 1: Develop the SAMI fourth industrial revolution (4IR) programme for approval by Council.

- The SAMI's fourth industrial revolution (4IR) programme was developed and approved by Council.

Initiative 2: Implement the fourth industrial revolution (4IR) programme for the South African Mining Industry.

- The 4IR programme was developed on time despite capacity constraints (vacancies) within the Research Operations business unit, which ultimately led to the 4IR programme not being implemented. The 4IR programme has been taken into account when developing the 2023/24 research programme.

Name of the Objective (FP01):

Ensure financial sustainability of MHSC.

Definition:

Diversify revenue sources to ensure financial sustainability of MHSC.

Primary Measure:	Audited Actual 2020/21	Audited Actual 2021/22	Planned Target 2022/23:	Actual Achievement:	Deviation from Planned Target to Actual:	Reasons for Deviation
Proportion of income collected from levies	83%	81%	70%	53%	(17%)	There were delays in verification of levy billing data which resulted in late issuing of invoices to mines.

Initiative 1: Implement the Revenue Generation Plan.

- The Revenue Generation Plan is intended to secure additional revenue from stakeholders through advertisements in the MHSC Quarterly magazine and selling space where interested parties showcase their products and services on the stands at the MHSC events.
- The MHSC engaged different stakeholders who then bought space to display their products and services at the OHS Summit. The MHSC received R280 000 from the exhibition stands at the OHS Summit.

Initiative 2: Implement the levy model.

- The MHSC billed R112.9 million of mine levies and collected R59.6 million resulting in a fifty-three percent (53%) collection rate as at end of March 2023.
- Collections of outstanding levies will continue in the following financial year.

Name of the Objective (FP02):

Ensure efficient and effective financial management.

Definition:

Ensuring value for money through zero budgeting, strategic sourcing, expenditure and contract management.

Primary Measure:	Audited Actual 2020/21	Audited Actual 2021/22	Planned Target 2022/23:	Actual Achievement:	Deviation from Planned Target to Actual:	Reasons for Deviation
95% achievement of capital projects	50%	20%	95%	84%	(11%)	Non approval of the milestones on the IFMS which required further customisation.

Initiative 1: Spend 95% of MHSC capital expenditure.

- There were three (3) capital projects planned for the 2022/23 Financial Year, namely, the acquisition of the new office building, the procurement of printers and the implementation of the Integrated Financial Management System (IFMS).
- The total spend on capital projects was R21 460 017 against a target of R25 609 614 resulting in actual achievement of eighty-four percent (84%).

2.4 LINKING PERFORMANCE WITH BUDGETS

Strategic Objective	2021/2022			2022/2023		
	Budget	Actual Expenditure	Over/(Under) Expenditure	Budget	Actual Expenditure	Over/(Under) Expenditure
	R (0'00)	R (0'00)	R (0'00)	R (0'00)	R (0'00)	R (0'00)
CP01	58 196	37 627	20 569	16 953	4 131	12 821
CP02	51 779	30 562	21 217	11 410	6 495	4 915
CP03	-	-	-			
IP01	-	-	-			
LG01	-	-	-			
FP01	-	-	-			
FP02	30 541	33 924	(3 383)	29 111	36 928	(7 817)
Total	140 516	102 113	38 403	120 579	92 675	27 904

The MHSC billed R112.9 million and collected R58.8 million which is a fifty-two percent (52%) collection rate for the 2022/23 Financial Year and an eighty-four (84%) collection rate for the 2021/22 Financial Year. The target was set at 75% taking into consideration the impact of COVID-19 on the SAMI and the MHSC. The excess in collection was due to the performance of the industry and the positive response to the revised levy model. The MHSC continues review measures to improve the levy model taking into consideration the performance of the industry and the improvement in health and safety performance. As part of its strategic imperatives, the MHSC is implementing the Revenue Generation Strategy, which seeks to look at other means of funding which will assist the MHSC to better fund its operational activities and research programmes with the aim of getting ever closer to the goal of Zero Harm.

2.5 CAPITAL, MAINTENANCE AND ASSET MANAGEMENT PLAN

MHSC incurred the capital expenditure for the financial year ending March 2023, which amount to R20.4m relating to new office building.





MHSC

Mine Health and Safety Council

PART C:

GOVERNANCE

3.1 INTRODUCTION

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

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

3.2 PORTFOLIO COMMITTEES

The MHSC met with the Parliamentary Portfolio Committee (PPC) on two (2) occasions during the financial year, i.e. on 28 April 2022 for the presentation of the Annual Performance Plan for 2022/23; and on 11 October 2022 to deliver the Annual Report 2020/21.

3.3 EXECUTIVE AUTHORITY

The MHSC Communication and Engagement Framework with the Ministry was implemented during the current financial year. The DMRE has shown tremendous support to the MHSC through the State representatives in the various governance structures of the MHSC. Council has engaged with the Ministry to engage on various issues relating to the OHS matters affecting the SAMI. MHSC has complied and submitted all statutory reports to the DMRE.

3.4 THE ACCOUNTING AUTHORITY / BOARD

The Council's key purpose "is to ensure the MHSC's prosperity by collectively directing the MHSC's affairs, while meeting the interests of its stakeholders." The Council achieves this role through the law, relevant regulations, and commercial considerations. In pursuing this key purpose, Council faces a uniquely demanding set of responsibilities and challenges. It also faces a range of objectives that can sometimes seem contradictory.

3.4.1 The role of the Board is defined in the MHSC Council Charter as follows:

- (a) approve the policies and performance of the MHSC, including its use of resources and the policy framework within which it operates.
- (b) submit proposal changes to legislation and other initiatives to the Minister in respect of mine health and safety interventions, and advise the Minister on health and safety at mines including:
 - approving and submitting Occupational Health and Safety guidelines, and codes of practice to the Minister for adoption.
 - ensuring that a culture of health and safety in the mining industry is promoted.

- appointing advisory committees, groups, and panels whose members are appointed in accordance with an agreed membership and terms of reference, and in conformity with the principles set out in the Code of Ethics; and
 - providing any services, within its mandate, facilities, or information required by the Department of Mineral Resources and Energy.
- (c) Council is also ultimately accountable for the governance of the organisation and has two (2) main functions:
- *firstly*, it is responsible for determining the organisation's strategic direction (and, consequently, its ultimate performance); and
 - *secondly*, it is responsible for the control of the organisation. The Council requires management to execute strategic decisions effectively and according to the applicable laws and the legitimate interests and expectations of its stakeholders.
- (d) The Council's role is to exercise leadership, integrity, and informed judgement in directing the affairs of the organisation in a sustainable manner.
- (e) In managing and directing the affairs of the organisation, the PFMA allows the Council the power to perform any functions of the organisation to the extent that the MHSA, the Companies Act, the PFMA, and the MHSC's Constitution do not provide otherwise.
- (f) The Council is responsible for exercising its powers responsibly and in the best interests of the MHSC.
- (g) In the spirit of transparent leadership, the Council hereby affirms that Council Members shall have unrestricted access to the organisation's information, records, documents, and property in order to properly perform their duties and fulfil their responsibilities.

3.4.2 Board Charter

The Council has an approved Charter, which outlines the roles and responsibilities of the board. The charter is aligned to the MHSA.

MHSC BOARD MEMBERS

STATE



Mr. D. Msiza



Mr. N. Mahwasane



Dr. L. Ndelu



Mr. M. Zondi



Mr. X Mbonambi

ORGANISED LABOUR



Mr. M. Naki



Mr. F. Stehring



Ms. N. Tsipane



Adv. P. Mardon



Mr. X. Bokoloshe

EMPLOYERS



Dr. T. Balfour



Mr. P. Temane



Mr. S. Sepetla

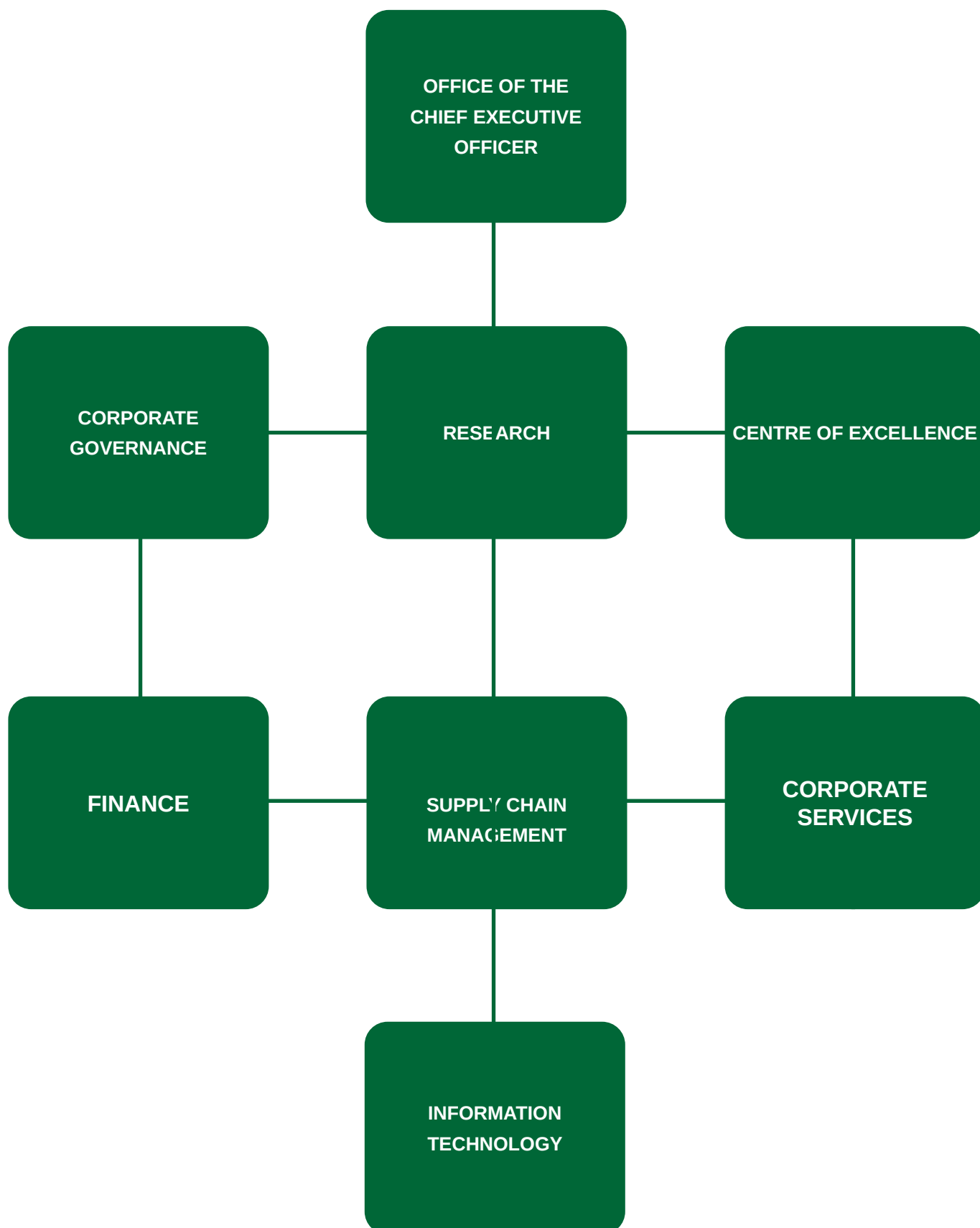


Mr. V. Nundlall



Mr. R. Mafoko

MHSC BUSINESS UNITS



3.4.3 Council /Board Composition

During this period, the Council held seven (7) meetings as indicated in the table below:

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Board Members						
Mr. D. Msiza (Chairperson)	1. BSc. Mining Engineering Degree 2. Executive Development Programme 3. Mine Manager's Certificate of Competency	State - DMRE	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	5
Dr. L. Ndelu	1. Medicine and Surgery (MBChB) degree 2. BSc 3. Diploma in Occupational Medicine 4. Higher Diploma in Education 5. Executive Development Certificate	State - DMRE	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	6
Mr. X. Mbonambi	1. Postgraduate with a Master of Engineering degree (Mining) 2. Bachelor of Science in Engineering honours degree (Mining) 3. Graduate Diploma in Engineering, majoring in mineral economics	State - DMRE	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	7

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Board Members						
Mr. N. V. Mahwasane	1. Mine Surveyors Certificate of Competency and NHD: Mineral Resources Management 2. Executive Development Programme	State - DMRE	N/A	10 June 2021	N/A - 3 year membership until 31 March 2023	7
Mr. M. Zondi	1. Bachelor of Science in Electrical Engineering 2. Government Certificate of Competency for Electrical Engineer's (Mines and Works) 3. Management Development Programme	State - DMRE	N/A	10 June 2022	N/A - 3 year membership until 31 March 2023	6
Mr. M. Nhlapo	1. B.Sc. Degree 2. General Health and Safety Certificate 3. Competent Persons Certificate in Boiler Inspections	Organised Labour - NUM	N/A	1 April 2020	30 September 2022	0 (Alternate attended for meetings not attended)
Mr. S. Mungwe	1. Project Management 2. Fundamental Management Programme	Organised Labour - NUM	N/A	1 April 2020	31 May 2022	1 out of 2

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Board Members						
Mr. M. Naki	1. Safety Officer Diploma 2. Computer Basics Certificate 3. Management Fundamentals Certificate 4. Use of CCMA and Labour Law Certificate 5. Labour Law and Advance Labour Certificate	Organised Labour - NUM	N/A	22 June 2022	N/A - 3 year membership until 31 March 2023	2 out of 5
Ms. N. Tsipane	1. National N Diploma 2. National Diploma in Safety Management 3. B-Tech Degree in Safety Management 4. Blasting Certificate	Organised Labour - NUM	N/A	13 January 2023	N/A - 3 year membership until 31 March 2023	2 out of 2
Mr. F. Stehring	1. National Mining Diploma and Supervisory Skills Certificate; Mine Overseers Certificate; Advance Certificate as a Brigades man; 2. IMSSA Certificate on Negotiations & Dispute Resolution; 3. Certificate on Union – Management Negotiations Skills; 4. Certificate for Finance Non – Financial Managers	Organised Labour - UASA	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	3

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Board Members						
Adv. P. Mardon	1. B Juris (UNISA) and LLB (UP) 2. Certificate in Advanced Labour Law (UP) 3. Advanced Diploma: International Humanitarian Law (International Institute for Humanitarian Law)	Organised Labour - Solidarity	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	6
Mr. X. Bokoloshe	1. ABED level 2	Organised Labour - AMCU	N/A	10 June 2020	N/A - 3 year membership until 31 March 2023	1 – alternate attended meetings not attended
Dr. T. Balfour	1. MBChB and Diploma in Tropical Medicine and Hygiene 2. Diploma in Service Management 3. Diploma in Occupational Health Medicine 4. Bachelor of Arts Honours in Industrial Sociology 5. Master of Business Administration	Employers - Minerals Council South Africa	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	5
Mr. V. Nundlall	1. Certificate in Mine Environmental Control 2. Master of Public Health (Occupational Hygiene) 3. SAMTRAC 4. Diploma in Mechanical Engineering 5. MSc. Mining Engineering	Employers - Sibanye Gold	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	5

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Board Members						
Mr. S. Sepetla	1. B-Tech Mining Engineering 2. Certificate in Occupational Health and Safety 3. Mine Managers Certificate of Competency- Metalliferous Mines and Chamber of Mines Strata Control Course	Employers – Harmony	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	5
Mr. P. Temane	1. Public Administration and Political Science	Employers – SAMDA	N/A	1 April 2020	21 June 2022	2 out of 2
Mr. R. Mafoko	1. B-Tech Mining Engineering 2. National Higher Diploma 3. MDP 4. MBA	Employers – Exxaro	N/A	16 Aug 2022	N/A - 3 year membership until 31 March 2023	2 out of 4
Alternates						
Mr. T. Ngwenya (Alternate)	1. BTech Degree: Mining Engineering 2. Mine Manager's Certificate (Metalliferous) 3. National Diploma: Metal Mining	State – DMRE	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	0 (0 meetings required to attend as all state members were represented)
Dr. D. Mokoboto (Alternate)	1. Master of Philosophy in Medical Law and Ethic 2. DoH & M 3. MBCHB 4. Advanced Health Management	State – DMRE	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	0 (0 meetings required to attend as all state members were represented)

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Board Members						
Ms. C. Kekane (Alternate)	1. Mine Environmental Control Certificate 2. Masters in Business Administration 3. Mine Environmental Control 4. Radiation Protection Officer 5. Executive Development Programme	State - DMRE	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	0 (0 meetings required to attend as all state members were represented)
Ms. N. Tsipane (Alternate)	1. National N Diploma 2. National Diploma in Safety Management 3. B-Tech Degree in Safety Management 4. Blasting Certificate	Organised Labour - NUM	N/A	10 June 2021	30 April 2022	0 (0 meetings required to attend as all organised members were represented)
Mr. G. Nkosi (Alternate)	1. Chamber of Mine Safety Officer Certificate and Chamber of mine Safety Officer Diploma 2. Middle Management Development Programme (MMDP)	Organised Labour - AMCU	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	attended 2 meetings as required
Mr. A. van Heerden (Alternate)	1. Holder of Blasting Certificate for Scheduled Mines, Mine Overseers Certificate; 2. Advance Certificate as a Brigades man	Organised Labour - UASA	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	attended 2 meetings as required

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Board Members						
Adv. J. Vuuren (Alternate)	- Holder of Master of Laws (LLM) (Cum Laude and Bachelor of Laws (LLB) (UNISA) - National Certificate in Business Administration - Office Management - Certificate in Industrial Audiometry	Organised Labour - Solidarity	N/A	1 April 2020	N/A - 3 year membership until 31 March 2023	attended 2 meetings as required
Dr. T. Phakathi (Alternate)	- Doctor of Philosophy (PhD/ DPhil) in Industrial Sociology - Masters (MA) in Industrial Sociology (with distinction) - Honours in Bachelor of Arts (BA) (Industrial Sociology) - Bachelor of Arts (BA) (Industrial Sociology and Sociology, Industrial Psychology and Psychology)	Employers – Minerals Council South Africa	N/A	1 April 2020	31 Jan 2023	attended 3 meetings as required

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Board Members						
Dr. I. Mampa (Alternate)	1. Bachelor of Medicine and Surgery – (WITS) (2000)	Employers – Impala Platinum	N/A	1 April 2020	14 Oct 2022	attended 1 meetings as required
Mr. N. Pienaar (Alternate)	1. M.Phil. (Labour Law & Industrial Relations) 2. B.Tech (Human Resources) [Honours level] 3. Diploma in Industrial Relations 4. Advanced Diploma in Personnel Management (3-year diploma, equivalent to a B. Degree)	Employers - ASPASA	N/A	1 April 2020	31 July 2022	attended 2 meetings as required

3.5 HUMAN RESOURCE AND REMUNERATION ADVISORY COMMITTEE (HRRAC) MEMBERSHIP AND ATTENDANCE

The HRRAC advises the MHSC on human resources matters in general, including the remuneration of employees. The HRRAC is composed of three (3) independent members. During the 2022/23 Financial Year, the HRRAC held thirteen (13) meetings, nine (09) of which were special meetings. The special meetings were due to various challenges encountered in the Human Resources business unit. Members' attendance to HRRAC and the number of meetings held in the year are shown in the table below:

Member Name	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
Independent Members			
Dr. S. Zulu (Chairperson)	13	13	
Mrs. N. Ali	13	10	
Mrs. T. Thankge	13	06	The member was appointment for the period 01st of January 2023 – 30 Jan 2026

3.6 SOCIAL AND ETHICS COMMITTEE (SEC) MEMBERSHIP AND ATTENDANCE

The Social and Ethics Committee ("SEC") was established in accordance with section 72(4), read with Regulation 43 of the Companies Act 71 of 2008, as amended.

The mandate of the SEC is to advise Council in discharging its oversight responsibilities relating to safety, security, health, environment, social, ethics and sustainable development matters. The SEC ensures that the organisation upholds the principles of good corporate citizenship and conducts its business in an ethical and sustainable manner whilst developing government & stakeholder relationships.

SEC is composed of three (3) independent members who were appointed in January 2023 (i.e., in the last quarter of the 2022/23 Financial Year) after the resignation of previous SEC members during the financial year. During the 2022/23 Financial Year, the SEC held one (1) meeting. Members' attendance to SEC and the number of meetings held in the year are shown in the table below.

Member Name	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
Independent Members			
Mr. R. Gallocher (Chairperson)	1	1	The member was appointment for the 1st of November 2022 – 31 October 2025
Ms. P. Mufunwa	1	1	The member was appointment for the 1st of November 2022 – 31 October 2025
Mr. Z. Myeza	1	1	The member was appointment for the 1st of November 2022 – 31 October 2025

3.7 SAFETY IN MINES RESEARCH ADVISORY COMMITTEE MEMBERSHIP AND ATTENDANCE (SIMRAC)

The SIMRAC is responsible for advising the MHSC on research programmes needed to improve OHS in the mining sector by reviewing OHS risks based on the statistics of prior years, evaluating research proposals, and monitoring and evaluating the implementation of MHSC research projects or programme. As per the approved Centre of Excellence (CoE) business plan, SIMRAC provides an oversight on the work of the CoE, which is executed through the three (3) CoE technical committees, namely: the Research Determination Technical Committee (RDTC), Program Delivery Technical Committee (PDTC) and Research Outcomes Dissemination Technical Committee (RODTC).

The RDTC utilises historical data on OHS statistics, predominantly as received from the DMRE and emerging trends in OHS, as a basis for developing research questions and defining research needs for the MHSC. To ensure effectiveness of this phase of the research process, the involvement and inclusion of various stakeholders (MHSC members, mining companies (research sites providers), original equipment manufacturers, technology innovation agency) inputs into determining research focus areas are also critical. The Terms of Reference (TOR) for identified research topics are developed and the MHSC procurement processes are then followed until service providers are contracted to conduct the relevant research.

The PDTC manages the actual research programme execution process and ensures the quality of the delivery of the research project by the service provider on brief, budget and time (BBT).

The RODTC ensures that the outcomes of completed research projects are appropriately packaged for the identified target audience using the best possible knowledge and technology transfer medium for high level impact to OHS performance in the SAMI.

During the 2022/23 Financial Year, the SIMRAC held five (5) meetings, one (1) of which was a special meeting. Members' attendance of the SIMRAC meetings and the number of meetings held in the year are shown in the table below:

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
State			
Mr. X. Mbonambi (Chairperson)	5	4	
Ms. N. Gogela	5	5	
Ms. M. Hlapane	5	5	
Mr. B. Mongoma	5	4	
Mr. S. Kgosiemang	5	1	
Employers			
Mrs. L. Tsele	5	4	
Mr. N. Phokwana	5	5	
Mr. W. Deyssel	5	2	
Mr. R. Barrat	5	2	
Dr. T. Sedibe	5	3	
Organised Labour			
Mr. T. Mpete	5	4	
Mr. J. Boning	5	1	
Mr. R. Tshehlang	5	1	
Mr. T. Lethole	5	1	
Mr. D. Mohapi	5	2	

3.8 CULTURE TRANSFORMATION ADVISORY COMMITTEE (CTAC) MEMBERSHIP AND ATTENDANCE

The CTAC is mandated to provide an oversight role of the overall performance of culture transformation against pre-determined standards for the mining sector and to advise the Council on communication and promotional campaigns required to raise awareness and facilitate implementation of the culture transformation framework as adopted by the mining sector.

During the 2022/23 Financial Year, the CTAC held eight (8) meetings, one (1) of which was a special meeting. Members' attendance of CTAC, and the number of meetings held in the year, are shown in the table below.

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
State			
Mr. V. Mahwasane (Chairperson)	8	6	
Mr. M. Madubane	8	4	
Mr. T. Doyle	8	1	
Ms. D. Mahlaba	8	2	Alternate attended 1 meeting where main member was not present
Ms. B. Novolo	8	7	
Organised Labour			
Mr. C. Mkhumane	1	1	Member until 20 June 2022
Mr. M. Nxumalo	7	1	Joined 20 June 2022
Mr. V. Lengisi	1	0	Member until 20 June 2022
Mr. H. Sithole	7	1	Joined 20 June 2022
Mr. G. Nkosi	8	6	
Mr. A. van Heerden	8	0	
Adv. H. J. van Vuuren	8	6	Alternate attended where main member was not present
Employer			
Dr. T. Phakathi	6	3	Resigned 31 December 2022. Alternate attended meetings from January 2022.
Mr. W. Osae	8	5	
Ms. D. Venter	8	5	

3.9 MINING REGULATION ADVISORY COMMITTEE (MRAC)

The MRAC advises the MHSC on reviewing, developing or amending legislation that impacts OHS in the SAMI. In addition, the committee also considers and develops guidelines for Mandatory Code of Practice. This is achieved by developing or reviewing regulations, guidelines and guidance notes with regard to appropriate changes to regulatory mechanisms and guidance materials.

During the 2022/23 Financial Year, the MRAC held six (6) meetings, one (1) of which was a special meeting. Members' attendance of the MRAC meetings and the number of meetings held in the year are shown in the table below:

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
State			
Mr M. Zondi	6	4	Alternate member attended where main member could not attend
Mr. M. Ramabulana	6	5	Alternate member attended where member could not attend
Mr. N. Mokhoana	6	2	Alternate member attended where member could not attend
Ms L. Polly	6	4	Alternate member attended where member could not attend
Organised Labour			
Ms. M. Llale	6	0	Alternate member attended where member could not attend
Mr. D. Tsubella	6	0	Alternate member attended where member could not attend
Mr. J. White	6	2	Alternate member attended where member could not attend
Adv. J. P. J. van Vuuuren	6	3	Alternate member attended where member could not attend

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
Employers			
Ms. L. Tsele	6	5	Alternate member attended where member could not attend
Mr. P. Coetzer	6	4	Alternate member attended where member could not attend
Mr. P. Becker	6	4	Alternate member attended where member could not attend
Mr. W. Odendaal	6	3	Alternate member attended where member could not attend

3.10 MINING OCCUPATIONAL HEALTH ADVISORY COMMITTEE (MOHAC)

MOHAC advises Council on occupational health policies, standards, and research with the view to improving the occupational health of employees in the mining industry. MOHAC is also tasked with the responsibility of reviewing occupational health policies; regulatory mechanisms; and standard systems and procedures for assessing, avoiding, controlling and minimising occupational health risks to mine workers in South Africa.

During the 2022/23 Financial Year, the MOHAC held four (4) main meetings. Members' attendance of MOHAC and the number of meetings held in the year, are shown in the table below:

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
State			
Dr L. Ndelu (Chairperson)	4	4	
Ms C. Kekana	4	4	
Dr D. Mokoboto	4	3	Alternate attended missed meeting on behalf of main member.
Ms. D. Mahlaba	4	3	Alternate attended missed meeting on behalf of main member.
Mr B. Mongoma	4	3	No alternate attended missed meeting.
Organised Labour			

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
Ms. K. Mokgongwana	4	2	Alternate attended for meeting not attended by main member
Mr. S. Seakhela	4	1	No alternate allocated
Mr. A. Hlakoana	4	0	No alternate allocated
Mr. J. Kok	4	2	Alternate attended missed meeting on behalf of main member.
Mr. D. Blaauw	4	1	Alternate attended for meeting not attended by main member
Employers			
Mr. W. Deyssel	4	4	All meetings attended
Dr. K. Baloyi	2	2	All two meetings attended. Member retired at end of Q2
Mr. J. Oosthuyzen	3	2	No alternate attended missed meeting.
Mr. R. Motlhamme	4	4	All meetings attended
Dr. T. Legobye	4	2	No alternate attended missed meetings

3.11 MINING INDUSTRY TB AND HIV/AIDS ADVISORY COMMITTEE (MITHAC)

MITHAC advises Council on TB and HIV/AIDS related policies and regulations with a view of improving the health performance of the SAMI. MITHAC is also tasked with the responsibility of driving and monitoring the implementation of initiatives, which focus on addressing HIV/AIDS and Tuberculosis in the South African Mining Industry.

During the 2022/23 Financial Year, the MITHAC held five (5) meetings, one (1) of which was a special meeting. Members' attendance of MITHAC and the number of meetings held in the year, are shown in the table below.

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
State			
Dr. L. Lindiwe Ndelu (Chairperson)	5	4	
Dr. D. Mokoboto	5	4	
Ms. M. Hlapane	5	3	Alternate attended meetings where main was not present
Mr. N. Korie	3	0	Member until 30 September 2022
Ms. B. Kesilwe	2	0	Joined from 01 October 2022
Ms. B. Senabe	5	5	
Organised Labour			
Mr. C. Mkhumane	5	2	2 meetings attended, no alternate allocated for Organised Labour convenor.
Mr. G. Mphahlele	1	0	Member until 30 June 2022. No alternate attended missed meeting.
Mr. A. Thobela	5	2	Member from 01 July 2022. No alternate attended missed meeting.
Mr. M. Nyathi	2	0	Member until 30 September 2022. No meetings attended by main or alternate.
Mr. P. Manyathi	3	0	Member from 01 October 2022. No meetings attended by main or alternate.
Mr. J. Kok	5	3	No alternate attended missed meetings.
Mr .J. Benade	4	2	Member resigned on 28 February 2023. Alternate attended meeting missed by main member.
Employers			
Dr. K Baloyi	2	2	Member until 30 September 2022.
Dr. N. Moyo	3	2	No alternate attended missed meetings.
Dr. K. Msimeki	2	0	Member until 30 September 2022.
Mr. G. Lekgotla.	3	0	Member from 01 October 2022.
Dr. P. Mothapo	5	5	
Dr. B. Ramantsi	5	0	No meetings attended. Alternate attended 01 meeting missed by main member.

3.12 WOMEN IN MINING ADVISORY COMMITTEE MEMBERSHIP AND ATTENDANCE (WIMAC)

The WIMAC was established by Council in 2020 to provide advice and evidence-based information on Women's health in the mining industry. WIMAC identifies focus areas in Occupational Health and Safety for women in the mining sector and contributes to the programme of research work to the Centre of Excellence (COE) on an annual basis, as well as contributing to the MHSC legislative programme on an annual basis. Lastly, the committee advises Council regarding the communication and publication of Health and Safety information and statistics affecting women in the South African Mining Industry.

During the 2022/23 Financial Year, the WIMAC held seven (7) meetings and there were no special meetings during the financial year. Members' attendance of the WIMAC meetings and the number of meetings held in the year, are shown in the table below:

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
State			
Ms. B. Senabe (Chairperson)	7	7	
Ms. M. N. Mokwena	7	4	
Adv. G. Masilo	7	3	
Ms. M. Duiker	7	0	
Ms. L. Mokonyane	7	1	
Employer			
Ms. L. Tsele	7	5	
Ms. K. Ntombela	7	0	
Ms. A. Malope	7	5	
Ms. N. Molelekeng	7	5	
Organised Labour			
Ms. L. Mafulatha	7	1	
Ms. M. Khanye	7	0	
Ms. C. T. Sejake	7	0	
Ms. C. C. van Aswegen- Pienaar	7	4	
Adv. H. J. van Vuuren	7	6	

3.13. MINING OCCUPATIONAL SAFETY ADVISORY COMMITTEE MEMBERSHIP AND ATTENDANCE (MOSAC)

The MOSAC was established by Council in 2020 to provide advice and evidence-based information on Safety in the mining industry. MOSAC identifies focus areas in occupational safety for the mining sector and contributes to the programme of research work to the Centre of Excellence (COE) on an annual basis. MOSAC also contributes to the MHSC legislative programme on an annual basis. Lastly, the committee advises Council regarding the communication and publication of mine occupational safety information and statistics in the South African Mining Industry.

During the 2021/2022 Financial Year, the MOSAC held five (5) meetings, one (1) of which was a special meeting. Members' attendance of the MOSAC meetings and the number of meetings held in the year are shown in the table below:

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
State			
Mr. M. Zondi	5	3	Alternate member attended where member could not attend
Mr. P. Nyaqcela	5	1	Alternate member attended where member could not attend
Mr. T. Mateta	5	2	Alternate member attended where member could not attend
Ms. N. Gogela	5	3	Alternate member attended where member could not attend
Mr. G. Kruger	5	0	Alternate member attended where member could not attend
Organised Labour			
Mr. G. N. Maruping	5	1	Alternate Member attended where member could not attend
Ms. N. Tsipane	5	2	Alternate Member attended where member could not attend
Mr. G. Tshehla	5	0	Alternate Member attended where member could not attend
Mr. J. Boning	5	1	Alternate Member attended where member could not attend
Mr. C. Smith	5	1	Alternate Member attended where member could not attend
Employers			

Member Name Per Stakeholder Grouping	Total Number Of Scheduled Meetings (Inclusive Of Special Meetings)	Total Meetings Attended	Comments On Membership And Attendance
Ms. L. Tsele	5	3	Alternate Member attended where member could not attend
Mr. A. Mgodzah	5	2	Alternate Member attended where member could not attend
Ms. G. Hay	5	0	Alternate Member attended where member could not attend
Mr. L. MacMaster	5	1	Alternate Member attended where member could not attend

3.13 REMUNERATION OF BOARD MEMBERS

Council members are appointed by the Minister of Mineral Resources and Energy based on nominations from MHSC Stakeholders in terms of the MHSA. The members are remunerated by the organisations who have nominated them. The MHSC reimburses members of Organised Labour for travel and other miscellaneous expenses incurred in the process of executing duties on behalf of the MHSC.

Name	Remuneration	Other allowance	Other Disbursements	Total
Mr. S. Mungwe	-	733.32	4,375.29	5,108.61
Adv. J. Van Vuuren	-	-	9,538.47	9,538.47
Ms. N. Tsipane	-	733.32	7,642.24	8,375.56
Mr. M. Nhlapo	-	366.67	-	366.67
Mr. G. Nkosi	-	-	11,567.87	11,567.87
TOTAL				R 34 957.18

3.14 RISK MANAGEMENT

The MHSC has a Risk Management Policy and Strategy which was reviewed by management and recommended by the Audit and Risk Committee to Council for approval. Risk assessment workshops were conducted by management and the governance structures to determine the risk profile of the organisation. Strategic and operational risk registers were developed and an action plan was implemented to mitigate the identified risks which were then monitored and reported on every quarter. Emerging risk were identified as and when reported to the Audit and Risk Committee.

The Audit and Risk Committee advises the MHSC on risk management and independently monitors the effectiveness of the system of risk management. There is a need for improvements in the risk management processes of the MHSC. The risk management processes were impacted by the high staff turnover, which also contributed to the high vacancy rate. The MHSC is in the process of filling vacant positions, and training on risk management will be provided to new staff.

3.15 INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

The role of internal audit is to provide independent assurance that an organisation's risk management, governance, and internal control processes are operating effectively. The following internal audit reviews were conducted during the financial year in line with the approved internal audit plan for the 2022/23 Financial Year:

- Alignment of Strategic Plan and APP.
- Supply Chain Management.
- Internal Financial Controls.
- Audit of Predetermined Objectives (Quarter 1- Quarter 4).
- IT General Controls Review.

The ARC is constituted to review the internal control, governance and risk management within the MHSC in terms of section 77 of the PFMA. The ARC also provides an oversight on internal audit, Auditor General, financial management and compliance management. During the 2022/23 Financial Year, the ARC held five (5) meetings. Members' attendance of ARC meetings and the number of meetings held in the year are shown in the table below.

Member Name	Qualifications	Internal or External	If Internal, position in the public entity	Date Appointed	Date Resigned	No. of meetings attended
Independent Members						
Mr. S. Gounden (Interim Chairperson)	• B. Compt. • Post-graduate Diploma in Accountancy (CTA) • Chartered Accountant (SA) • Chartered Director (SA) • Certificate in Forensic Accounting & Fraud Examination • Graduate of the Chartered Secretaries South Africa (CSSA) • Executive Leadership Development Institute • Accredited Mediator	External	N/A	04 July 2022	N/A	5

Member Name	Qualifications	Internal or External	If Internal, position in the public entity	Date Appointed	Date Resigned	No. of meetings attended
Mr. L. Mangquku	• B. Compt. • Master of Business Leadership • Honors Bachelor in Accounting Science and Commerce	External	N/A	01 January 2019	Contract ended - 31 December 2022	2
Ms. D. Dondur	• CA (SA) • MBA CD (SA) • Bachelor of Accounting • Honours B Compt • Certificate in the Theory of Accounting (CTA) • Honours in Business Administration • Masters of Business Administration (MBA) • Certificate in Labour Relations • WITS International Executive Development Programme; in conjunction with the London Business School • Gaming Executive Development Program	External	N/A	01 November 2022	N/A	3
Ms. V. Ndlovu	• Chartered Accountant – CA (SA) • Master in Business Administration - Finance • Honours Bachelor of Accounting Science / CTA • Bachelor of Accountancy	External	N/A	01 November 2022	N/A	3

3.16 COMPLIANCE WITH LAWS AND REGULATIONS

The MHSC has a compliance management plan, which outlines the compliance initiatives implemented by the MHSC to ensure compliance to relevant laws and regulations. Quarterly compliance verifications with the PFMA and Treasury Regulations, were conducted.

3.17 FRAUD AND CORRUPTION

The MHSC developed the Fraud Prevention Strategy, policy and Plan which were reviewed and approved during the financial year. The MHSC Fraud Hotline has a 24/7 whistle blowing hotline which is outsourced to an independent service provider. The Hotline is available through various platforms such as email, fax, telephone, etc. Reports are distributed to relevant officials within the MHSC and the relevant Governance structures in terms of the Whistle Blowing Guidelines. Employees are encouraged to make confidential disclosure about alleged fraud and corruption on utilising any of the available platforms.

3.18 MINIMISING CONFLICT OF INTEREST

MHSC officials sign an annual declaration of interest for any business, commercial, and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest. Furthermore, SCM officials together with the appointed members of the Bid Committees sign a Code of Conduct for Supply Chain Management Practitioners. Training of Bid Committee members is conducted annually in line with National Treasury Regulations. All Bid Committee members sign a form for Declaration of Interest for each bid going through the Bid Committees.

Where Conflict of Interest has been identified, each member/ official will declare and will be recused from participating in the meeting where a particular bid is discussed.

3.19 CODE OF CONDUCT

The MHSC has and maintains a Code of Conduct as outlined in the Conflict of Interest and Code of conduct policy. The Conflict of Interest and Code of conduct policy was reviewed during the current financial year; however, was not approved as further recommendations were requested by the Social and Ethics Committee.

3.20 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The MHSC has an established Internal Health and Safety Committee, which engages on health and safety issues within the MHSC including the conducting of quarterly safety drills.

3.21 SOCIAL RESPONSIBILITY

The MHSC has not implemented the social and ethics programme due to vacancies within the Social and Ethics Committee after resignations by SEC members. The Committee was resuscitated in January 2023, after successful appointment of new SEC members. Under the guidance of the SEC, the MHSC will review and implement the Social and Ethics programme in the 2023/24 Financial Year.

3.22 AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

Audit and Risk Committee members and attendance

The Audit and Risk Committee consisted of the members listed hereunder and met not less than four times per annum as per its approved terms of reference. During the current year, 5 meetings were attended as follows:

Name of member	Number of meetings attended	Date appointed
Mr. S. Gounden (Chairperson)	5	4 July 2022
Mr. L. Mangquku	2	1 January 2019 (resigned 31 December 2022)
Ms. D. Dondur	3	1 November 2022
Ms. V. Ndlovu	3	1 November 2022

In addition to the above members, persons who attended the committee meetings by standing invitation include:

- Chief Executive Officer,
- Chief Financial Officer,
- Representatives from the Auditor-General South Africa (AGSA), and
- Representatives from the Internal Auditors.

Audit and Risk Committee responsibilities

The Audit and Risk Committee reports that it had adopted appropriate formal terms of reference as its audit committee charter, had regulated its affairs in compliance with this charter and had discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls was designed to provide cost-effective assurance that assets were safeguarded and that liabilities and working capital were effectively managed, in line with the PFMA and the King IV Report on Corporate Governance requirements.

From the various Internal Auditors' reports, the Audit Report on the annual financial statements, and the management report of the AGSA, it was noted that there was a deterioration in the control environment. Accordingly, we report that the system of internal control over financial reporting for the period under review was inadequate and ineffective.

Internal Audit

Internal Audit provided the Audit and Risk Committee and management with assurance that the internal controls were appropriate and effective. This was achieved through a risk management process as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The Internal auditors included the following areas in the Annual Internal Audit Coverage Plan:

- Performance Information Review
- Financial Control Review
- Supply Chain Management Review
- Information Technology Review
- Annual Financial Statements Review

The Committee was satisfied that Internal Audit had discharged its functions objectively and with independence in compliance with its Charter.

Risk Management

The Committee was responsible for the oversight of the entity's risk management activities. Strategic and operational risk assessments were not conducted for the year under review, as MHSC relied on risk registers of the previous year.

The Committee had reviewed the risk management process on a quarterly basis, made recommendations for the improvements thereof but was not satisfied with the progress made. A risk maturity assessment of the enterprise risk management unit had been recommended to ensure the extent to which risk management was embedded within the entity and the extent of effectiveness thereof. The Committee expressed its concerns regarding the risk management process, especially the ICT risks

In-Year Management and Monthly/ Quarterly

The Committee had:

- Reviewed the quarterly financial management and performance reports submitted to the Department and National
- Treasury in terms of the PFMA and Treasury Regulations.
- Reviewed the policies and procedures to ensure compliance with applicable laws and regulations.

The Committee was satisfied with the quality of the in-year reports that were presented at the Committee meetings.

Evaluation of annual financial statements

- The Audit and Risk Committee had:
- Reviewed and discussed the annual financial statements to be included in the annual report, with the AGSA and the Accounting Authority;
- Reviewed the AGSA's management report and management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the entities compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

Auditor-General South Africa (External Auditors)

The Committee had reviewed the entity's implementation plan for audit issues raised in the prior year and was satisfied that the matters had been adequately resolved.

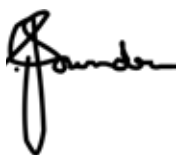
The Committee was satisfied with the independence and objectivity of the Auditor-General South Africa. The Committee had met with External Auditors separately to ensure that there were no unresolved issues.

The Committee also approved the audit strategy and acknowledged the contents of the engagement letter presented by the External Auditors.

Conclusion

The Committee concurred with and accepted the Auditor-General South Africa's report on the annual financial statements, reviewed significant adjustments resulting from the audit and was of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General South Africa.

Signed on behalf of the Audit and Risk Committee:



S Gounden

Chairperson of the Audit and Risk Committee
Johannesburg
31 July 2023

3.23 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table should be completed in accordance with the compliance to the BBEE requirements as required by the BBEE Act and as determined by the Department of Trade, Industry and Competition. Where there has been no or only partial compliance with the criteria, the entity should provide a discussion and indicate the measures taken to comply.

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following?		
Criteria	Response Yes / No	Discussion
a. Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	N/A	Not relevant to the business activities of the MHSC.
b. Developing and implementing a preferential procurement policy?	Yes	- MHSC Supply Chain Management Policy has been developed and implemented in line with the preferential procurement policy - Evaluation of bids above R30,000.00 is done by applying preferential points evaluation on 80/20 and 90/10 principles. - Pre-qualification for preferential procurement is done on selected bids to advance designated groups. - Subcontracting on selected tenders above R3 million is implemented in line with the MHSC SCM Policy
c. Determining qualification criteria for the sale of state-owned enterprises?	N/A	Not relevant to the business activities of the MHSC
d. Developing criteria for entering partnerships with the private sector?	N/A	Not relevant to the business activities of the MHSC
e. Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	N/A	Not relevant to the business activities of the MHSC





MHSC

Mine Health and Safety Council

PART D:
HUMAN
RESOURCE
MANAGEMENT

4.1 INTRODUCTION

4.1.1 Overview of human resources (HR) matters at the public entity

The Corporate Services Business Unit within the MHSC developed a Human Capital Strategy and Plan for the period 2022/23, aligned to the Annual Performance Plan. The strategy included initiatives and outcomes to be achieved during the financial year. The initiatives were designed to address the challenges experienced at MHSC. Whilst the business unit made progress pursuant to the achievement of the Human Capital Strategy and Plan for the 2022/23 Financial Year, some of the initiatives were not achieved as they relied on outcomes from the Organizational Efficiency Study (OES).

However, the MHSC has prioritised the implementation of the OES for the 2023/24 Financial Year. The OES aims to improve the effectiveness and efficiency of the MHSC by re-engineering roles and the organisational structure to better equip the MHSC to achieve its mandate. The OES will also drive talent management and employee retention resulting in the stability and sustainability of the MHSC.

The MHSC has, in the current financial year, experienced a high vacancy rate within both core and support functions. The lack of capacity resulted in considerable constraints that affected the MHSC's ability to deliver on some of its strategic objectives. In response to the high turnover, the MHSC embarked on a process of reviewing the organisational structure and conducting a needs analysis of all vacant positions. In addition, the MHSC filled two key vacancies, namely: Chief Executive Officer and Chief Research Operations Officer. Overall, the MHSC aligned all initiatives to best human capital management practices that supported the achievement towards a highly capacitated and motivated staff complement. In reviewing the strategy for 2022/23, the MHSC focused on filling vacancies, employee training and development and compliance with legislation and initiatives that set to embed the MHSC Values whilst positively transforming the organisational culture and work environment.

4.1.2 Human capital priorities for the year under review and the impact of these priorities

The period under review involved a focus on ensuring best human capital management practices that will support the achievement of a highly skilled, motivated, and capable MHSC, supported by employees, advisory committees, and Council. This was done through the revision of the HR strategy, with a specific focus on talent management and capacity building. The creation of the Culture Transformation Committee premised on promoting the MHSC Values and was instrumental in creating a culture that engaged and motivated employees thus contributing to the delivery of the MHSC Mandate. Employee engagement was also enhanced through monthly staff meetings.

4.1.3 Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

A talent management strategy was developed to attract, retain, and develop critical and scarce skills required at the MHSC. The framework covers the strategic imperatives and outcomes required for successful talent management. It also outlines talent definitions, approaches, and principles. The talent framework processes are explained to ensure effective talent identification, succession planning, attraction and sourcing, development, retention and release. Included are the measures, roles and accountabilities to ensure the successful implementation and sustainable management of talent over time.

Workforce planning and talent management initiatives were supported by a workforce skills audit and the implementation of the Training and Development Policy and other related policies.

4.1.4 Employee performance management framework

The MHSC has a performance management system in place to monitor the performance of its employees against set targets based on the Annual Performance Plan. The performance management system clarifies expectations, sets goals, and provides for on-the-job coaching, the continuous assessment of performance and the appraisal of an employee's performance. Performance Management at the MHSC is underpinned by the Performance Management Policy and implemented by the Executive and Management teams.

The performance management cycle spans a twelve-month period, aligned with MHSC's financial year. The MHSC engages in performance management using a cascading principle that aligns employees' key performance indicators to the Annual Performance Plan. Performance indicators are set annually through individual performance agreements and are measured on a quarterly basis. The assessment of individual performance was done as per the Performance Management Policy and is reflected in the overall organisational performance as per the annual report.

The MHSC will continue to prioritise performance and will embark on organisational development interventions to build high performing teams and increase productivity.

4.1.5 Employee wellness programmes

The MHSC promotes employee wellbeing aligned with the MHSC Values. In addition, we understand that the wellbeing of our employees has a direct impact of productivity and employee retention. In response to the challenges faced by employees within and outside the workplace, the MHSC appointed an employee assistance service provider during the 2022/23 Financial Year.

The employee wellness offering includes a comprehensive range of preventative care and counselling services offered by professionals to all MHSC employees. This approach enables the management of employee wellbeing using a personalised and preventative approach.

4.1.6 Policy development

The MHSC reviewed ten (10) policies during the 2022/23 Financial Year which reflect best practice, address and resolve audit findings, and support the organisation in achieving its strategic objectives. The remaining policies will be reviewed in the 2023/24 Financial Year.

4.1.7 Highlight achievements.

During the period under review, the following activities were implemented to assist employees to be productive and to continue considering the MHSC to be a great place to work:

- Employee wellness sessions.
- Learning and growth opportunities through the provision of bursaries.
- Promotion opportunities for deserving employees.
- Payment of bonuses.

4.1.8 Challenges faced by the public entity

The MHSC remains committed to ensuring a fit-for purpose institution that can deliver on its strategic objectives. The Organisational efficiency study (OES) proposed during the 2022/23 Financial Year was not implemented due to non-responsive request for quotations. This was proceeded by a second advertisement that yielded a satisfactory response. The OES remains a priority at the MHSC and will be implemented in the 2023/24 Financial Year.

The MHSC has experienced additional challenges in implementing the performance management system, mainly due to the inadequate cascading and alignment to the Annual Performance Plan. This was addressed by ensuring alignment of individual performance contracts to the Annual Performance Plan and prioritising the necessary changes in the Performance Management Policy aligned to best practice.

4.1.9 Future HR plans and goals

The management and retention of talent remains a key focus for the MHSC. The ability to attract and retain talent directly impacts the MHSC productivity and sustainability. MHSC's high vacancy rate and the challenges faced in filling vacancies identified as scarce and critical skills demand interventions that develop talent internally and externally. This approach will create an internal talent pool and a talent pipeline attracting external candidates. The talent management strategy provides a framework for the management of talent within the MHSC and must be implemented to address MHSC challenges and drive employee development. This will enable the MHSC to meet the current needs of the organisation whilst proactively addressing the future needs of the organisation.

The MHSC talent management strategy will build internal capacity through developmental opportunities and the bursary scheme. The MHSC will further create a talent pipeline through internship programmes and funding University students through a bursary programme.

These initiatives will improve talent mobility and create growth opportunities to meet the evolving needs of the organisation and the career aspirations of employees.

4.2 HUMAN RESOURCES OVERSIGHT STATISTICS

4.2.1 Personnel cost by business unit

Personnel costs per business unit refers to the remuneration costs of personnel compared to the expenditure of the business unit. The expenditure is the total expenditure incurred by the business unit during the financial year. Expenditure decreased during the financial year, particularly for the Office of the Corporate Services and Research Operations and Finance business units due to vacancies.

Business Units	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a percentage of total expenditure	Number of employees	Average personnel cost per employee (R'000)
Office of the Chief Executive Officer	18 532	3 260	18%	3	1 087
Security	517	502	97%	1	502
Governance Risk and Compliance	6 139	2 958	48%	4	739
Corporate Services	6 664	4 515	68%	9	502
Finance	19 430	11 691	60%	16	731
Information and Communication Technology	2 506	1 793	72%	4	448
Research	30 640	15 637	51%	23	680
Total	84 428	40 356	48%	60	672

4.2.2 Personnel cost by salary band

Personnel cost by salary band provides details on the salaries paid during the financial year per category. The MHSC adopted the Hay Group job grading and remuneration philosophy. According to the Hay Group framework, top management refers to business unit heads of departments or business units, while professional qualified refers to managers within business units and specialists. Skilled personnel are those employees with knowledge, training in the specified area, and semi-skilled personnel are those with some special skills to do their job, but who may require additional training and development. Professional and skilled personnel make up the middle management of the organisation, who report to the Executive Management Committee. The unskilled workforce covers employees who have little or no educational requirement for the execution of their duties.

Levels	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Top management	7 683	20%	3	2 561
Professional qualified	24 614	63%	38	647
Skilled	4 929	13%	12	411
Semi-skilled	1 339	3%	5	268
Unskilled	499	1%	2	249
Total	39 064	100%	60	651

4.2.3 Performance rewards

Performance rewards are made up of the total cost to company of employees and bonuses based on the organisation's remuneration policy. During the year under review, no bonuses were paid for management.

Levels	Performance rewards (R'000)	Personnel expenditure (R'000)	Percentage of performance rewards to total personnel cost
Top management	0	7 683	0%
Professional qualified	804	25 418	3%
Skilled	377	5 306	7%
Semi-skilled	74	1 413	5%
Unskilled	37	536	7%
Total	1 292	40 356	3%

4.2.4 Training costs

The training costs expenditure is presented as expenditure against the personnel per business unit. The expenditure is budgeted and approved in line with the organisation's training and development policy, with a focus on developing skills for the long-term success of the MHSC.

Business units	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a percentage of personnel Costs	Number of employees trained	Average training cost per employee (R'000)
Office of the Chief Executive Officer	3 260	12	0.38%	1	12
Security	502	7	1%	1	7
Governance Risk and Compliance	2 957	17	0.59%	2	8
Corporate Services	4 515	101	2%	8	12
Finance	11 691	128	1%	9	14
Information and Communication Technology	1 792	5	0.32%	1	5
Research	15 636	190	1%	16	11
Total	40 356	463	1%	38	12

4.2.5 Personnel cost by salary band

Personnel costs are made up of the salary, which comprises a basic salary, taxes, group life cover, unemployment insurance fund, medical aid and allowances. Professionally qualified personnel account for the greatest expenditure in terms of the categories. The high staff turnover can be attributed mainly to employee resignations and dismissals.

Levels	Personnel expenditure (R)	Percentage of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee (R)
Top management	7 683 371	17%	3	2 561 124
Professional qualified	25 418 453	58%	38	668 907
Skilled	5 305 667	12%	12	442 139
Semi-skilled	1 413 200	3%	5	282 640
Unskilled	535 654	1%	2	267 827
Total	40 356 346	92%	60	672 606

4.2.6 Employment and vacancies

The table below depicts the number of approved positions as per the approved structure versus the vacant positions as of 31 March 2023. Vacancies at the level of professional qualified personnel were the main contributors to the vacancy rate and employment changes. The vacancy rate for 2022/23 was 33%. The vacancies consisted of critical, mission critical and non-critical roles. The classification of roles is identified by the impact of the vacancy on the MHSC's ability to achieve its strategic objectives. The Chief Human Capital Officer and the Centre of Excellence Manager roles were reviewed to align with the organisational needs and advertised. Mission critical roles within the Research Business Unit were prioritised and advertised. The MHSC further resolved to procure the services of recruitment agencies to expedite the filling of vacancies.

Business units	2021/22 Number of Employees	2022/23			
		Approved posts	Number of employees	Vacancies	Percentage of vacancies
Office of the Chief Executive Officer	1	3	2	1	33%
Security	1	2	1	1	50%
Governance Risk and Compliance	3	5	3	2	40%
Corporate Services	12	13	11	2	15%
Finance	14	15	10	5	33%
Information and Communication Technology	2	4	2	2	50%
Research	16	22	14	8	36%
Total	49	64	43	21	33%

Levels	2021/22 Number of Employees	2022/23			
		Approved posts	Number of employees	Vacancies	Percentage of vacancies
Top management	1	4	3	1	25%
Professional qualified	13	21	10	11	52%
Skilled	14	15	11	4	26%
Semi-skilled	17	21	17	5	24%
Unskilled	4	2	2	0	0%
Total	49	64	43	21	33%

4.2.7 Employment changes

The MHSC's headcount, as at the end of 2022/23, was forty-three (43) staff members, of which twenty-six (26) were female and seventeen (17) were male. This represents sixty percent (60%) female and forty percent (40%) male. The headcount decreased from forty-nine (49) in 2021/22 to forty-three (43) in 2022/23 due to thirteen (13) terminations and six (6) new appointments during the year under review.

Salary band	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top management	1	2	0	3
Professional qualified	13	4	9	8
Skilled	14	0	1	1
Semi-skilled	17	0	3	14
Unskilled	4	0	0	4
Total	49	6	13	43

4.2.8 Reasons for staff leaving

The headcount decreased from forty-nine (49) in 2021/22 to forty-three (43) in 2022/23 due to terminations, which amount to ninety-two percent (92%) of departures, while the expiry of contracts contributed to eight percent (8%) of all departures. Terminations were mainly due to resignations and dismissals. The main reasons cited for resignations were better remuneration and a better working environment.

Reason	Number	Percentage of total number of staff leaving
Death	-	-
Resignation	7	53%
Dismissal	4	31%
Retirement	1	8%
Ill health	-	-
Expiry of contract	1	8%
Other	-	-
Total	13	100%

4.2.9 Labour relations: Misconduct and disciplinary action

Several employee relations matters were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) by employees dismissed by the MHSC. The MHSC is dealing with these matters with the assistance of labour law experts. The MHSC employed an Advocate to manage litigation including litigious costs. Going forward, the MHSC will also engage Employee Relations service providers to reduce litigation costs. In the case of final written warnings pertaining to three (3) employees, consequence management was subsequently applied.

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	2
Dismissal	4

4.2.10 Equity target and employment equity status

The MHSC developed an Employment Equity Consultative Committee with the objective of complying with the Employment Equity Act. The committee sought to oversee the development and implementation of the Employment Equity Plan.

The MHSC's staff complement, as at the end of 2022/23, is reflected in the tables below:

Levels	MALE								Total
	African		Coloured		Indian		White		
	Current	Target	Current	Target	Current	Target	Current	Target	
Top management	2	0	0	0	0	0	0	0	2
Professional qualified	6	0	0	0	0	0	0	0	6
Skilled	2	0	1	0	0	0	0	0	3
Semi-skilled	5	0	0	0	0	0	0	0	5
Unskilled	1	0	0	0	0	0	0	0	1
Total	16	0	1	0	0	0	0	0	17

Levels	FEMALE								Total
	African		Coloured		Indian		White		
	Current	Target	Current	Target	Current	Target	Current	Target	
Top management	0	0	1	0	0	0	0	0	1
Professional qualified	3	0	0	0	1	0	0	0	4
Skilled	8	0	0	0	0	0	0	0	8
Semi-skilled	11	0	0	0	1	0	0	0	12
Unskilled	1	0	0	0	0	0	0	0	1
Total	23	0	1	0	2	0	0	0	26

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	1	0	0	0
Unskilled	0	0	0	0
Total	1	0	0	0





MHSC

Mine Health and Safety Council

PART E:
PFMA
COMPLIANCE
REPORT

5.1 IRREGULAR EXPENDITURE

(a) Reconciliation of irregular expenditure

Description	2021/22	2022/23
	R	R
Opening balance	63,139,488	65,832,543
Add: Irregular expenditure confirmed	2,693,055	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	65,832,543	65,832,543

Reconciling notes

Description	2021/22	2022/23
	R	R
Irregular expenditure that was under assessment in 2022/23	-	65,832,543
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	-
Total	-	65,832,543

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

Description	2021/22	2022/23
	R	R
Irregular expenditure under assessment	-	65,832,543
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	65,832,543

(c) Details of current and previous year irregular expenditure condoned

Description	2021/22	2022/23
	R	R
Irregular expenditure condoned	-	-
Total	-	-

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

Description	2021/22	2022/23
	R	R
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

(e) Details of current and previous year irregular expenditure recovered

Description	2021/22	2022/23
	R	R
Irregular expenditure recovered	-	-
Total	-	-

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

Description	2021/22	2022/23
	R	R
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

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

Description	2021/22	2022/23
	R	R
None	-	-
Total	-	-

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

Description	2021/22	2022/23
	R	R
None	-	-
Total	-	-

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

Disciplinary steps taken
Investigation has been concluded and disciplinary action were taken against the official involved

5.2 FRUITLESS AND WASTEFUL EXPENDITURE

(a) Reconciliation of fruitless and wasteful expenditure

Description	2021/22	2022/23
	R	R
Opening balance	-	-
Add: fruitless and wasteful confirmed	-	1,148,110
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	-	1,148,110

Reconciling notes

Description	2021/22	2022/23
	R	R
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

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

Description	2021/22	2022/23
	R	R
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	1,148,110
Total	-	1,148,110

(c) Details of current and previous year irregular expenditure recovered

Description	2021/22	2022/23
	R	R
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

(d) Details of current and previous year irregular expenditure not recovered and written off

Description	2021/22	2022/23
	R	R
Fruitless and wasteful expenditure written off	-	-
Total	-	-

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

Disciplinary steps taken
An investigation on the current year fruitless and wasteful expenditure is currently underway and the MHSC is awaiting the outcome of the investigations

Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))

(a) Details of current and previous year material losses through criminal conduct

Description	2021/22	2022/23
	R	R
Theft	-	1,148,110
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	1,148,110

(b) Details of other material losses

Nature of other material losses	2021/22	2022/23
	R	R
Funds were paid into the wrong account of the service provider due to MHSC emails being intercepted by hackers due to the weakening of the controls in the ICT environment	-	1,148,110
Total	-	1,148,110

(c) Other material losses recovered

Nature of losses	2021/22	2022/23
	R	R
	-	-
Total	-	-

(d) Other material losses written off

Nature of losses	2021/22	2022/23
	R	R
	-	-
Total	-	-

5.3 INFORMATION ON LATE AND / OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R
Valid invoices received	593	30,819,186
Invoices paid within 30 days or agreed period	-	-
Invoices paid after 30 days or agreed period	3	4,046,615
Invoices older than 30 days or agreed period (unpaid and without dispute) I	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-
Total	593	30,819,186

Legal invoices were paid after 30 days as they were disputed due to the service provider inflating the hour spend for delivering services, and the MHSC disagreeing with the hours and rates charged.

5.4 INFORMATION ON SUPPLY CHAIN MANAGEMENT

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
				R
Accommodation and conference Venue for Summit	Gallagher Convention Centre	Limited Bidding	8139	R 2 567 822.98
Total				R 2 567 822.98

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R	R	R
Writing, edition, design, layout and printing of the MHSC book "Acknowledgement of 24 years of growth/history"	Jive Media	Variation	MHSC 019/2022-21	R 534 141.56	R 71 497.00	R 605 638.56
WIM Event (Safety Officer Services and Hybrid Services)	Birchwood Hotel	Variation	8226	R 453 300.00	R 52 720.00	R 506 020.00
Generator Rental	Matase	Variation	8272	R 275 818.00	R 167 412.40	R 443 230.40
CCMA and Labour Court Representation	Popella Maake	Expansion		Hourly Rates	Hourly Rates	Hourly Rates
Variation and extension to host, maintain and provide support for MHSC website and RTF Portal	Pixy Corner Studio	Variation	MHSC 001/2020/21	R 909 144.00	R 62 617.50	R 971 761.50
Internet Connectivity	Vox Telecommunication	Variation and expansion of scope	8117	R 124 105.54	R 124 105.54	R 248 211.08
Accommodation and conference Venue for Summit	Gallagher Convention Centre	Variation	8139	R 2 567 822.98	R 136 562.52	R 2 704 385.5
Extension and variation of a contract for CoE200903 "Assessment study of the implementation of the MHSC culture transformation framework (CTF) by the SAMI	PWC	Expansion	MHSC 003/2020/21	R 893 976.00	R 80 500.00	R 974 496.00
Contract ratification for project CoE180903 "Develop guidelines for recognition of prior learning and training of OHS representatives and union shop stewards"	Wits Commercial Enterprise	Expansion	6938	R 1 913 341.25	No financial implications	R 1 913 341.25

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R	R	R
Appointment of a service provider for ICT Escalation Support for MHSC	Quazar IT Consulting	Expansion	MHSC/025/19-20	Rates	-	-
Provision of Fibre Internet link connectivity 50x2 Mb 1.1 Content Ration with two different pops for seamless redundancy	Vox Telecommunication	Expansion	MHSC/009/18-19	R1 028 447,12	-	-
Lease Agreement	ERIS Properties	Expansion	N/a	R9 014 315,61	-	-
To support and maintenance of MS Dynamics great Plains and greenfields	Sethewo (PTY) LTD	Expansion	N/a	Rates	-	-
Sethewo(PTY)LTD	Expansion	N/a	Rates	-	-	Sethewo(PTY) LTD
Assessment Study of the Implementation of the MHSC CTF	Price Waterhouse Coopers Inc	Expansion	MHSC/003/20-21	R893 976.00	-	-
Update the South African mining rock stress measurement data	BKM Engineering	Expansion	MHSC/023/20-20	R1 750 000.00	-	-
TOTAL				R22 051 022,06	695 414,56	8 367 084,29





MHSC

Mine Health and Safety Council

PART F:

Financial

Statements



Mine Health and Safety Council

Financial statements

for the year ended March 31, 2023

These financial statements were supervised by:



Mr D Dlamini

CFO

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

Council's Responsibilities and Approval

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the financial statements fairly present the state of affairs of the entity as at the end of the financial year, as well as the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and were given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice

(GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the entity's cash flow forecast for the year to March 31, 2024, and in light of this review and the current financial position, they are satisfied that the entity either has adequate resources or access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the entity for continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or materially curtail the scale of the entity.

Although the members are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's financial statements. The financial statements have been examined by the entity's external auditors and their report is presented on page 106 to 114.

The financial statements set out on page 115 to 119, which have been prepared on the going concern basis, were approved by the board on 31 July 2023 and were signed off by:



Mr. David Msiza
Chairperson of Mine Health and Safety Council

Report of the auditor-general to Parliament on Mine Health and Safety Council

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mine Health and Safety Council (MHSC) set out on pages 106 to 114, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mine Health and Safety Council as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act No.1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the public entity at, and for the year ended 31 March 2023.

Other matter

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

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

9. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 24 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Mine Health and Safety Council. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

10. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
15. I selected the following material performance indicators related to CP01- Provide advice to the Minister on health and safety matters in the South African Mining Industry and communities affected by mining presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
16. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
17. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
18. I performed the procedures for the purpose of reporting material findings only.
19. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Report on compliance with legislation

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

21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

24. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(a) of the PFMA. Material misstatements of current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Consequence Management

25. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against some of the officials who had incurred and irregular expenditure in prior years, as required by section 51(1)(e)(iii) of the PFMA.

Revenue Management

26. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

Other information in the annual report

27. The accounting authority is responsible for the other information included in the annual report, which includes the directors' report, the audit committee's report and the Council's report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
32. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, and the material findings on compliance with legislation included in this report.
33. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored. Compliance monitoring measures in place were not always effective to ensure that controls are able to detect weaknesses identified.
34. The annual financial statements review processes are in place by all structures, however they are not yielding the desired outcomes. Material misstatements were identified during the audit process which proves that these controls are not working as they should.
35. The debt collection policy is in place however its not being fully implemented by management to follow up and recover outstanding debts, resulting in non-compliance by the public entity.

Auditor-general

Pretoria Date: 31 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2) (c'); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b). Section 66(3) (c'); 66(5)
Treasury Regulations for departments, trading entities, constitutional institutions, and public entities (TR)	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e);16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c') Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 31.3.3 Treasury Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c') Treasury Regulation 33.1.1; 33.1.3

Legislation	Sections or regulations
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7

Legislation	Sections or regulations
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9; 5.1; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1

Annual Financial Statements

for the year ended 31 March 2023

Statement of Financial Position

as at March 31, 2023

	Note(s)	2023 R	2022 R
Assets			
Current Assets			
Inventories	3	90,538	99,171
Receivables from exchange transactions	4	29,996,367	9,308,157
Statutory Receivables from non-exchange transactions – Mine levies	5	53,055,852	15,258,867
Cash and cash equivalents	6	71,648,485	99,771,305
		154,791,242	124,437,500
Non-Current Assets			
Property, plant and equipment	7	4,268,641	5,186,571
Intangible assets	8	206,124	337,269
		4,474,765	5,523,840
Total Assets		159,266,007	129,961,340
Liabilities			
Current Liabilities			
Finance lease obligation	9	26,184	87,954
Payables from exchange transactions	10	8,333,753	8,490,785
Provisions	11	5,025,711	3,986,152
Bank overdraft	6	2,988	7,873
		13,388,636	12,572,764
Non-Current Liabilities			
Finance lease obligation	9	353,513	235,967
Employee benefit obligation	12	307,000	296,000
Admin Fines Liabilities		6,696,467	5,497,306
		7,356,980	6,029,273
Total Liabilities		20,745,616	18,602,037
Net Assets		138,520,391	111,359,303
Accumulated surplus		138,520,391	111,359,303
Total Net Assets		138,520,391	111,359,303

Annual Financial Statements

for the year ended 31 March 2023

Statement of Financial Performance

For the year ended 31 March 2023

	Note(s)	2023 R	2022 R
Revenue			
Revenue from exchange transactions			
Gain on disposal of assets		–	5,441
Revenue from non-exchange transactions			
Taxation revenue			
Mine Levies		112,929,350	92,230,241
Interest received		3,651,462	3,001,506
Transfer revenue			
State funding		4,717,000	4,581,000
Other income		516,521	908,150
Recoveries		–	34,027
Total revenue from non-exchange transactions		121,814,333	100,754,924
Total revenue	14	121,814,333	100,760,365
Expenditure			
Employee related costs	15	(46,262,698)	(50,352,081)
Depreciation and amortisation	7&8	(2,184,968)	(2,137,693)
Finance costs	16	(75,933)	(44,041)
Lease rentals on operating lease		(2,121,003)	(3,012,065)
Debt Impairment		(2,832,671)	(2,876,932)
Loss on disposal of assets and liabilities	7	(32,490)	–
Operating Expenses	27	(37,361,427)	(39,442,528)
Research and development		(3,521,995)	(7,513,286)
COVID-19 expense		(24,435)	(463,353)
Total expenditure		(94,417,620)	(105,841,979)
Surplus (deficit) for the year		27,396,713	(5,081,614)

Annual Financial Statements

for the year ended 31 March 2023

Statement of Changes in Net Assets

For the year ended 31 March 2023

	Accumulated surplus / deficit R	Total net assets R
Balance at April 1, 2021	116,676,547	116,676,547
Prior- period error	(235,630)	(235,630)
Deficit previously reported	(5,081,614)	(5,081,614)
Total changes	(5,317,244)	(5,317,244)
Restated Balance at April 1, 2022	111,123,678	111,123,678
Surplus for the year	27,396,713	27,396,713
Total changes	27,396,713	27,396,713
Balance at March 31, 2023	138,520,391	138,520,391

Annual Financial Statements

for the year ended 31 March 2023

Cash Flow Statement

	Note(s)	2023 R	2022 R
Cash flows from operating activities			
Receipts			
State funding		4,717,000	4,581,000
Interest income		3,651,462	3,001,506
Receipts from Mine levies		72,447,103	87,858,398
Other receipts		339,811	553,197
		81,155,376	95,994,101
Payments			
Employee costs		(44,431,526)	(50,411,841)
Suppliers		(43,081,070)	(51,640,872)
Finance costs		(41,933)	(12,041)
		(87,554,529)	(102,064,754)
Net cash flows from operating activities	17	(6,399,153)	(6,070,653)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(21,543,631)	(2,201,166)
Proceeds from sale of property, plant and equipment	7	–	33,008
Purchase of other intangible assets	8	–	(292,957)
Net cash flows from investing activities		(21,543,631)	(2,461,115)
Cash flows from financing activities			
Finance lease payments		(175,151)	(43,413)
Net increase/(decrease) in cash and cash equivalents		(28,117,935)	(8,575,181)
Cash and cash equivalents at the beginning of the year		99,763,432	108,338,613
Cash and cash equivalents at the end of the year	6	71,645,497	99,763,432

The accounting policies on pages 120 to 133 and the notes on pages 134 to 153 form an integral part of the financial statements.

Annual Financial Statements

for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget R	Adjust- ments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Reference
Statement of Financial Performance						
Revenue						
Revenue from non-exchange transactions						
Taxation revenue						
Mine Levy Income	112,944,618	–	112,944,618	112,929,350	(15,268)	
Interest from Investment	1,307,666	–	1,307,666	3,651,462	2,343,796	25.1
Transfer revenue						
State funding	4,717,000	–	4,717,000	4,717,000	–	
Klopperbos	1,190,613	–	1,190,613	–	(1,190,613)	25.2
Other Income	420,000	–	420,000	516,521	96,521	25.1
Total revenue from non-exchange transactions	120,579,897	–	120,579,897	121,814,333	1,234,436	
Expenditure						
Employee costs	(63,105,365)	–	(63,105,365)	(46,262,698)	16,842,667	25.7
Research and Development	(16,953,014)	–	(16,953,014)	(3,521,995)	13,431,019	25.3
Dissemination and RTF	(11,410,974)	–	(11,410,974)	(6,007,111)	5,403,863	25.5
Klopperbos	(1,063,430)	–	(1,063,430)	–	1,063,430	25.2
Depreciation and amortisation	(2,725,000)	–	(2,725,000)	(2,184,968)	540,032	25.10
Administrative expenses	(8,528,254)	–	(8,528,254)	(6,918,753)	1,609,501	25.4
Corporate Governance	(4,648,800)	–	(4,648,800)	(6,766,171)	(2,117,371)	25.13
Finance costs	(150,088)	–	(150,088)	(75,933)	74,155	25.16
Lease rentals on operating lease	(2,748,480)	–	(2,748,480)	(2,121,003)	627,477	25.14
Debt Impairment	–	–	–	(2,832,671)	(2,832,671)	25.11
Legal fees	(5,006,492)	–	(5,006,492)	(14,668,558)	(9,662,066)	25.6
Internal audit fees	(1,350,000)	–	(1,350,000)	(535,649)	814,351	25.9
External audit fees	(2,130,000)	–	(2,130,000)	(2,465,185)	(335,185)	25.15
Covid-19 expense	(760,000)	–	(760,000)	(24,435)	735,565	25.8
Total expenditure	(120,579,897)	–	(120,579,897)	(94,385,130)	26,194,767	
Operating surplus	–	–	–	27,429,203	27,429,203	
Loss on disposal of assets and liabilities	–	–	–	(32,490)	(32,490)	25.12
Surplus before taxation	–	–	–	27,396,713	27,396,713	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	–	–	–	27,396,713	27,396,713	

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparations

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

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

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

1.4 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include: provision for doubtful debts and bonus provision; leave provision; and useful lives and depreciation methods and asset impairment. Notes relating to the subject are included under the affected areas of the financial statements.

Receivables from exchange transactions

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the provincial entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Accounting Policies

The impairment for trade receivables is calculated on a portfolio basis based on historical loss ratios, adjusted for national and industry-specific economic conditions, and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates of expected future cash flows for each group of assets are prepared. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including obsolescence and information technological advancements along with economic factors such as inflation.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Post-retirement medical benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Accounting Policies

Allowance for doubtful debts

In regard to debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors' carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Provision for performance bonus

Performance bonuses are based on an employee's individual performance. As at year end, the assessment for the reporting is not yet finalised. Therefore, the provision is based on previous year performance and estimated average performance score.

1.5 Rounding

Unless otherwise stated, all financial figures have been rounded off to the nearest one rand.

1.6 Property, plant and equipment

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

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

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

Accounting Policies

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

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

The initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment where the entity is obligated to incur such expenditure and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventory.

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

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

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

Item	Depreciation method	Average useful life
Office furniture	Straight-line	10 years
Motor vehicles	Straight-line	5 years
Computer equipment	Straight-line	5 - 10 years
Leasehold improvements	Straight-line	Remainder of lease period
Research equipment	Straight-line	Duration of the contract and estimated useful life
Leased assets	Straight-line	The shorter of the lease period or the useful life of the asset

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date. However, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

Accounting Policies

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 is no further economic benefit 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.

1.7 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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.

Accounting Policies

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Item	Depreciation method	Average useful life
Licenses and software acquired	Straight-line	1 - 8 years

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

1.8 Financial instruments

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

A financial asset is:

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

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

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

Accounting Policies

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

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Classification

Financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories: Financial instruments at amortised cost.

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

1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable), and less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate used to charge outstanding accounts based on the rate determined by the National Treasury.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with legislation, supporting regulations, or similar means.

Accounting Policies

1.10 Tax

Current tax assets and liabilities

No provision for income tax has been made as the Mine Health and Safety Council (MHSC) is exempt in terms of section

10(1)(cA)(b)(ii) of the Income Tax Act of 1962, as amended.

1.11 Leases

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

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

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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.

Accounting Policies

1.12 Inventories

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

Subsequently inventories are measured at the lower of cost and net realisable value. Inventories are measured at the lower end of cost and current replacement.

Net realisable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date. The cost of inventories comprises of all costs of purchase.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.13 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees. Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employee renders the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employee renders the related employee service;
-

Accounting Policies

- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employee renders the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Actuarial assumptions

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.14 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.

Accounting Policies

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

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

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised only when it is virtually certain that reimbursement will be received if the entity settles the obligation; the reimbursement is treated as a separate asset; And the amount recognised for the reimbursement does not exceed the amount of the provision.

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.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 19.

1.15 Revenue from exchange transactions

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

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

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference

to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised.

Accounting Policies

This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non- contractual) arrangement (see the accounting policy on Statutory Receivables).

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the MHSC, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefit or service potential embodied in the asset is required to be consumed by the recipient as specified, or future economic benefit or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When the entity recognises an asset, as a result of a non-exchange, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised, it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.17 Comparative figures

Prior-period comparative information is presented in the current financial year. Where necessary, comparative figures are adjusted to conform to changes in presentation in the current year.

Accounting Policies

1.18 Fruitless and wasteful expenditure

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.

1.19 Irregular expenditure

Irregular expenditure, as defined in Section 1 of the PFMA, is expenditure other than unauthorised expenditure incurred in contravention of or in accordance with a requirement of any applicable legislation, including the PFMA

1.20 Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred. An asset arising from development 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.

1.21 Budget information

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

The financial statements and the budget are on the same basis of accounting; therefore, a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts. The approved budget covers the fiscal period from 2022/04/01 to 2023/03/31.

The Statement of comparative and actual information has been included in the financial statements as the recommended disclosure when the financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Accounting Policies

1.22 Events after reporting date

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

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

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

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

1.23 Administrative Fines Liability

These fines represent penalties imposed by the Mine Health Safety Inspectorate in terms of section 55B of the MHS Act for failing to comply with the provisions of the act.

MHSC is the custodian of the bank account where these funds are deposited into.

Under the MHS Act, the Inspectorate is legally entitled to the fines and as such MHSC recognises a liability accordingly.

The admin fine liability is a financial instrument recognised, measured and disclosed in line with the entities accounting policy on financial instruments.

1.24 Offsetting of financial transactions

The MHSC present separately each material class of similar items in the statement of financial performance and financial position.

Notes to the Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:

No new standards were adopted in the current year.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after April 1, 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	No effective date yet	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	No effective date yet	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	No effective date yet	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	No effective date yet	
• Guideline: Guideline on the Application of Materiality to Financial Statements	No effective date yet	
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	April 1, 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	April 1, 2023	Unlikely there will be a material impact

Notes to the Financial Statements

3. Inventories

	2023 R	2022 R
Consumable stores	90,538	99,171
Inventory recognised as expense during the year	154,048	281,363

4. Receivables from exchange transactions

Deposits	805,886	805,886
Staff loans	797,893	549,738
Sundry debtors	257,195	336,893
Prepaid expenses	28,135,393	7,615,640
	29,996,367	9,308,157

The bulk of the prepayments is made-up of R20 347 600 paid for the acquisition of an office building. This amount is presented under investing activities in the statement of cash flows.

5. Statutory Receivables from non-exchange transactions- Mine levies

	2023 R	2022 R
Levies	74,242,395	33,612,739
Allowance for impairment	(21,186,543)	(18,353,872)
	53,055,852	15,258,867

How the transaction arises

Section 98 (1) of the Mine Health and Safety Act requires the MHSC to collect annual levies from the mines on the basis of health and safety risk for research and surveys regarding, and for the promotion of, health and safety at mines. The MHSC obtain data to bill all the active mines in order to fulfil its obligations in terms of its mandate.

How the transaction amount is determined

In terms of the council approved levy model, the mine levies are calculated on a fixed and variable rate on health and safety based on previous year production and labour figures. The calculation also makes provision for rebates based on zero fatalities and serious injuries in the mines. The calculation based on 45% fixed safety, 5% variable safety, 45% fixed health and 5% variable health.

Interest charged including the basis and rate

The interest rate charged on statutory receivables which are overdue is the prescribed rate of interest in terms of the Prescribed Rate of Interest Act, 1975 (Act 55 of 1975) determined by the Minister of Justice and Correctional Services published in the Government Gazette from time to time. There have been no mines charged interest in the current financial year.

Notes to the Financial Statements

5. Statutory Receivables from non-exchange transactions- Mine levies (continued)

The basis used to assess and test whether the statutory receivable is impaired

Individual debtors were assessed individually for indicators of impairment. A collective assessment of the amounts which are past due was made by categorising the outstanding amounts into the following two categories:

30 days to 90 days:	no provision
120 days and above:	100 percent

The discount rate applied to the estimated future cash flows:

No discount rate was applied to the estimated future cash flows, as the amounts which are past due are considered insignificant in relation to the overall statutory receivables balance.

The main events and circumstances that led to recognition of the impairment loss:

Key indicators and assumptions used to assess and calculate whether the statutory receivables were impaired during the reporting period:

Indicators of impairment loss include, but are not limited to:

- Significant financial difficulties suffered by the debtor;
- The probability of the debtor entering sequestration, liquidation or other financial re-organisation;
- A breach of the terms of the transactions such as default on payment of the principal amount or interest charged; and
- Adverse changes in international, national, or local economic conditions.

Statutory Receivables from non-exchange transactions- Mine levies past due but not impaired

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At March 31, 2023, R53,055,852 (2022: R6,156,222) were past due but not impaired.

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

	2023 R	2022 R
Current	1,114,406	6,156,222
30 days past due	44,523,248	–
90 days past due	7,418,198	–

Notes to the Financial Statements

Statutory Receivables from non-exchange transactions- Mine levies impaired

As of March 31, 2023, other receivables from non-exchange transactions of R21,186,543 (2022: R18,353,872) were impaired and provided for.

The amount of the provision was R 21,186,543 as of March 31, 2023 (2022: R18,353,872). All debts over two years old, under business rescue as well as mines with financial difficulties and queries have been provided for.

	2023 R	2022 R
Over 120 days	21,186,543	18,353,872

Reconciliation of provision for impairment of statutory receivables from non-exchange transactions- mine levies

	2023 R	2022 R
Opening balance	(18,353,872)	(17,329,260)
Provision for impairment	(2,832,671)	(1,024,612)
	(21,186,543)	(18,353,872)

6. Cash and cash equivalents

	2023 R	2022 R
Cash and cash equivalents consist of:		
Cash on hand	2,000	2,000
Bank balances (FNB)	642,374	1,712,160
Short-term deposits (FNB & SARB)	71,004,111	98,057,145
Bank overdraft	(2,988)	(7,873)
	71,645,497	99,763,432
Current assets	71,648,485	99,771,305
Current liabilities	(2,988)	(7,873)
	71,645,497	99,763,432

The Office Building funds are not available for economic use. National Treasury has approved the retention of historic surplus funds for the purchase of a building.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired, can be assessed by reference to external credit ratings.

Credit rating

	2023 R	2022 R
Ba2	71,648,485	99,771,305

Notes to the Financial Statements

7. Property, plant and equipment

	2023			2022		
	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R
Furniture and fixtures	1,698,286	(1,262,651)	435,635	1,943,178	(1,341,935)	601,243
Motor vehicles	1,568,341	(1,244,282)	324,059	1,663,360	(1,093,552)	569,808
Office equipment	1,432,948	(1,358,947)	74,001	1,616,403	(1,411,451)	204,952
IT equipment	5,543,101	(3,774,688)	1,768,413	5,229,004	(3,592,842)	1,636,162
Leasehold improvements	4,892,997	(4,858,939)	34,058	4,892,997	(4,792,121)	100,876
Research Equipment	6,651,202	(5,339,892)	1,311,310	6,651,202	(4,889,939)	1,761,263
Leased Office Equipment	540,297	(219,132)	321,165	351,300	(39,033)	312,267
Total	22,327,172	(18,058,531)	4,268,641	22,347,444	(17,160,873)	5,186,571

Reconciliation of property, plant and equipment - 2023

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fixtures	601,243	–	(18,053)	(147,555)	435,635
Motor vehicles	569,808	–	–	(245,749)	324,059
Office equipment	204,952	3,098	(2,036)	(132,013)	74,001
IT equipment	1,636,162	976,285	(12,398)	(831,636)	1,768,413
Leasehold improvements	100,876	–	–	(66,818)	34,058
Research Equipment	1,761,263	–	–	(449,953)	1,311,310
Leased Office Equipment	312,267	188,997	–	(180,099)	321,165
	5,186,571	1,168,380	(32,487)	(2,053,823)	4,268,641

The amount of R21 543 631 presented in the statement of cash flows includes a payment of R20 358 257 paid towards the acquisition of a building. At the reporting date, legal title had not transferred to the entity, hence this amount is included in prepaid expenses disclosed in note 4.

Notes to the Financial Statements

Reconciliation of property, plant and equipment - 31 March 2022

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fixtures	749,164	–	–	(147,921)	601,243
Motor vehicles	815,608	–	–	(245,800)	569,808
Office equipment	412,791	5,400	–	(213,239)	204,952
IT equipment	2,124,851	49,264	(27,567)	(510,386)	1,636,162
Leasehold improvements	264,922	–	–	(164,046)	100,876
Research Equipment	4,614	1,795,202	–	(38,553)	1,761,263
Leased Office Equipment	12,329	351,300	–	(51,362)	312,267
	4,384,279	2,201,166	(27,567)	(1,371,307)	5,186,571

Pledged as security

None of the assets disclosed above have been pledged as security for liabilities.

8. Intangible assets

	2023			2022		
	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R
Licenses	692,884	(486,760)	206,124	692,884	(355,615)	337,269

Reconciliation of intangible assets - 2023

	Opening balance R	Amortisation R	Total R
Licenses	337,269	(131,145)	206,124

Reconciliation of intangible assets - 31 March 2022

	Opening balance R	Additions R	Amortisation R	Total R
Licenses	810,700	292,957	(766,388)	337,269

Pledged as security

None of the assets disclosed above have been pledged as security for liabilities

Notes to the Financial Statements

9. Finance lease obligation

	2023 R	2022 R
Minimum lease payments due		
- within one year	147,082	87,954
- in second to fifth year inclusive	231,746	235,967
	378,828	323,921
less: future finance charges	(47,192)	(94,173)
Present value of minimum lease payments	331,636	229,748
Present value of minimum lease payments due		
- within one year	26,184	87,954
- in second to fifth year inclusive	352,644	235,967
- later than five years	(47,192)	(94,193)
	331,636	229,728
Non-current liabilities	353,513	235,967
Current liabilities	26,184	87,954
	379,697	323,921

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

The average lease term was 3 years and the average effective borrowing rate was 10% (2022: 9%).

10. Payables from exchange transactions

	2023 R	2022 R
Trade payables	3,246,141	2,922,008
Payments received in advanced - Levies	1,943,078	3,424,861
Payroll Creditors	410,948	(6,093)
Accrued leave pay	472,760	1,467,218
Accruals	2,260,826	682,791
	8,333,753	8,490,785

Notes to the Financial Statements

11. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Provision for performance bonus	3,986,152	2,313,168	(1,273,609)	5,025,711

Reconciliation of provisions - 31 March 2022

Provision for performance bonus	3,737,527	1,529,149	(1,280,524)	3,986,152
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The MHSC pays performance bonuses to its employees on or before the end of December of each calendar year. The bonuses are based on the audited results of the preceding financial year, depending on how each employee performed in terms of their performance contract. As at 31 March 2023, the MHSC has provided an average of 7.5% of the total cost to company of the employees.

The bonuses for MANCO and EXCO for the year ended March 2022, to the value of R 1,529m, has been included in the provision as at March 2023. The payment of such will be a deviation from Policy which requires bonuses to be paid within 9 months after the year end of March 2022. This deviation is a result of a quorum for the Moderation Committee not being met for both MANCO and EXCO.

12. Employee benefit obligations

Defined benefit plan

Post-retirement medical aid plan

The MHSC has one member who has a benefit for post-retirement medical benefit. This was inherited by MHSC during its formation as some employees have post-retirement medical benefit, liability for which MHSC committed to absorb.

The amounts recognised in the statement of financial position are as follows:

	2023 R	2022 R
Carrying value		
Present value of the defined benefit obligation-in-service member	(307,000)	(296,000)
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	296,000	228,000
Net expense recognised in the statement of financial performance	11,000	68,000
	307,000	296,000

Notes to the Financial Statements

12. Employee benefit obligations (continued)

	2023 R	2022 R
Net expense recognised in the statement of financial performance		
Current service cost	13,000	10,000
Interest cost	34,000	32,000
Actuarial (gains) losses	(36,000)	26,000
	11,000	68,000
Calculation of actuarial gains and losses		
Actuarial (gains) losses – Obligation	(36,000)	26,000
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	13.25 %	11.54 %
Medical cost trend rates	9.40 %	8.68 %
Number of in-service employees	1	1

Other assumptions

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

Discount Rate Sensitivity	Change in accrued Liability	Change in annual expense
Discount Rate +1%	(19.54)%	(20.20)%
Discount Rate -1%	24.41%	25.45%
Medical Aid inflation +1%	26.38%	27.27%
Medical Aid inflation -1%	(20.00)%	(20.00)%
	–%	–%

Basis of discount used

The assumptions used in the valuation comply with the SAICA accounting standard which requires the valuation discount rate to be set equal to high quality corporate bond yields where a deep market is available. Should a deep market not be available, the equivalent government long bond yields at the Valuation Date may be used.

Amounts for the current and previous four years are as follows:

	2023 R	2022 R	2021 R	2020 R	2019 R
Defined benefit obligation	307,000	296,000	228,000	559,000	742,000

One Consulting Actuaries provided the Actuarial Assessment for MHSC.

Notes to the Financial Statements

13. Operating lease asset (liability)

The current operating lease expires in July 2023. The board has approved the extension to July 2024. The minimum balance due on the lease is R733 185 (2022: R 2 081 160).

The MHSC is in the advanced stage of acquiring the building as payment has been paid and MHSC is awaiting the finalisation of the transfer.

14. Revenue

	2023 R	2022 R
Profit or loss on disposal of assets	–	5,441
Mine Levy Income (net of rebates)	112,929,350	92,230,241
Interest received	3,651,462	3,001,506
State funding	4,717,000	4,581,000
Other income	516,521	908,150
Recoveries	–	34,027
	121,814,333	100,760,365
Revenue from exchange transactions		
Interest received	3,651,462	3,001,506
Other income	516,521	908,150
Recoveries	–	34,027
Profit on sale of assets	–	5,441
	4,167,983	3,949,124
Revenue from Non-exchange transactions		
Mine Levy Income (net of rebates)	112,929,350	92,230,241
State funding	4,717,000	4,581,000
	117,646,350	96,811,241

15. Employee related costs

Basic	39,531,411	43,958,342
Bonus	2,372,266	1,529,149
Medical aid - company contributions	29,604	–
UIF	102,514	125,226
WCA	31,495	41,055
SDL	378,519	444,763
Leave pay provision charge	(688,479)	(548,392)
Retirement benefit costs	13,000	36,000
Defined contribution plans	3,097,991	3,387,777
Cell-phone Allowance	442,375	512,877
Group Life Cover	952,002	865,286
	46,262,698	50,352,083

Notes to the Financial Statements

	2023 R	2022 R
16. Finance costs		
Finance leases	41,933	12,041
Post-retirement medical obligation	34,000	32,000
	75,933	44,041
17. Cash used in operations		
Surplus (deficit)	27,396,713	(5,081,614)
Adjustments for:		
Depreciation and amortisation	2,184,968	2,137,694
Gain (loss) on sale of assets and liabilities	32,490	(5,441)
Finance costs - Finance leases	41,933	12,041
Debt impairment	2,832,671	1,363,871
Movements in retirement benefit assets and liabilities	11,000	68,000
Movements in provisions	1,039,559	248,625
Changes in working capital:		
Inventories	8,633	86,242
Receivables from exchange transactions	(123,967)	1,465,626
Other receivables from non-exchange transactions	(40,865,282)	(5,403,536)
Payables from exchange transactions	(157,032)	(579,931)
Admin Fines Liabilities	1,199,161	(382,230)
	(6,399,153)	(6,070,653)
18. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Intangible assets	2,909,594	3,327,525
Total capital commitments		
Already contracted for but not provided for	2,909,594	3,327,525
Authorised operational expenditure		
Already contracted for but not provided for		
• Rental services	733,185	3,322,577
• Research projects	15,115,711	18,297,988
• Seed Funding	3,166,227	3,166,227
• Internal audit services	–	447,966
• Whistle blowing	40,664	77,234
• ICT Services	101,848	2,210,491
• Printing services	–	82,914

Notes to the Financial Statements

	2023 R	2022 R
• Travelling	73,833	177,198
	19,231,468	27,782,595
Total operational commitments		
Already contracted for but not provided for	19,231,468	27,782,595
Total commitments		
Authorised capital expenditure	2,909,594	3,327,525
Authorised operational expenditure	19,231,468	27,782,595
	22,141,062	31,110,120

19. Contingent Liabilities

Litigation at Labour Courts and CCMA Liabilities against the entity relating to disputes with former and current employees and service providers is expected to be R17,457,404. Uncertainty on timing on possible payouts remain as the cases at labour court are ongoing.

Retention of surplus funds

In terms of Section 53(3) of the PFMA, a public entity may not accumulate surplus funds without approval from the National

Treasury. Approval has been requested from the National Treasury to retain surpluses amounting to R141,841,538 at 31 March 2023. In the last five years, National Treasury has allowed the retention of surplus funds.

20. Related parties

Relationships	
Members	Refer to members' report note
	Mr. V. Nundlall (Sibanye)
	Mr. R. Chinamatia (Seriti)
Ultimate controlling entity	Department of Mineral Resources and Energy
Members of key management	Mr. D. Mamphitha
	Mr. D. Dlamini
	Ms. F. Brovko

All government departments are related by virtue of the definition of control, but MHSC has only disclosed the outstanding balance of arms-length transactions.

20. Related parties (continued)

Notes to the Financial Statements

Related party balances

Loan accounts - Owing (to) by related parties

	2023 R	2022 R
Sibanye Stillwater Ltd	559,348	498,494
Vedanta Resources Ltd	–	149,891
Seriti Resources Ltd	141,837	(43,384)
The debt is not secured.		
Related party transactions		
Revenue received from related parties		
Revenue received from DMRE	(4,717,000)	(4,581,000)
Sibanye Stillwater LTD	(3,867,944)	(8,033,372)
Vedanta Resources LTD	–	(443,344)
Seriti Resources Ltd	(608,575)	(611,951)

Remuneration of management

Management class: Executive management

	Basic salary R	Group life cover R	Total R
2023			
Mr. D. Mamphitha (CEO)	2,258,897	56,217	2,315,114
Mr. D. Dlamini (CFO)	2,484,443	61,887	2,546,330
Ms. F. Brovko (CROO)	1,050,999	26,023	1,077,022
Mr. M. Fenyane (IT)	701,637	14,016	715,653
Ms. P. Mvana (CGO)	1,078,924	24,542	1,103,466
	7,574,900	182,685	7,757,585

2022			
Mr. T. Dube (CEO)	334,960	4,920	339,880
Mr. D. Dlamini (CFO)	2,325,418	29,332	2,354,750
Mr. D. Dlamini (Acting CEO)	576,725	–	576,725
Mr. M. Fenyane (IT)	1,658,131	40,490	1,698,621
Ms. P. Mvana	1,419,585	34,503	1,454,088
Ms. L. Ndziba	707,038	6,501	713,539
Mr. T. Nkuzana (ACGO)	42,867	–	42,867
Mr. B. Ncube (ACROO)	471,393	–	471,393
Ms. V. Pentasaib (ACFO)	900,906	–	900,906
Mr. V. Tleane (Acting CHCO)	211,431	–	211,431
	8,648,454	115,746	8,764,200

Human Resources Advisory Committee

Notes to the Financial Statements

Name	Fees for services as a member of management R	Travelling Allowance R	Data Allowance R	Total R
2023				
Dr. Zulu	74,625	9,907	2,200	86,732
T. Thankge	11,791	–	–	11,791
Mr. N. Ali	33,877	2,200	–	36,077
	120,293	12,107	2,200	134,600

2022				
Dr Zulu	117,600	955	3,300	121,855
Ms. L. Mathabathe	13,794	–	1,100	14,894
Mr P Nku	28,503	–	2,200	30,703
Mr. N. Ali	21,606	–	2,200	23,806
	181,503	955	8,800	191,258

Audit Committee

	Fees for services as a member R	Data allowance R	Total R
2023			
L. Mangquku	26,113	–	26,113
S. Gounden	31,213	–	31,213
A. Mangoma	5,395	–	5,395
Mr. F. Docrat	11,568	–	11,568
	74,289	–	74,289

2022			
Ms. N. Madiba (Chairperson)	43,448	–	43,448
Mr. L. Mangquku	71,896	4,400	76,296
Ms. S. Masite	68,438	3,300	71,738
Mr. F. Docrat	40,263	–	40,263
	224,045	7,700	231,745

Notes to the Financial Statements

21. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The entity's overall risk management program 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 under policies approved by the members. The members provide written principles for overall risk management, as well as written policies covering specific areas, such as credit risk, use of non- derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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

Cash flow forecasts are prepared and adequately utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities and places them 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.

Notes to the Financial Statements

	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R	Total R
At 31 March 2023					
Trade and other payables	4,494,814	–	–	–	4,494,814
Finance lease obligations	147,082	232,615	–	–	379,697
	4,641,896	232,615	–	–	4,874,511
At 31 March 2022					
Trade and other payables	5,065,924	–	–	–	5,065,924
Finance lease obligations	87,954	235,967	–	–	323,921
	5,153,878	235,967	–	–	5,389,845

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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

	2023 R	2022 R
Financial instrument		
Trade receivables from exchange transactions	29,996,367	9,308,157
Cash and cash equivalents	71,648,485	99,771,305

Notes to the Financial Statements

22. Going concern

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

23. Events after the reporting date

The directors are not aware of any material event which occurred after the reporting date and up to the date of issuing these financial statements.

24. Irregular expenditure

	2023 R	2022 R
Irregular expenditure-current year	–	2,693,055

National Treasury issued Instruction Note 4, effective January 2023, that impacted the amounts disclosed.

Disciplinary steps taken

No new irregular expenditure was incurred in the current financial period. Prior year irregular expenditure was investigated and disciplinary action was taken against the responsible officials.

25. Budget differences

Material differences between budget and actual amounts

Variances which are equal to or more than R50,000 are explained below. Variances which are below R50,000 are considered immaterial and, therefore, not explained.

25.1 Finance Income: The budget for Investment income assumed that the office building would have been purchased by March 2022, hence the interest earned on depleted reserves would have been much lower. The payment for the building was only done at the end of December 2022, hence MHSC has been earning Interest on balances held at Reserve bank.

25.2 Klopperbos: The transfer of Klopperbos has not materialised during the year, hence no income was derived from the facility; neither was there any costs.

25.3 Research and development costs: Only 24 out of 65 Milestones were achieved for the year. This is largely due to non- responsive bids.

Notes to the Financial Statements

25.4 Administrative Costs: Consulting Fees for the organisational efficiency study has largely contributed to the budget variance as the Procurement for all the various components of the study has not been initiated. Furthermore, subscriptions to affiliated organisations have been halted.

25.5. Dissemination and RTF Costs: Saving is due to the delay in the completion of research milestones.

25.6 Legal Fees: Consequence action on historical Irregular Expenditure has been implemented by year end. Furthermore, legal services on hot-line reports were also carried out.

25.7 Employee Costs: The saving is due to vacant positions which result in MHSC having a high vacancy rate.

25.8 COVID-19 Costs: The saving is due to the lockdown being lifted; MHSC has not been spending on this budget as a spend on sanitation and masks was not needed.

25.9 Internal Audit Fees: the saving is due to the delay in the appointment of a new internal audit service provider.

25.10 Depreciation: The purchase of the office building did not take place during the year, hence the underspend.

25.11 Debt Impairment: MHSC has reduced the provision of bad debts due to improved collections on historical debt.

25.12 Loss on sale of assets: This is due to assets that were written-off during the financial period.

25.13 Corporate Governance: The overspending is due to the 2023 MHSC Summit being held in the current financial year.

25.14 Operating lease: The overspending is due to the contract for an office building that was extended, as the MHSC is finalising the transfer of ownership.

25.15 External audit: This is due to a delay in the finalisation of the audit that resulted in an overspending.

25.16 Finance cost: This is due to a delay in delivery of a new leased printer that resulted in underspending of finance charges.

Notes to the Financial Statements

26. Fruitless and wasteful expenditure

	2023 R	2022 R
Add: Fruitless and wasteful expenditure identified	1,148,110	–

National Treasury issued Instruction Note 4, effective January 2023, that impacted the amounts disclosed.

Details of fruitless and wasteful expenditure

Fruitless and wasteful expenditure is presented as it relates to the amount the MHSC lost as a result of emails being intercepted and payment being made to the incorrect accounts. Management is investigating the matter and the outcome of the investigation process is still awaited.

27. Operating expenses

	2023 R	2022 R
Other rentals	–	978,210
External audit fees	2,465,185	2,369,462
Legal fees	14,668,558	25,662,625
Administrative costs	6,918,753	5,648,642
Corporate governance	6,766,171	709,154
Dissemination (promotional items, advertising, events , RTF)	6,007,111	3,239,711
Internal audit fees	535,649	834,724
	37,361,427	39,442,528

28. Repairs and Maintenance

Property, plant and equipment	101,281	41,659
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29. Segment Information

The MHSC manages its operations as a single segment, with the Council and Chief Executive Officer (CEO) making key financial decisions based on combined operations for its programmes (refer to the performance report). Resource allocation, assets and liabilities are also managed on a combined basis. Geographical information is not provided as there are no distinct economic benefits derived from different geographical segments.

The MHSC delivers services throughout the country but does not measure and manage resources on that basis. Information reported about this segment is used by management as a basis for evaluating the segment's performances and for making decisions about the allocation of resources. The disclosure of information about this segment is also considered appropriate for external reporting purposes.

Notes to the Financial Statements

30. Prior period error

Commitments

Contracts relating to commitments to the value of R31.1million were excluded from commitment disclosure notes in the previous financial year (the extent to which is stated below)

Operating expenditure

Payments relating to expenditure incurred for research and internal audit services was excluded from accruals (the extent to which is stated below), which were raised in the previous financial year.

Payables from Exchange transactions

Invoices relating to internal audit and research services were excluded from accruals in the previous financial year (the extent to which is stated below).

The overall effect on the financial statement line items are as follows:

Statement of financial Position

	Correction of error	Restated	Restated
Payables from exchange transactions	8,490,784	235,630	8,726,414

Statement of financial performance

	As previously reported	Correction of error	Restated
General expenditure	39,442,528	235,630	39,678,158

Notes to Financial Statement

	Previously reported	Error	Restated
Commitments	2,081,160	29,028,961	31,110,121



MHSC

Mine Health and Safety Council

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