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Minister Nomakhosazana Meth Leads Strategic Audit Review as DEL and its Entities Commit to Stronger Controls and a Unified Turnaround Plan

The Department of Employment and Labour and its entities have reaffirmed their commitment to strengthening governance, improving audit outcomes and accelerating institutional reforms following a high-level Audit Outcomes and Governance Review Session led by Employment and Labour Minister Nomakhosazana Meth virtually on 23 September 2026.



The strategic engagement brought together executive leadership from the Department of Employment and Labour, Unemployment Insurance Fund (UIF), Compensation Fund (CF), Commission for Conciliation, Mediation and Arbitration (CCMA), Supported Employment Enterprises (SEE), National Economic Development and Labour Council (NEDLAC) and Productivity SA. The meeting was introduced and facilitated by Acting Director-General Jacky Molisane.

The session formed part of the Department's ongoing efforts to drive accountability, enhance governance and ensure that audit action plans deliver measurable improvements across the Employment and Labour Portfolio.

Reflecting on Audit Performance Across the Portfolio

Opening discussions, Executive Management reflected on the Annual Reports and audit outcomes that had previously been presented during the Institutional Year-End Management (IYM) meeting held on 23 July.

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Participants were reminded that during that engagement, annual performance results and management reports had been presented before the Auditor-General of South Africa (AGSA) had completed its audit process. The review session therefore provided an opportunity for branches and entities to highlight any adjustments made after the finalisation of audit processes and to reflect on the impact of AGSA's findings on reported performance.

The discussion highlighted the critical link between organisational performance, governance systems and audit outcomes, reinforcing the importance of ensuring that annual reports, audit findings and corrective actions are considered as part of one integrated accountability framework.

Minister Challenges Leadership to Move Beyond Compliance

Throughout the engagement, Minister Meth consistently called for a more deliberate and accountable approach to addressing audit findings.

The Minister emphasised that audit action plans should not be treated as compliance exercises developed after audit reports are issued, but as strategic management tools designed to address root causes, strengthen controls and prevent recurring findings.

findings and instead focus on decisive interventions capable of producing sustainable improvements.

The Minister cautioned against repeatedly presenting new plans without demonstrating how previous commitments were implemented and monitored.

Strengthening Governance and Accountability

Internal Audit highlighted concerns regarding the implementation of audit action plans across the organisation.

The review revealed that many action plans are often developed in response to audit findings but are not always monitored rigorously throughout the year. It was noted that implementation rates remain low in some areas and that management reporting does not always provide a sufficiently detailed reflection of actual progress.

Internal Audit recommended the establishment of a dedicated governance structure below Executive Committee level to monitor the implementation of audit action plans, validate evidence and provide assurance before matters are escalated to Executive Management.

The proposal received strong support from both Executive Management and the Minister.

***“WE MUST MOVE BEYOND COMPLIANCE AND TOWARDS A
CULTURE OF ACCOUNTABILITY, CONTINUOUS IMPROVEMENT
AND CLEAN GOVERNANCE.”***

— Minister Nomakhosazana Meth

She questioned recurring weaknesses that continue to appear year after year despite the existence of corrective action plans and urged management to focus on understanding where implementation had failed.

A recurring theme throughout the discussions was the need for management to stop normalising audit

business units accountable for commitments made.

Long-Standing Challenges Require Decisive Action

The review session also focused on several recurring challenges affecting audit outcomes, including

The consensus was that governance structures need to move beyond reporting and play a more active role in verifying implementation, assessing effectiveness, and holding



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financial management, claims administration, receivables management, procurement compliance, ICT modernisation and data integrity.

The Minister challenged the notion that recurring audit findings should be accepted as “permanent” organisational issues.

Instead, Minister encouraged executives to focus on practical solutions and measurable interventions that would ultimately eliminate repeat findings.

Discussions around receivables between the Department and entities highlighted efforts underway to improve payment processes, strengthen verification mechanisms and accelerate recoveries through revised processes and improved coordination.

Executives stressed that while some challenges have existed for several years, significant work is underway to improve controls and strengthen accountability across affected areas.

Technology Modernisation Remains Central to Reform

Technology and systems modernisation emerged as a major area of focus.

Executive leadership reflected on the impact of legacy systems, delayed implementation projects and data management weaknesses on audit outcomes.

The Office of the Chief Information Officer provided updates on key modernisation initiatives designed to replace outdated systems, improve data integrity, strengthen cybersecurity and enhance disaster recovery capabilities.

Minister Meth raised concerns regarding repeated implementation delays and shifting timelines, emphasising the importance of realistic planning, transparent reporting and stronger project governance.

There was broad agreement that successful digital

transformation remains essential to improving service delivery, strengthening governance and reducing audit risks over the long term.

Encouraging Progress Across Entities

Despite concern over several recurring audit issues, the meeting also celebrated notable achievements across the Employment and Labour Portfolio.

Supported Employment Enterprises (SEE) reported a significant improvement in its audit outcome, moving from an adverse audit opinion to a qualified audit opinion. The achievement was attributed to focused interventions aimed at resolving historical financial reporting issues, improving governance processes and strengthening internal controls.

The progress demonstrated that sustained implementation of corrective actions can produce meaningful improvements in governance performance.

Productivity SA reported continued stability, maintaining an unqualified audit opinion while addressing remaining compliance matters relating mainly to supply chain management processes.

NEDLAC similarly maintained an unqualified audit opinion, recording only a single material compliance finding and demonstrating continued progress in strengthening governance controls.

CCMA Maintains Gold Standard

One of the standout achievements highlighted during the session was the performance of the CCMA.

For the fifth consecutive year, the CCMA maintained an unqualified audit opinion with no material findings, a remarkable achievement that drew praise from both Executive Management and Minister Meth.

The Minister described the achievement as an example of what is possible when governance, accountability and internal controls are consistently applied.



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The CCMA's sustained success was recognised as a benchmark for excellence within the Employment and Labour Portfolio.

A New Coordinated Turnaround Strategy

Responding to concerns raised throughout the session, Acting Director-General leadership committed to implementing a strengthened governance and monitoring approach aimed at improving audit outcomes across the Department and its entities.

The Acting Director-General announced that a dedicated technical committee would be established to drive the implementation of audit action plans across DEL, UIF, the Compensation Fund and other entities. The committee will focus on the expedited implementation of corrective actions, provide ongoing oversight and ensure that progress is regularly reviewed.

In addition, audit action plan implementation will become a standing agenda item at Executive Committee meetings, creating a structured mechanism for accountability and intervention where implementation delays occur.

The Minister welcomed the commitment and stressed the importance of developing a comprehensive, integrated audit action plan that covers the entire Employment and Labour family rather than fragmented plans developed in isolation.

She emphasised that when the Department and its entities report on governance and audit performance, they must do so as one integrated institution.

A Clear Message Going Forward

In closing the session, Minister Meth acknowledged the challenges facing the Department and its entities but called on leadership to approach governance reform with urgency and determination.

"We are not doing well at all. It is not something to be proud of. We need to be hands-on and collectively steer the ship in the right direction," the Minister remarked.

She urged all branches and entities to work together in developing a comprehensive, practical and implementable audit action plan capable of addressing recurring weaknesses and changing the trajectory of audit outcomes across the portfolio.

The session concluded with a collective commitment from executive leadership to strengthen accountability, improve monitoring mechanisms and ensure that audit findings are translated into sustainable institutional improvement.

The message from the review was clear: Employment and Labour is determined to move beyond compliance and towards a culture of accountability, assurance, continuous improvement and clean governance.

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