



ANNUAL REPORT 2016-2017

EMBRACING DIGITAL ADVANCEMENT WITHIN THE SKILLS LANDSCAPE



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

ENABLING SKILLS DEVELOPMENT IN THE BANKING AND MICROFINANCE SECTOR



INVESTORS
IN PEOPLE





“This report presents the affairs of the Banking Sector Education and Training Authority (BANKSETA) in terms of our operations, financial performance and developments across all performance targets, as set out in the predetermined objectives with the Department of Higher Education and Training (DHET)”.

Department of Higher Education and Training
Honourable Minister Dr. Blade Nzimande
123 Francis Baard Street
Pretoria
0001

Dear Honourable Minister,

REPORT TO THE HONOURABLE MINISTER OF HIGHER EDUCATION AND TRAINING, IN TERMS OF SECTION 10 (2) OF THE PUBLIC AUDIT ACT, 2004 (ACT NO 25 OF 2004)

In terms of the provision of section 10 (2) of the Public Audit Act of 2004, it is an honour to submit the annual report for the financial year ended 31 March 2017.

This report presents the affairs of the Banking Sector Education and Training Authority (BANKSETA) in terms of our operations, financial performance and developments across all performance targets, as set out in the predetermined objectives with the Department of Higher Education and Training (DHET).

It gives me great pleasure to announce that the Audit Committee, which was established in terms of section 40 of the Act, is satisfied with BANKSETA's audited financial statements and unmodified audit opinion.

The BANKSETA team would like to thank you for the unwavering support we have received during the performance period under review. We look forward to another dynamic financial year with challenging targets to enhance the skills development and training of the sector we prudently serve.

Yours sincerely,

Caroline King
BANKSETA Acting Chief Executive Officer

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PART A

General Information

PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name: Banking Sector Education and Training Authority

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LIST OF ABBREVIATIONS/ACRONYMS

BANKSETA	Banking Sector Education and Training Authority
BASA	Banking Association South Africa
CBDA	Co-operative Bank Development Agency
CFI	Co-operative Financial Institutions
DBSA	Development Bank South Africa
FAIS	Financial Advisory and International Services Act
FET	Further Education and Training
FSB	Financial Services Board
FSC	Financial Services Charter
GIS	Geographic Information System
GDP	Gross Domestic Product
HEI	Higher Education Institution
IB	Inclusive Banking
IT	Information Technology
MFSA	Micro Finance South Africa (previously Association of Micro Lenders)
NCR	National Credit Regulator
NEET	Not in Education, Employment or Training
NQF	National Qualifications Framework
NSDS III	National Skills Development Strategy
PIVOTAL	Professional, Vocational, Technical and Academic Learning
RPL	Recognition of Prior Learning
QCTO	Quality Council for Trade and Occupations
SACCO	Savings and Credit Co-operatives
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SARS	South African Revenue Services
SETA	Sector Education and Training
SMEs	Small and Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
UOT	University of Technology
WIL	Work Integrated Learning
WSP	Workplace Skills Plan
WSP/ATR	Workplace Skills Plan/ Annual Training Report

CHAIRPERSON'S REPORT

The global economic recovery is still underway and South Africa remains under immense pressure due to both global and domestic factors. The economy is now in a technical recession and the leadership of the country in its entirety is looked upon to help the nation redeem itself and take it to higher levels of growth. The ultimate goal remains driving back the scourge of underdevelopment and stark imbalances in our society.

South Africa's junk status credit rating was indeed an unfortunate development from which we should gain valuable lessons. We equally need to appreciate the need for us to strike a balance between how we respond to societal pressures whilst sustaining the pace of economic growth. Without consistent economic growth, the realisation of our developmental goals will remain elusive.

We recently witnessed Barclays Bank's exit from the continent whilst the Commonwealth Bank of Australia made its entrance into the market. It should be the desire of all citizens of this country, whether corporate or not, that the expansion of our enterprises be economically beneficial to both the company and the host country. When foreign banks exit the market, it equally offers South African banks an opportunity to consolidate their market position and advance further. South African enterprises should have the appetite and resilience to expand their market share within the continent. The continent needs the services of these world ranked banks as they aid Africa's growth, so they will in turn gain enormous insight. It is for this reason that the BANKSETA supports the Africa Expansion Programme.

Let me take this opportunity to congratulate Capitec Bank for being rated by the Lafferty Group as the World's Best Bank. This achievement reasserts the global position that South African banks hold, a position we should all jealously guard. As the BANKSETA, we look forward to making our contribution to help South Africa regain its glory.

During the year under review, the BANKSETA has once more built on its consistent exceptional performance and credibility. For us, the challenge remains in finding appropriate strategies that can keep us at pole position within our mandate and scope.

As the Board, we have to ensure that the BANKSETA responds to the sector, shareholder and stakeholder expectations. To that effect our focus is to ensure that:

- Without fail, we respond to sector skills needs in an innovative manner, thus we need to support initiatives on retooling the workforce; continuously invest in research; respond to demands that accompany the digital age and support the banks Africa expansion initiatives.
- We support the sector in ensuring compliance with regulatory requirements.
- We retain high performance.
- Collaborate with post-secondary training institutions.

Our strategy is anchored on the following key areas: administrative efficiency and effectiveness, establishing a credible skills planning mechanism including research and benchmarking for the banking sector, building sectoral skills development capacity for the



BANKSETA BOARD CHAIRPERSON: MR MARTIN MAHOSI

employed workforce, enhancing the employability of unemployed youth and quality management of occupational based qualifications. We continue to partner with the South African Institute of Chartered Accountants, the Banking Association of South Africa, the Cooperative Banks Development Agency, Universities and Technical Vocational Education and Training colleges on different programmes as we invest in the delivery of a skilled workforce for South Africa.

It is widely accepted that BANKSETA has effectively delivered on its mandate whilst upholding high governance standards. To us accountability is non-negotiable.

Our medium to long-term goals include investing in innovative skills planning initiatives, key to this being exploring the application of the Geographic Information System (GIS) for data analysis and skills planning. To that effect, we are forging partnerships with Statistics South Africa and other research bodies to develop a GIS empowered tool that can enable skills development in a spatially informed manner. We firmly believe that this initiative will aid conception and implementation of sustainable development interventions in regional economies; assisting in the generation of an empirically sound skills pipeline and thereby empower the youth to increase their probability of pursuing careers in the scarce and critical skills categories; supporting the digitisation drive as well as initiatives aimed at promoting inclusive growth namely, strengthening the cooperative banking sector. To us, this is an invaluable contribution to shaping the new SETA landscape.

As we prepare for the new landscape, all gratitude goes to the Department of Higher Education and Training led by the Honourable Dr Blade Nzimande and his Deputy, Honourable Mduduzi Manana for their continued confidence in our Board as well as their unwavering support. Not forgetting, the entire sector and all stakeholders that help us deliver on our mandate as well as the BANKSETA staff for their professionalism and commitment to helping BANKSETA stay among the leaders in the pack.

M. MAHOSI
BANKSETA Board Chairperson

CHIEF EXECUTIVE OFFICER'S STATEMENT

In the midst of much uncertainty around the global economy and possible negative sentiment, as the Banking Sector Education and Training Authority (BANKSETA) and public entity, we have continued to work from a solid base of consolidated progress by continuing to implement our mandate and striking a balance between our commitment to compliance and endeavoring to making a difference, within various constraints, for positive impact of all deliverables.

For the period under review, we are pleased to announce that the BANKSETA's financial foundation has been consistently sound and we were fully operational with insourced activities which included the recent additions of the Internal Audit and Supply Chain Management departments. With the insourcing of functions, a robust recruitment drive was effected where there would ultimately be a healthy balance between the skills of existing staff being supported and supplemented with further skills from new recruits, which culminated in a staff complement of 59 within the organisation. The addition of skills and training of key staff within the current context is a priority, particularly in the face of increasing compliance changes and responsibilities as noted during the 2016-17 financial year, as issued by the National Treasury within the scope of supply chain management.

BANKSETA continues to deliver against its Service Level Agreement with the Department of Higher Education and Training based on the goals of the National Skills Development Strategy (NSDS) III and we will get the opportunity to sustain this progress now that the SETA licence period with the (NSDS) III have been extended and we are certain that we will operate until the year 2020.

Our stakeholder engagement strategy and framework has been maintained very well. Each year, the BANKSETA conducts its stakeholder satisfaction survey and the 2016-17 results of how our stakeholders perceive us were extremely positive, building on the previous year's recommendations, citing that 'The BANKSETA is a good organisation to work with'. We will continue to strengthen these relationships as the value of mutually beneficial partnerships cannot be underestimated as they enable us to continue to do great work within our sector.

As BANKSETA, we do not identify and implement programmes for the sake of numbers, we always ensure that we are responding to the (NSDS) III imperatives as well as the broader national priorities and assessing how we can make a difference and measuring that through continuous monitoring and evaluation plus eventual impact analysis. The SSP and the research agenda are critical parts of strategic planning and, for the period under review, have been very responsive to include digitisation as well as our own evaluation as the BANKSETA's contribution towards the impact of (NSDS) III. Our research also highlights the difference that we make, and even though we are not at the end of our initial licence period, it is very important to keep that in mind at planning stages.

As examples of innovation within our programmes, because of the rapid changes within technology, we have trained more learners in Information Technology (IT) to help curb the influx of cyber-attacks within the sector as well as to manage customer centricity as there is a need for professionals who can understand clients



BANKSETA ACTING CHIEF EXECUTIVE OFFICER: MISS CAROLINE KING

holistically. As shown by the SSP, Information Technology remains the banking sector's most in-demand skill. Entrepreneurship helps to boost the economy by sustaining and/or creating new markets. Understanding the importance of guiding this future driver of our economy, the BANKSETA has increased its programme scope to entrepreneurship skills.

Looking forward to what can be expected for the 2017-18 year, the BANKSETA is currently launching the African Expansion Programme to enhance leadership within banks that are expanding into the rest of Africa. We hope to report more on this project and its outcomes in the next financial year.

In conclusion, I would like to thank the Board, our Chairperson Mr Mahosi, the executive team and the various Board committees who have consistently advised and guided the organisation in the right direction. As the Acting Chief Executive Officer, your support and leadership have been instrumental during the past financial year. To the BANKSETA staff, your dedication and willingness to work hard, as a team, makes us one of the best SETAs in the country; please keep up the great work that you do on a daily basis towards the achievement of the BANKSETA objectives.

C. KING
BANKSETA Acting CEO

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

The Annual Report

The framework for this annual report applies the principles of sustainability reporting as espoused by the King III Code on Governance. The annual report seeks to measure, disclose and account to internal and external stakeholders for organisational performance. The report consists of a global narrative on institutional strategies to achieve its legislated mandate, financial information, risk reporting and institutional governance framework.

Reporting Period

The BANKSETA is guided by its legislated mandate, the Public Finance Management Act and Treasury Regulations. Its financial reporting period is, therefore in line with the requirements of the said acts and regulations and covers financial year 2016/17.

Annual Financial Statements

The financial statements have been prepared on the historical cost basis and are prepared in accordance with the Generally Recognised Accounting Practice (GRAP).

STRATEGIC OVERVIEW

Our Mandate

In terms of the Skills Development Act, No 97 of 1998 as amended by the Skills Development Act Amendment Act 26 of 2011, within the NSDS framework, BANKSETA is mandated to develop skills in the banking and microfinance sector. It does so by:

- Encouraging employees to develop an active learning environment in the workplace
- Providing employees with opportunities to acquire new skills/progress their careers
- Increase levels of investment in workplace education and training; and
- Promoting transformation as guided by the NSDS equity targets of 85% black, 54% female and 4% people with disabilities (PWDs).

Our Vision

To be recognised as a centre of excellence and innovation for skills development in the broader banking and microfinance sector.

Our Mission

To support transformation and people development and, through partnerships, enable stakeholders to advance the national and global position of the broader banking and microfinance sector.

Our guiding principles:

- Leverage skills levy funds for the strategic benefit of the banking and microfinance sector
- Provide quality-assured, world-class skills training services at the lowest cost
- Deploy leading-edge technology
- Judiciously carry out the NSDS mandate
- Maintain status as a preferred human resources development partner in banking and microfinance
- Exceed stakeholder expectations.

Our Corporate Values

- Respect – The way we treat all people
- Innovation – A constant focus
- Customer focus – The customer is king
- Professionalism – We benchmark against the best
- Diversity – A strength that binds
- Integrity – We act accordingly and encourage reciprocity
- Teamwork – in the service of our stakeholder we are one

In line with its commitment to promote the tenets of the Code of Corporate Practices and Conduct set out in the King III report, the Public Finance Management Act (PFMA), and the Skills Development Levies Act, the BANKSETA strives to implement principles and practices that provide stakeholders with the assurance that the organisation is managed soundly and ethically. In line with its commitment to promote the tenets of the Code of Corporate Practices and Conduct set out in the King III report, the Public Finance Management Act (PFMA), and the Skills Development Levies Act, the BANKSETA strives to implement principles and practices that provide stakeholders with the assurance that the organisation is managed soundly and ethically.

YOUTH DEVELOPMENT

BANKSETA still continues to inform, engage and empower the youth by providing skills development initiatives in the banking and microfinance sector. BANKSETA offers learnerships and youth programmes to unemployed youth with the aim of promoting employability in line with government policy as per the National Skills Development Strategy objectives. Major programmes within the youth development portfolio include:

Kuyasa Learnership

Kuyasa, which means “new dawn”, is a post-graduate learnership fully funded by the BANKSETA aimed at unemployed graduates, furthering their studies, exposing them to the work environment and ultimately enabling employment within the banking and microfinance sector, as well as other sectors.

The Kuyasa learnership programme supported 260 learners. The 12-month learnership programme is inclusive of work orientation, academic qualifications, learner allowances, learner and rural support. These learners were provided with workplace experience by the banks within the sector. This year in addition to the Certificate in Management Development qualification, a new Business Analyst qualification stream was introduced into the programme in line with the sector needs.

Ipeleng Confidence Mothibi was one of the Business Analyst Management Programme beneficiaries, below is an extract from her.

“I have faced a lot of challenges in my life, but getting an education has always been my number one priority. The BANKSETA learnership consisted of four months of academic work but the real work started when I began my practical training through Mercantile Bank. I had the best mentor ever, and this experience will stay with me for the rest of my life. I would like to extend my gratitude to BANKSETA for positively adding value to my life and enhancing my skills as a Business Analyst. Today, I can proudly say that I am a permanent employee at Mercantile Bank. Keep opening doors to other learners and creating the best opportunities for them”, says Ipeleng Confidence

Letsema Learnership

Staying true to the meaning behind its name ‘developing people together’, this BANKSETA funded post-matric learnership was established to feed the ever-growing need to decrease the high unemployment rate amongst the youth. Sustained on a budget of R40 million, this programme also carries a policy that supports rural learners.

During the financial year 325 unemployed youth from disadvantaged backgrounds were registered to earn a Financial Services Advice qualification and gain workplace experience through the learnership. This learnership is implemented through partnerships with 18 hosting banks.

Work Readiness Programme

This Virtual Bank Work Readiness Programme is a fast-track initiative to develop credit management and skills in the sector. Through this programme, graduates are trained using virtual banking technology in a simulated environment to deal with real-life credit applications for an array of different clients. The programme has benefited 178 graduates through an investment of R13.5 million, and the set target for completion was exceeded by 80.

Pivotal Funding

The Pivotal Discretionary Grant Funding for the unemployed proved to be another success for the Youth Development portfolio with a total budget of R22 million, 409 learners were funded during the financial year. Other categories of programmes were also supported such as Internships for the unemployed and programmes for learners with disabilities.

WORK INTEGRATED LEARNING

The Work Integrated Learning Department pursues a multifaceted approach on Work Integrated Learning and provision of bursary funding to the needy and deserving candidates in most of our public institutions. All our training interventions and programmes are earmarked to capacitate public institutions through lecturer development to respond to the needs of the banking and micro-finance sector as outlined in the SSP.

We also strive to create a talent-pipeline that addresses the scarce and critical skills by focusing on the occupation in short supply within the sector, through a robust bursary programme. As stipulated in the Post-School White Paper from the Department of Higher Education and Training, the BANKSETA continuously endeavors to create the working environment for a conducive learning space. In order to remain relevant and current, we also invest in the innovative and entrepreneurial spirit of youths.

Higher Education Funding Window (Bursaries)

With more than R33.5 million invested, this programme supported 6 Traditional Universities in South Africa and has proudly funded 1 510 students from previously disadvantaged backgrounds. With cyber-security still being a deadly threat to the banking and microfinance sector, we have placed specific emphasis on funding students studying Information Technology related degrees and diplomas.

The BANKSETA works closely with partners, and this relationship continues to be seamless. The programmes funded by BANKSETA targets qualifications prescribed by the Sector Skills Plan in order to ensure that the graduates serve as talent pipeline for our sector. The programmes funded under this higher education window fall within the commerce and Information Technology sectors.

Universities of Technology Work Integrated Learning Funding (UOT WIL Funding)

This National Internship Programme integrates learners into the workplace. The programme funded 310 unemployed graduates with specific emphasis on women. These graduates get an opportunity to obtain skills within the work environment for a period of 12–18 months. This affords them the opportunity to be noticed by the industry either as interns, entry-level employees or be absorbed into graduate programmes within partner companies. The funding value is R12 million and has impacted 20 Universities of Technology.

TVET Work Integrated Funding Window

The purpose of this project is to fund Work Integrated Learning (WIL) modules with Technical Vocational Education and Training (TVET) colleges, thereby allowing learners to be placed with employers where they get relevant workplace experience in order to have their qualifications conferred. The BANKSETA continues to support Technical Vocational Education and Training (TVETs) colleges and has impacted 20 learning institutions. This national project is backed by a budget of R33.5 million and focused on students that need at least 18 months in-service training in order to graduate with a diploma.

IT Work Readiness Programme

The aim of the Programme is to address shortfalls in a specific identified skills area. Recruited learners were trained in designated areas, evaluated and subsequently placed in suitable host employment. The training was essentially on a full-time basis. The aim of the Programme was to assist learners through an accredited skills programme and provide work experience for the learners.

The Information Technology (IT) Work Readiness Programme is a four-month high intensity skills programme delivered in partnership with Deloitte & Touche South Africa alongside the Bytes Technology Group. The programme offers participants a further six months practical training component.

Focusing on Gauteng, KwaZulu-Natal and Western Cape Provinces, this Programme is targeted at Information Technology graduates with a diploma or degree. R5.1 million was invested to assist 100 IT graduates, of which 55 graduates were awarded permanent employment, while 31 others were placed under fixed-term contracts.

Post-School Capacity Building Programme

The purpose of this project is to fund the capacity building of public Universities of Technology (UoT) to deliver programmes required by the broader banking and microfinance sector. The BANKSETA entered into a Memoranda of Understanding (MoU) with Association of Accounting Technicians South Africa (AAT-SA) to offer the NQF level 4 certificate: Accounting Technician.

The BANKSETA remains dedicated to its work with TVETs as well

as Universities of Technology in their journey to become accredited providers of the Association of Accounting Technicians South Africa, a level three accounting technician qualification. Since inception this Programme has proudly impacted 450 beneficiaries nationwide. The project is currently in phase 3 of its implementation, which allows the colleges to present the training in-house as a third revenue stream.

INCLUSIVE BANKING

The Inclusive Banking portfolio focuses on providing skills development to stakeholders in a market segment that would typically not have access to formal banking services. The Inclusive Banking portfolio deals with second and third-tier financial institutions, small businesses, Small and Medium Enterprises (SMEs) and entrepreneurs within the financial space.

In the past, the BANKSETA has largely focused on the banking sector but after the (NSDS)III was introduced, it identified a strong need within the unbanked sector and subsequently took the decision to create the Inclusive Banking department to cater for the needs of SMEs, entrepreneurs, development finance and co-operative development finance.

The following programmes were implemented during the financial period under review:

Small, Medium Enterprises (SMEs) Development Programme

All small businesses that fall within the sector that submit Workplace Skills Plans (WSPs) to the BANKSETA are eligible to receive training to take their businesses to the next level. These training programmes are not only geared towards financial courses but include those that can strengthen the business. Skills programmes that address the needs identified under the scarce and critical skills receive priority. 53 memorandums of understanding were signed with SMEs across the country.

During the financial period, a common thread amongst the SMEs was the need for regulatory, compliance, IT and customer service training. An investment of R5 million went into the project and all targets were successfully met.

Entrepreneurship Programme

In partnership with the Cape Peninsula University of Technology, R10 million was budgeted for the programme over a two-year period. The first-phase which fell within the previous financial year exceeded set targets and included a coaching and mentorship component over an eight-week training period to strengthen the various businesses.

Phase two is currently in implementation, aiming to train a minimum of 400 entrepreneurs. “The intent is for these businesses to feed back into the bank levy system. If we strengthen the average entrepreneur to stabilise their business then this actually strengthens the levy paying structure”, says Shaun Starr.

The Inclusive Banking department shares a great relationship with industry players within informal structures that are often built on shared interests and a common bond i.e. stokvels and cooperatives respectively.

Other noteworthy partnerships are with the Small Enterprise Development Agency with whom we have collaborated to use their incubator programmes to maximise the offering in our entrepreneurship programme; the Co-operative Banking Development Agency, the Department of Economic Development and Micro Finance South Africa .

Co-operative Finance

“Our approach is similar to the entrepreneurship programme, if we strengthen our co-operatives, our CFIs will be stronger”, adds Shaun Starr. A R6 million investment budget was approved for the programme.

Our partner was the Cooperative Development Banks Agency which is an extension of the National Treasury whose sole mandate is to look after the interests of the co-operative sector. Every entity that belongs to their network, is supported with training by the Co-operative Finance Department. In this financial year in review, training was given to 237 co-operatives. South Africa currently boasts 22 co-operative banks.

Rural Development Programme

This project focuses on financial training for SMEs as well as co-operatives within rural communities. The course offered is Financial Management NQF5. Training was spread across nine provinces and benefited over 3 000 beneficiaries. The Rural Development Programme utilised a budget of R5 million.

SKILLS DEVELOPMENT

With the advanced changes in technology, developing employee skills within the banking and microfinance sector is fundamental in ensuring that individuals are empowered within their jobs.

Under Madeleine Pelzer and her team, the Skills Development department capacitates Skills Development Facilitators to develop Workplace Skills Plans as well as Annual Training Reports, in an effort to upskill their employees for the vast organisations they represent.

Key programmes to note within this portfolio include:

Certificate Management and Development Programme (CMD)

The CMD programme is an NQF level 5 initiative for junior and middle-management employees who are at the early stages of their management and leadership journey. With 568 learners registered, the programme has received very positive feedback from employers citing it as ‘a valuable qualification’ to have.

The South African Banking and Microfinance Sector is a highly competitive and professional environment. It is facing a number of challenges shared with the banking environment and challenges that are unique to our country. The recruitment of suitable qualified

staff within the framework of Employment Equity is the biggest of these unique challenges.

The total participating employers since the inception of the CMD Programme (2010-2016) was 66 and the programme was implemented in the following provinces; Gauteng (Johannesburg and Pretoria), Western Cape (Cape Town), KwaZulu-Natal (Durban), Eastern Cape (Mthatha, East London and Port Elizabeth), Northern Cape (Kimberley), Limpopo (Polokwane) and in the Free State (Bloemfontein). The total registered participating students was 2 030 of which 1 291 finally graduated, which brings the programme pass rate to 64%.

Over the years from 2010 to 2016, there were 147 students who have achieved the CMD qualification with an overall distinction pass mark, this means that they needed to achieve an average of at least 75% for the qualification once all their results were calculated. Interestingly, the top two overall achievers are both from Standard Bank South Africa, of which the overall achiever across the 6 years is Brandon Brown (CMD 2014) with an average of 87.17%.

Standard Bank's Jennifer Lyn Trevaskis from Durban took the honour of top student in the country for the 2016 CMD Programme. By the end of the financial year, this programme closed as a discretionary grant programme, which allows employers to now apply for this funding under the PIVOTAL Grant Funding Window.

International Executive Development Programme (IEDP)

This is a BANKSETA flagship programme, targeted at individuals already employed in the Banking and Microfinance Sector, which successfully prepares senior managers from various local banking organisations for executive roles. The programme is divided into two disciplines: General Banking in partnership with Henley Business School South Africa, and Investment Banking in partnership with Duke Corporate Education. The theme for both IEDP groups was Digital Disruption.

General Banking Action Learning Topics:

- Financial Inclusion: a tech-enabled growth solution for market managers and vendors
- Financial Inclusion: a funding and mentoring platform for entrepreneurs
- Financial Inclusion: a single point-of-entry to credit providers for street vendors and information traders
- An alternate credit scoring model based on participation in community structures, S'koloto for stokvels

Investment Banking Action Learning Topics:

- Digital Disruption in Investment Banking
- A Digital Platform to Optimise the South African Investment Banking Environment
- Creating a Debt Funding Platform for Mid-Corporates

Philile Mkhize, Barclays CIB Corporate Technology Portfolio Manager, was honoured as the IEDP class of 2016 top student. She found the programme extremely transformational, both personally and professionally. “The action learning project was a great platform to showcase how ideas can be shared into implementable solutions in a very short space of time”.

“The cross disciplinary IEDP group created an interactive learning experience, which is unique in the financial services sector and a practical tool that can be rolled out to cross-functional teams in our organisations and diverse communities”, says Philile Mkhize on her experience of the IEDP.

“The key learning for me was the impact of empathy - how it brings the human aspect into our leadership ability and how it can be applied to the financial inclusion solutions we bring our communities. The IEDP has energised me and I am ready to make a meaningful contribution in driving change, innovation and growth. I have also learnt to allow myself to be free in my thinking and to re-examine and reformulate both my professional and personal goals. I am a better Philile because of BANKSETA’s IEDP”, she concludes.

Simryn de Jager, Chief Operating Officer: Transactional Banking from Standard Bank says that having realised that the core to success in any organisation is its bench-strength of engaged and therefore high-performing employees. “That first step when moving from team member to line manager is critical and sets the stage for growth up the leadership ladder”, she says.

According to Simryn, “The programme gave me an expanded world view. It showed me novel global ways to approach banking and focused my career growth”.

QUALITY MANAGEMENT

The BANKSETA’s Quality Management department is the custodian of qualifications and its key role is to ensure that the education programmes presented by providers are accredited and quality assured.

For the financial year under review three new projects were implemented:

The Establishment of a Sectorial Recognition of Prior Learning (RPL) Online Platform

BANKSETA’s mandate includes skills development and transformation in the broader banking and microfinance sector so that a brighter future can be crafted for all South Africans. BANKSETA focuses on SMEs, the youth, adult education, continuous professional development and research.

The NSDS III places emphasis on inclusivity, integration and sustainability. In this manner, Recognition of Prior Learning (RPL) is positioned within the skills development context as a means of facilitating access, success and progression within both the workplace and the academic world. This is of particular significance in the South African environment with its particular socio-economic development challenges including levels of education, poverty and unemployment. RPL and the parallel process Credit Accumulation and Transfer (CAT) are regarded as key mechanisms utilised for ‘Promoting and Accelerating Quality Training for all in the Banking and Microfinance sector’ in the current NSDS strategy.

Against this mandate, BANKSETA established a sectorial Recognition of Prior Learning (RPL) online platform which will advocate for both

RPL and the Credit Accumulation Transfer (CAT) within the sector. The intention is that this virtual portal will provide a mechanism for the promotion, pre-assessment, preparation, support, mediation and facilitation of both RPL and CAT in the sector. The following qualifications will have CAT matrixes designed in order for individuals to be assessed against:

SAQA ID	Title	NQF Level
20185	Further Education and Training Certificate: Banking	4
20186	National Certificate: Banking	5
50481	Financial Market and instrument	6
23433	Further Education and Training Certificate: Micro Finance	4

General Management Qualification content to be developed and rolled out to TVET Colleges

Annually, BANKSETA compiles a Sector Skills Plan detailing the scarce and critical skills for the banking and microfinance sector. Year-on-year Management and Leadership Skills have been identified as critical to not only the banking, but as well as the microfinance sector.

In 2015 BANKSETA extended its Quality Assurance scope to include the General Management: Banking Qualification, an NQF level 5 certificate. The qualification contains the following learning programmes: Customer Management: Banking; General Management: Banking; Skills Development Management; Banking and Strategic Management: Banking. The qualification will be rolled out to TVET colleges in the Eastern Cape, Western Cape, Gauteng, KwaZulu-Natal and Limpopo.

Highlights include:

- Collaboration with TVETs
- Capacity building of lecturers
- New qualification stream available for TVET learners

Assessment Quality Partner for QCTO Qualifications

The BANKSETA is the development quality partner for the following qualifications: Customer Services Clerk; Bank Worker; Credit Loan Officer; and Bank Note Processor. The Community of Expert Practitioners of the above-mentioned occupational qualifications, must recommend to the QCTO an Assessment Quality Partner (AQP) that will develop qualification assessment specifications during the qualification development process and manage external summative assessments thereafter, in addition to performing an array of administrative functions.

The QCTO qualification development model requires that the AQPs should sign Service Level Agreements (SLAs) with the QCTO during the qualification development process. BANKSETA was appointed as the Assessment Quality Partner for the above-mentioned qualifications.

MARKETING AND COMMUNICATIONS

The Life Orientation Teacher Training Project

The aim of the project is to have Career Awareness workshops conducted for Life Orientation Teachers nationally. For the year under review, the BANKSETA managed to host 40 workshops from August 2016 to February 2017 in the Eastern Cape and Northern Cape provinces respectively. Since the inception of the project, 6 provinces have been reached, with over 4 000 schools visited.

This was achieved by meeting with officials from the Department of Basic Education at a provincial and local district level to share and agree on plans for the delivery of these workshops. Positive feedback was received from the teachers being trained and due to the call for more workshops in the different provinces, the BANKSETA aims to deliver more of these workshops starting with the 3 provinces that are earmarked for the 2017/18 year. Through this project, participants are given specific career awareness tools, to assist with bridging the career awareness and information gap between teachers and learners.

Career Awareness Project

The BANKSETA team partners with the Department of Basic Education, the Department of Higher Education and Training, Sector Education and Training Authorities, Governmental and Non-Governmental institutions, the banking and microfinance sector as well as other industry partners in the hosting of career exhibitions. The purpose of this project is to distribute career-related information that promotes banking as a career of choice, and to inform learners of scarce and critical skills within the banking and microfinance sectors.

Skills@Work Project

The purpose of the BANKSETA Skills@Work project is to celebrate good practice in skills development in the banking and microfinance sectors. The awards focus on the real-world outcomes and how people's lives are changed through various skills development initiatives, and by implication, how that changes society and strengthens the process of nation-building. Small, medium, large companies, BANKSETA accredited training providers and financial cooperatives are encouraged to submit entries to showcase the skills development initiatives they implement within their organisations. In the year under review, the awards took place during the Annual General Meeting and participants and winners were recognised for their commitment in driving the skills agenda as a priority within their organisations, and for fulfilling a social responsibility role in communities.

Stakeholder Satisfaction Survey

The BANKSETA has over the years consistently commissioned a stakeholder satisfaction survey and for the 2016/17 year, a research company was appointed yet again to conduct the research. The key objective of the research was to assess levels of satisfaction experienced by individuals and organisations pertaining to

the services provided by the BANKSETA. The overall external stakeholder score was 4.2 out of a 5 rating. The results were discussed and commitments made as part of continuous service improvement.

RESEARCH AND SKILLS PLANNING UNIT

BANKSETA's Overall Strategic Plan for 2016/17

The key objective of the strategic plan is to outline strategic priorities of the BANKSETA in accordance with national imperatives. It demonstrates the integration of the primary BANKSETA responsibilities sustained by sound financial management of levy funds, human resources and operational systems, the specific strategic objectives based on the Sector Skills Plan (SSP) and National Skills Development Strategy (NSDS) III objectives, as well as the management of performance thereof. The impact of the BANKSETA's efforts will result in a transformed, skilled and capable workforce to address the sector strategic objectives, national strategic objectives and skills development legislation.

The strategic goals that guide BANKSETA are:

- Sector skills research and benchmarking against national and international best practices to ensure relevant and cutting-edge interventions
- Build the pipeline of skills required for entry into the sector by providing long-term interventions (including Learnerships and Professional, Vocational, Technical and Academic Learning Programmes) as well as short-term interventions (such as Skills Programmes) in the skills priority areas identified by the Sector Skills Plan
- Provide long-term interventions (including Learnerships and Professional, Vocational, Technical and Academic Learning programmes) as well as short-term interventions such as Skills Programmes and Management and Executive Development Programmes to employees at all levels of small, medium and large organisations registered with BANKSETA in the skills priority areas identified by the Sector Skills Plan
- Enhance Small and Micro Enterprises (SMEs) participation, sustainability and job creation through skills development and support to both levy paying and non-levy paying employers registered with the BANKSETA employing less than 50 employees, as well as Enterprise Lending / Development Finance Organisations that on-lend to SME Organisations and Co-operative Financial Institutions
- Enhance and build capacity of public Technical Vocational Education and Training (TVET) colleges / Higher Education Institutions (HEI's) and SME training providers to increase the national footprint and to improve relevance of training interventions in response to sector needs. To improve the quality and increase throughput in these institutions by developing resources, funding and guiding sector-relevant research, funding staff development, sponsoring bursaries and technology innovation, as well as Workplace Integrated Learning (WIL) and workplace experience opportunities for learners from TVET and HET institutions

- Create a skills pool that would enable the sector to meet transformation targets
- Engage more with, and work towards the realisation of a lasting partnership as the Charter is implemented through BANKSETA programmes
- Implement the BANKSETA programmes to assist the sector to meet the set equity targets as indicated in the Charter and Employment Equity legislation

Sector Skills Plan

Skills planning is vital for the analysis and development of appropriate and relevant interventions to address skills priorities. The Sector Skills Plan (SSP) provides the foundational knowledge for decision making and informs the development of the Annual Performance Plan to ensure that interventions addressing the needs as defined through an interrogation of national priorities are met.

The following National Priorities were identified to provide guidelines to BANKSETA; the National Skills Development Strategy (NSDS) III, the National Development Plan, Strategic Investment Projects, Financial Services Charter and the National Credit Amendment Act.

The key objective of the Sector Skills Plan is to identify the skills priority focus areas by investigating the economic and labour market performance of the sector and the extent of skills mismatches to identify the scarce and critical skills required. These in turn inform the Pivotal Skills that discretionary grants are utilised to reduce the skills gap. For interventions to be effective they must align to the skills needs of the sector.

BANKSETA has identified the following five strategic focus priorities to which relevant projects are implemented, and the sector skills needs are appropriately aligned in the SSP:

- Improving Skills Development Related Research Outputs for the Banking Sector
- Skills Development for the Employed
- Youth Development including Work Integrated Learning
- SME Support
- Capacity Building of Public Training Institutions

Our Relationship with Key Partners

BANKSETA has current partnerships with a wide range of Institutions including Technical and Vocational Education and Training (TVET) and Higher Education Institutions (HEIs). Many of these partnerships relate to service delivery agreements specific to internships, bursaries and work integrated learning. Partnerships with professional and regulatory bodies help to strengthen delivery mandates and ensure that all relevant stakeholders participate in SETA funded initiatives. Growing the partnership mandate into Africa with new partnerships will allow BANKSETA to share its experience and best practice models that have developed in skills development.

A partnership exists with Motheo Technical Vocational Education and Training (TVET) where BANKSETA has been tasked to fulfil the role of Lead SETA in the Free State by the Department of Higher

Education. BANKSETA has established a satellite branch at this TVET to support the various interventions it implements in the Free State.

In collaboration with AAT (SA), a partnership between the South African Institute of Chartered Accountants (SAICA) and the Association of Accounting Technicians, BANKSETA has launched a pilot project to capacity-build seven TVET institutions in the level-three Accounting Technicians qualification and take nominated lecturers through the qualification, but at level-four.

To encourage work integrated learning and work experiential learning for TVET graduates, BANKSETA currently has partnerships with several TVET Colleges. In addition a concerted effort is undertaken to build lecturer capacity and accredit TVET Colleges as secondary training providers. Work Integrated Learning (WIL) grant funding has also been extended to the Universities of Technology in an attempt to allow graduates to develop the soft skills so essential to corporate teamwork and productivity.

Key Drivers for Change in our Sector

In understanding the change drivers that influence the sector, skills needs to address these drivers of change, will emerge. Most banks still regard legislation and technology as the two major factors affecting skills demands. BASEL III, the NCA and the Twin Peaks Regulations dictate the type of skills demanded. Information Communications Technology (ICT) is a major contributor to trends within the banking and financial industry with the advent of cloud computing, cellphone and online banking and the increasing risk posed by cyber-crime. These factors have changed the skills profile of the industry to that of a techno-savvy banker.

From the survey conducted by BANKSETA, it is apparent that focus on technology and new product development is of paramount importance to address customer centricity. Enhancing customer service implies attracting and retaining the customer base, and this is one of the top challenges faced by banks.

Banks who successfully employ a customer-centric business model will gain a competitive advantage. New product development must allow for increased customer choice, and systems that allow customers to bank from wherever they are. Even the unbanked population do not want to spend hours at a branch; they want to conclude their banking transactions wherever they are. They must be able to understand their customers' needs, and be present with a relevant solution at the time of need. In order to achieve customer centricity, banks believe that simplification in products and fee structures are essential. The changing needs of the customer implies the changing skills sets demanded by banks. Unfortunately, skills development in South Africa is not as dynamic and adaptable.

Technology changes to self-service terminals, migration to online and mobile banking channels and the needs of a larger rural population with a less developed technological infrastructure, are challenges that banking executives must overcome. Regulatory compliance issues like anti-money laundering regulations, Protection of Personal Information (POPI) legislation amongst others are new learning areas for management within the banking environment.

Technological constraints present a pervasive obstacle affecting their ability to deliver more customer-centric business models, advanced analytics, simplification and open innovation.

National Sector Priorities

BANKSETA aligns its skills development activities to five key national strategies and plans; the National Skills Development Strategy, the Strategic Integrated Projects, the National Development Plan, Government's 9 Point Plan, the Financial Services Charter and the National Credit Act. The main drivers of transformation in the financial sector have been the Financial Sector Charter (FSC) and the Broad-Based Black Economic Empowerment (B-BBEE) Act. The FSC was implemented in 2004 with targets set up to the end of 2008.

Based on the change drivers and national priorities, BANKSETA identifies the following as the five key skills issues for the 2016/17 financial period:

- Technological advancement and the changing needs of customers to move towards the use of technology in the development of banking products
- Expansion of SA companies into Africa
- Educational level of currently employed individuals must be improved beyond matric
- Alignment of the skills set to the FSC and BBBEE codes
- Aligning the microfinance sector to the amendments of the National Credit Act

Research Agendas Implemented During Period Under Review

Research is key to proper skills planning within any SETA environment and forms the foundation on which all SETA strategies and activities are based. It provides an opportunity to ensure that skills development is linked to all national priorities and contributes

to the goals set within the (NSDS)III by the Department of Higher Education and Training. To ensure an integrated approach to skills development, BANKSETA has consciously chosen to ensure that research and benchmarking underpins the development and implementation of the Sector Skills Plan, Strategic Plan and Annual Performance Plan, and that these strategies work as a coherent basis for the development of appropriate and relevant skills development interventions.

BANKSETA focus for the 2016/17 year was on the following:

- Drivers of change in the banking and inclusive banking sector
- Supporting growth strategies of the banking sector including growth within the African continent
- Supporting National Priorities
- Sector Skills Planning
- Capacity building of Public Institutions of Learning to encourage engagement in demand-driven training
- Career guidance
- Impact assessment and tracer studies to measure the success of interventions

Future Plans for Research

The following research is planned for the 2017-2019 period:

- Challenges in the skills supply pipeline
- Employer and labour market analysis including employer trend analysis for the last five years
- Wage / salary trends and analysis in the banking sector
- Influence of the fourth industrial revolution on the banking sector with specific reference to the changing nature of skills demanded
- Vacancy analysis to measure occupational shortages in the banking sector
- Journaling as an alternate assessment methodology for Continuous Professional Development Programmes

ORGANISATIONAL STRUCTURE

Executive Management Team



Caroline King
Acting Chief Executive Officer



Beaula Dziruni
Chief Financial Officer



Christine Fritz
General Manager - Operations



Dimakatso Seete
General Manager - Corporate Services

Departmental Management Team



Mohammed Kader
Head Internal Audit



Busisiwe Lubisi
Manager - Marketing and Communications



Hlamalani Baloyi
Manager - Supply Chain Management



Tendai Sithole
Manager - Finance



Charmaine Janisch
Manager - Quality Management



Elelwani Netshituni
Regional Office Manager - Limpopo



Moyahabo Mohlabeng
Manager - Information and Communications Technology



Brian Dhlwayo
Manager - Projects



Deerani Naidoo
Manager - Youth Development



Nobuzwe Mangcu
Regional Manager - Eastern Cape



Madeleine Pelzer
Manager - Skills Development



Angie Naidoo
Manager - Research



Lefaso Motsoeneng
Manager - Human Resources



Shaun Starr
Manager - Inclusive Banking



Similo Dlamini
(Manager - Work Integrated Learning and Bursaries)



Youth Development



Adult Education



Small Business
Development



Continuous
Professional
Development



Career Guidance



Higher
Education



Research and
Innovation



Work Integrated
Learning

PART B

Performance
Information



PROGRAMME 1: SKILLS DEVELOPMENT

SUB-PROGRAMME 1: KUYASA LEARNERSHIP								
Description: The aim of this project is to register 220 unemployed post-graduate learners annually on a learnership with a further aim of 65% of the previous year's registered learners to complete successfully per year by the year 2018/19. (Youth Development department (Manager) – R30 000 000). (PIVOTAL) Additional stream Business Analyst (pilot) Stream.								
	Performance indicator	Baseline			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.							
1.1.	Success is measured by the number of learners entering the programme	100	200	200	220	220	220	220
1.2.	Success is measured by the number of learners completing the programme successfully	65	128	160	160	143	143	143

SUB-PROGRAMME 1: KUYASA LEARNERSHIP Achievement									
	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.								
1.1.	Success is measured by the number of learners entering the programme	405	301	284	260	0	0	0	260
1.2.	Success is measured by the number of learners completing the programme successfully	330	312	152	248	0	0	0	248

1.1 Planned target exceeded, as there were savings available from the previous intake.

1.2 The aim of SO 1.2 is for 65% of the previous year's (2015/2016) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 284. The target is therefore 65% of 284 = 185 learners to complete successfully. The achievement against this target has been exceeded.

SUB-PROGRAMME 2: LETSEMA LEARNERSHIP

Description: The aim of this project is to register 300 unemployed learners annually on a learnership with a further aim of 65% of registered learners from the previous financial year to complete successfully per year, by the year 2018/19. The programme has a rural support strategy to support learners where applicable (Youth Development department (Manager) – R40 000 000). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.							
2.1.	Success is measured by the number of learners entering the programme	350	180	300	300	300	300	300
2.2.	Success is measured by the number of learners completing the programme successfully	228	80	195	195	195	195	195

SUB-PROGRAMME 2: LETSEMA LEARNERSHIP

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.								
2.1.	Success is measured by the number of learners entering the programme	480	410	325	380	0	0	0	380
2.2.	Success is measured by the number of learners completing the programme successfully	389	403	273	204	0	0	0	204

2.1 Planned target exceeded, as there were savings available from the previous intake.

2.2 The aim of SO 2.2 is for 65% of the previous year's (2015/2016) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 325. The target is therefore 65% of 325 = **211** learners to complete successfully. The achievement against this target is 204 with 7 learners not being able to complete the accounting module successfully despite three assessment attempts.

SUB-PROGRAMME 3: LEARNERSHIP FUNDING FOR UNEMPLOYED

Description: The aim of this project is to register 300 unemployed learners on learnerships annually to address scarce, critical and priority skills required for the broader banking and microfinance sector, with a further aim of 65% of registered learners from the previous financial year completing successfully per year, by the year 2018/19. The level of learnership will be to address middle-level professional skills (namely NQF 3 - 5 etc.) (Youth Development department (Manager) – R22 000). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.							
3.1.	Success is measured by the number of learners entering the programme	250	150	250	300	300	300	300
3.2.	Success is measured by the number of learners completing the programme successfully	163	120	200	195	195	195	195

SUB-PROGRAMME 3: LEARNERSHIP FUNDING FOR UNEMPLOYED

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.								
3.1.	Success is measured by the number of learners entering the programme	354	334	429	409	7 Seta Funded 3 Industry Funded	0	393 Seta Funded	9
3.2.	Success is measured by the number of learners completing the programme successfully	70	30	200	194	24	82	19	69

- 3.1 In Quarter 1 an additional 3 learners were registered that were industry funded. Overall the target was exceeded due to additional funding being available to fund more learners.
- 3.2 The aim of SO 3.2 is for 65% of the previous year's (2015/2016) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 429. The target is therefore 65% of 429 = 279 learners to complete successfully. The achievement against the target is 194. The reason for not achieving the target is that employers provide performance information too late for reporting.

SUB-PROGRAMME 4: WORK READINESS PROGRAMME FOR GRADUATES

Description: The aim of this project is to register 200 unemployed graduates on work readiness programmes annually, focusing on scarce and critical skills, with a further aim of 80% of registered learners from the previous financial year to complete the programme successfully per year by the year 2018/19. (Youth Development department (Manager) – R13 500 000). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.							
4.1.	Success is measured by the number of learners entering the programme	70	100	100	150	200	200	200
4.2.	Success is measured by the number of learners completing the programme successfully	49	80	80	80	160	160	160

SUB-PROGRAMME 4: WORK READINESS PROGRAMME FOR GRADUATES

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.								
3.1.	Success is measured by the number of learners entering the programme	138	139	178	237	90	63	84	0
3.2.	Success is measured by the number of learners completing the programme successfully	227	130	146	221	0	0	0	221

4.1 Additional Matriculants recruited for the work readiness programme allowed BANKSETA to exceed this target with 37 learners.

4.2 The aim of SO 4.2 is for 80% of registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 178. The target is therefore 80% of 178 = 142 learners to complete successfully. Achievement against the target is 221. This includes learner from the 2015/2016 intake as well as learners from the 2016/2017 Quarter 1 intake.

SUB-PROGRAMME 5: INTERNSHIPS AND WORK-BASED EXPERIENCE FUNDING

Description: The aim of this intervention is to encourage better use of workplace-based skills development by registering 200 learners annually on work-based experience programmes and internships to address scarce, critical and priority skills required for the broader banking and microfinance sector, by the year 2018/19. A further aim is for 65% of registered learners from the previous financial year to complete the programme successfully per year, by the year 2018/19 (Youth Development department (Manager) – R7 500 000). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.							
5.1.	Success is measured by the number of learners entering the programme	50	100	200	200	200	200	200
5.2.	Success is measured by the number of learners completing the programme successfully	New measure - no baseline established	48	100	130	130	130	130

SUB-PROGRAMME 5: INTERNSHIPS AND WORK-BASED EXPERIENCE FUNDING

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.								
5.1.	Success is measured by the number of learners entering the programme	149	104	224	149	2	0	32	115
5.2.	Success is measured by the number of learners completing the programme successfully	70	0	140	133	6	5	44	77

- 5.1 Despite funding being available and information sessions to brief employers on requirements, the appetite for internships in the sector remain low as employers prefer learnerships as a methodology to provide learners with work experience.
- 5.2 The aim of SO 5.2 is for 65% of the previous year's (2015/2016) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 224. The target is therefore 65% of 224 = 146 learners to complete successfully. 133 learners completed successfully. This is less than anticipated as some learners are on an 18-month programme and will therefore only complete in 2017/2018.

SUB-PROGRAMME 6: HIGHER EDUCATION FUNDING WINDOW

Description: The purpose of this programme is to fund demand-driven skills development projects that fall outside the scope of current BANKSETA programmes through collaborations with Universities and Universities of Technology and Professional Bodies, with a focus on sponsoring studies in these scarce and critical skills focus areas, namely:- Information Technology; Accounting / finance and Actuarial Science. (Bursaries and Work Integrated Learning department (Manager) – R60 000 000). (PIVOTAL). A further aim is for 60% of registered learners from the previous financial year to complete the programme successfully per year, by the year 2018/19.

	Performance indicator	Baseline			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.							
6.1.	Success is measured by the number of Higher Education institutions which are able to meet BANKSETA's funding requirements (governed by an MoU)	New project - no baseline established		4	8	7	10	10
6.2.	Success is measured by the number of learners entering the programme	New project - no baseline established		30	200	750	500	500
6.3.	Success is measured by the number of learners completing the programme successfully	New project - no baseline established		20	120	150	150	180
6.4.	Success of the programme measured by the number of lecturers formally supported on the programme, through lecturer development initiatives (Bursary agreement signed)	New project - no baseline established			0	50	50	50

SUB-PROGRAMME 6: HIGHER EDUCATION FUNDING WINDOW									
Achievement									
	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.								
6.1.	Success is measured by the number of Higher Education institutions which are able to meet BANKSETA's funding requirements (governed by an MoU)	Not Applicable	Not Applicable	19	6	3	0	0	3
6.2.	Success is measured by the number of learners entering the programme	Not Applicable	Not Applicable	230	1454	781	500	73	100
6.3.	Success is measured by the number of learners completing the programme successfully	Not Applicable	0	0	488	0	0	0	488
6.4.	Success of the programme measured by the number of lecturers formally supported on the programme, through lecturer development initiatives	Not Applicable	Not Applicable	Not Applicable	13	0	0	0	13

- 6.1 Target not achieved. More agreements are expected in the 2017/18 financial year.
- 6.2 This target has been exceeded due to more funding being available than what was budgeted for.
- 6.3 The aim of SO 6.3 is for 60% of the previous year's (2015/16) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/16 was 230. The target is therefore 60% of 230 = **138** learners to complete successfully. However at the end of the 2015/16 the BANKSETA Board approved an additional R84m for bursaries. These learners were reported as 'entered' in the first and second quarter of the 2016/17 financial year and some are due to complete their studies in the 2016/17 year. With the disruptions caused by #feesmustfall some examinations were postponed to 2017 academic year and this will cause a delay in reporting achievements. Despite this, the target of 150 has been significantly exceeded.
- 6.4 Performance information for lecturers wanting to study in the 2017 academic year has not been submitted as requested. Should Universities still submit, the achievement will be reported on in Quarter 1 of the 2017/18 year.

SUB-PROGRAMME 7: LEARNING PROGRAMME FOR LEARNERS WITH DISABILITIES

Description: The aim of this programme is to register 30 unemployed learners living with disabilities on a learning programme (this could be a learnership, bridging programme or work-readiness programme, to address the sector need) for small, medium and large organisations registered with BANKSETA in skills priority areas identified by the Sector Skills Plan, annually by the year 2018/19. A further aim is for 65% of registered learners from the previous financial year to complete the programme successfully per year, by the year 2018/19 (Youth Development department (Manager) – R2 000 000). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.							
7.1.	Success is measured by the number of learners entering the programme	25	25	30	30	30	30	30
7.2.	Success is measured by the number of learners completing the programme successfully	No baseline	20	24	20	20	20	20

SUB-PROGRAMME 7: LEARNING PROGRAMME FOR LEARNERS WITH DISABILITIES

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.								
7.1.	Success is measured by the number of learners entering the programme	50	39	43	42	0	0	33	9
7.2.	Success is measured by the number of learners completing the programme successfully	20	32	26	32	0	5	0	27

7.1 Due to more applications from the sector additional three learners could be funded.

7.2 The aim of SO 7.2 is for 65% of the previous year's (2015/2016) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 43. The target is therefore 65% of 43 = 28 learners to complete successfully. This target was exceeded due to more learners than planned entering the previous year as well as learners performing better than anticipated.

SUB-PROGRAMME 8: MATHS & SCIENCE SUPPORT PROGRAMMES

Description: The aim of this programme is to register 500 unemployed learners on a 3-year programme to improve results in mathematics, science, accounting and English subjects in Grade 10 for year 1. Year 2, unemployed learners will be registered for Grade 11 and Year 3, unemployed learners will be registered for Grade 12. A further aim is for 70% of learners to complete each year successfully, by the year 2018/19. This programme has a rural skills development element. (Skills Development Department (Manager) – R10 000 000.00 (R30 000 000 over 3 years).

	Performance indicator	Baseline			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Increase the pool of successful matriculants in mathematics, science and English subjects.							
8.1.	Success is measured by the number of learners entering the programme	New project	665	1224	500	500	500	500
8.2.	Success is measured by the number of learners completing the programme successfully	New project	-	920	350	325	325	325

SUB-PROGRAMME 8: MATHS & SCIENCE SUPPORT PROGRAMMES

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.								
8.1.	Success is measured by the number of learners entering the programme	665	1224	578	1316	746	0	570	0
8.2.	Success is measured by the number of learners completing the programme successfully	0	92	392	1375	365	0	0	1010

- 8.1 Achievements for 8.1 was exceeded the target due to more support centres being included in the project than was initially planned.
- 8.2 The aim of SO 8.2 is for 70% of the previous year's (2015/2016) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 578. The target is therefore 70% of 578 = 405 learners to complete successfully. This target was exceeded due to more centres that became part of the project in the 2016 academic year.

SUB-PROGRAMME 9: CAREER GUIDANCE PROGRAMME

Description: Building career and vocational guidance by funding the development and dissemination of a career guide to youth and the training of life orientation teachers. This programme has a rural skills development element. (Communications and Marketing Department (Manager) – R2 000 000).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide career and vocational guidance to youth by funding the development and dissemination of a career guide to life orientation teachers.							
9.1.	Success is measured by the number of career guidance workshops held	No baseline established				40	40	40
9.2.	Success is measured by number of life orientation teachers attending career guidance workshops	650	200	200	500	500	500	500
9.3.	Success is measured by number of career guides that are distributed to youth	No baseline established		2000	5000	5000	5000	5000

SUB-PROGRAMME 9: CAREER GUIDANCE PROGRAMME

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide career and vocational guidance to youth by funding the development and dissemination of a career guide to life orientation teachers.								
9.1.	Success is measured by the number of career guidance workshops held	N/A	N/A	N/A	40	0	14	9	17
9.2.	Success is measured by number of life orientation teachers attending career guidance workshops	299	856	1148	919	0	346	219	354
9.3.	Success is measured by number of career guides that are distributed to youth	5121	7066	4430	8440	1840	4000	1000	1600

9.1 Target achieved

9.2 Even though the number of workshops were exactly what was planned, the number of delegates exceeded the planned number due to more delegates per class attending.

9.3 Due to high demand more guides than planned were issued to learners.

SUB-PROGRAMME 10: LEARNERSHIP FUNDING FOR EMPLOYED

Description: The aim of this programme is to register 400 employed learners on learnerships annually to address scarce, critical and priority skills required for the broader banking and microfinance sector, with a further aim of 65% of registered learners from the previous financial year completing successfully per year, by the year 2018/19. The level of learnership will be to address middle-level professional skills (namely NQF 4 and above etc.) (Youth Development department (Manager) – R23 000). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
10.1.	Success is measured by the number of learners entering the programme	260	300	400	400	400	400	400
10.2.	Success is measured by the number of learners completing the programme successfully	169	224	256	260	260	260	260

SUB-PROGRAMME 10: LEARNERSHIP FUNDING FOR EMPLOYED

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
10.1.	Success is measured by the number of learners entering the programme	721	393	408	463	25	0	299	139
10.2.	Success is measured by the number of learners completing the programme successfully	104	223	594	251	136	44	48	23

10.1 Target exceeded due to additional funding being available.

10.2 The aim of SO 10.2 is for 65% of the previous year's (2015/2016) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 408. The target is therefore 65% of 408 = 265 learners to complete successfully. Only 251 learners can be reported as employers do not send performance information on time and it therefore falls outside the reporting period.

SUB-PROGRAMME 11: CERTIFICATE IN MANAGEMENT DEVELOPMENT

Description: The aim of this programme is to register 300 learners on a management development programme annually by the year of 2017/18, targeting beneficiaries with a potential to occupy junior and middle management positions in the banking sector. A further aim is for 70% of registered learners from the previous financial year to complete the programme successfully per year, by the year 2018/19 (Skills Development department (Manager) – R15 000 000.00). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
11.1.	Success is measured by the number of learners entering the programme	166	200	236	250	300	300	300
11.2.	Success is measured by the number of learners completing the programme successfully	120	88	120	200	200	250	250

SUB-PROGRAMME 11: CERTIFICATE IN MANAGEMENT DEVELOPMENT

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
11.1.	Success is measured by the number of learners entering the programme	200	236	437	559	559	0	0	0
11.2.	Success is measured by the number of learners completing the programme successfully	88	120	204	585	143	153	0	289

11.1 Achievements exceeded the planned target due to additional funding being approved for this project.

11.2 The aim of SO 11.2 is for 70% of the previous year's (2015/2016) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 437. The target is therefore 70% of 437 = 306 learners to complete successfully. The actual number of successful completions for the 2015/2016 year was 296. In addition some of the 2016/2017 learners have already completed bringing the total number of learners that completed in 2016/2017 to 585.

SUB-PROGRAMME 12: EXECUTIVE PROGRAMMES BURSARIES

Description: The aim of this programme is to register 190 learners on bursaries towards Masters studies and Executive courses as a mechanism to increase the pool of senior management skills in the banking and microfinance sector, annually by the year 2018/19. A further aim is for 65% of registered learners from the previous financial year to complete the programme successfully per year, by the year 2018/19 (Skills Development department (Manager) – R9 000 000.00). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
12.1.	Success is measured by the number of learners entering the programme	161	157	192	190	190	190	190
12.2.	Success is measured by the number of learners completing the programme successfully	6	105	36	15	124	124	124

SUB-PROGRAMME 12: EXECUTIVE PROGRAMMES BURSARIES

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
12.1.	Success is measured by the number of learners entering the programme	190	192	199	206	0	0	184	22
12.2.	Success is measured by the number of learners completing the programme successfully	15	36	125	126	108	11	0	7

12.1 Target exceeded due to more applications being received for the available funding.

12.2 The aim of SO 14.2 is for 65% of the previous year's (2015/2016) registered learners to complete successfully. The actual number of learners that entered the programme in 2015/2016 was 199. The target is therefore 65% of 199 = 129 learners to complete successfully. 126 learners completed successfully.

SUB-PROGRAMME 13: INTERNATIONAL EXECUTIVE DEVELOPMENT PROGRAMME

Description: The aim of this programme is to register 40 learners on a management development programme targeting beneficiaries with a potential to occupy Executive management positions in the banking and microfinance sector annually by the year 2018/19. A further aim is for 35 learners to complete the programme successfully per year, by the year 2017/18 (Skills Development department (Manager) – R20 000 000).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
13.1.	Success is measured by the number of learners entering the programme	47	40	40	40	40	40	40
13.2.	Success is measured by the number of learners completing the programme successfully	47	39	30	35	35	35	35

SUB-PROGRAMME 13: INTERNATIONAL EXECUTIVE DEVELOPMENT PROGRAMME

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
13.1.	Success is measured by the number of learners entering the programme	40	40	0	39	0	39	0	0
13.2.	Success is measured by the number of learners completing the programme successfully	39	40	40	39	0	0	0	39

13.1 One less delegate than what was planned for, entered the IEDP.

13.2 All learners completed the programme successfully, this is due to an excellent selection process and support throughout the programme.

SUB-PROGRAMME 14: BANKSETA PhD AND POST-DOCTORAL STUDIES FUNDING PROGRAMME

Description: The aim of this programme is to register 40 bursaries for PhD and Post-doctoral studies, annually by the year 2018/19. It is a bursary programme targeting beneficiaries researching topics that will benefit the banking and microfinance sector (Research department (Manager) – R2 000 000). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
14.1.	Success of the programme measured by the number of candidates funded for PhD and/or post-doctoral studies	9	15	8	8	40	40	40

SUB-PROGRAMME 14: BANKSETA PhD AND POST-DOCTORAL STUDIES FUNDING PROGRAMME

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
14.1.	Success of the programme measured by the number of candidates funded for PhD and/or post-doctoral studies	8	12	20	22	0	0	17	5

14.1 Despite advertisement and opening two funding windows only 22 PhD Candidates could be approved for funding.

SUB-PROGRAMME 15: FUNDING WINDOW FOR FAIS COMPLIANCE

Description: The aim of this programme is to encourage better use of workplace based skills development by registering 2000 employees on FSB approved qualifications in order to comply with FAIS Fit & Proper regulations in 2016/17 and 2000 employees annually thereafter by the year 2018/19. A further aim is for 1500 learners to complete the assessments successfully annually by the year 2018/19 (Skills Development Manager – R12 000 000.00) (PIVOTAL).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
15.1.	Success is measured by the number of learners entering the programme	517	479	3250	1800	2000	2000	2000
15.2.	Success is measured by the number of learners completing the programme successfully	75	424	1500	1500	1500	1500	1500

SUB-PROGRAMME 15: FUNDING WINDOW FOR FAIS COMPLIANCE

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
15.1.	Success is measured by the number of learners entering the programme	479	700	2102	895	0	0	661	234
15.2.	Success is measured by the number of learners completing the programme successfully	424	250	2645	317	317	0	0	0

15.1 There is a delay in starting this programme as the scope of the project changed. The achievements are less than originally planned as employers are now opting for the full qualification route rather than RPL.

15.2 The bulk of the completions will be delayed due to the scope change in this project and may only realise in 2017/18.

SUB-PROGRAMME 16: PIVOTAL GRANT FUNDING WINDOW								
Description: The purpose of this programme is to register 1900 beneficiaries on demand-driven skills development programmes in the sector which fall within the definition of PIVOTAL programmes annually, by the year 2018/19 (Youth Development department (Manager) – R78 627 500). (PIVOTAL). This programme will include learnerships, internships, learners with disabilities, etc.								
	Performance indicator	Baseline			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
16.1.	Success is measured by the number of learners entering PIVOTAL programmes	No baseline	700	700	550	1900	1500	1500

SUB-PROGRAMME 16: PIVOTAL GRANT FUNDING WINDOW									
Achievement									
	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
16.1.	Success is measured by the number of learners entering PIVOTAL programmes	855	896	567	1918	17	0	1213	688

16.1 Target exceeded due to more applications being received for the available funding.

SUB-PROGRAMME 17: SME FUNDING FOR SCARCE AND CRITICAL SKILLS

Description: The aim of this programme is to encourage and support 53 small enterprises annually by the year 2018/19 through funding scarce and critical skills as identified by the Inclusive Banking SSP and increase access to Occupationally Directed Programmes. A further aim is for 35 of organisations funded in 2015 to complete interventions successfully by the year 2018/2019 (Inclusive Banking Department (Manager)) – R5 000 000). (PIVOTAL and non-PIVOTAL).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.							
17.1.	Success of the programme is measured by the number of SMEs that qualify for funding of which at least 10 must be Stokvels and at least 3 must be NGOs / CBOs or Trade Unions	No baseline	50	40 SME employers approved	40 SME employers approved	53 SME employers	53 SME employers	53 SME employers
17.2.	Success of the programme is measured by the number of organisations that complete interventions successfully	No baseline	No baseline	35 of funded projects complete	35 of funded projects complete	35 of funded projects complete	35 of funded projects complete	35 of funded projects complete

SUB-PROGRAMME 17: SME FUNDING FOR SCARCE AND CRITICAL SKILLS

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.								
17.1.	Success of the programme is measured by the number of SMEs that qualify for funding of which at least 10 must be Stokvels and at least 3 must be NGOs / CBOs or Trade Unions	58	40	44	58	0	18	10	30
17.2.	Success of the programme is measured by the number of organisations that complete interventions successfully	10	18	36	39	0	0	0	39

It is important to note that the beneficiaries referred to here may also be reflected under internships, bursaries or skills programmes depending on the programme that they enter. This target 'counts' only the SME organisation.

17.1 Slightly more SMEs than anticipated could be funded due to the cost of the programmes applied for being below budget.

17.2 More SMEs than anticipated completed their programmes successfully.

SUB-PROGRAMME 18: RURAL TRAINING DEVELOPMENT								
Description: The aim of the programme is to train 150 learners annually by the year 2018/19 through rural training. This programme has a rural skills development element. (Inclusive Banking department (Manager) – R7 500 000).								
	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.							
18.1.	Success of the programme is measured by the number of delegates that attend workshops	No baseline	No baseline	No baseline	N/A	150	150	150

SUB-PROGRAMME 18: RURAL TRAINING DEVELOPMENT									
Achievement									
	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.								
18.1.	Success of the programme is measured by the number of delegates that attend workshops	N/A	N/A	N/A	372	105	98	90	79

18.1 Target significantly exceeded due to more beneficiaries than planned attending the workshop. The need for this training is bigger than we initially anticipated and the overall target for 2016/17 has been exceeded.

SUB-PROGRAMME 19: COOPERATIVE FINANCIAL INSTITUTIONS SUPPORT

Description: The aim of this programme is to encourage and support co-operatives by funding training in 30 Co-operative banks and 300 Co-operative members annually by the year 2018/19. This project has a rural skills development element. (Inclusive Banking department (Manager) – R3 000 000). (PIVOTAL and NON-PIVOTAL).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.							
19.1.	Success of the programme measured by number of Co-operatives receiving support or funding for training	17	15	40	30	30	30	30
19.2.	Success of the programme measured by number of members attending short training programmes	No baseline		500	300	300	300	300

SUB-PROGRAMME 19: COOPERATIVE FINANCIAL INSTITUTIONS SUPPORT

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.								
19.1.	Success of the programme measured by number of Co-operatives receiving support or funding for training	40	39	45	31	0	0	15	16
19.2.	Success of the programme measured by number of members attending short training programmes	194	303	241	233	0	0	127	106

19.1 Target achieved (Exceeded with 1).

19.2 Less members than anticipated attended the training.

SUB-PROGRAMME 20: POST-SCHOOL PUBLIC INSTITUTION CAPACITY BUILDING

Description: The aim of this project is to provide capacity-building support to TVET colleges and/or University of Technology lecturers by assisting these institutions to train 400 learners in a pre-defined qualification annually by the year 2018/19. A further aim is to have 320 learners (from the previous financial year) completing the programme successfully per year, by the year 2017/18 (Bursaries and Work Integrated Learning department (Manager) – R21 000 000). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To establish strategic partnerships with TVET Colleges, Universities of Technology and Universities.							
20.1.	Success is measured by the number of learners entering the programme	New project - no baseline established		300	350	400	400	400
20.2.	Success is measured by the number of learners completing the programme successfully	No baseline established - learners to graduate in 2015/2016 period		240	240	320	320	320
20.3.	Success of the programme measured by number of lecturers formally supported on the programme, through lecturer development initiatives	New project - no baseline established			0	30	40	40

SUB-PROGRAMME 20: POST-SCHOOL PUBLIC INSTITUTION CAPACITY BUILDING

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To establish strategic partnerships with TVET Colleges, Universities of Technology and Universities.								
20.1.	Success is measured by the number of learners entering the programme	N/A	93	318	137	0	0	137	0
20.2.	Success is measured by the number of learners completing the programme successfully	N/A	0	0	115	0	0	0	115
20.3.	Success of the programme measured by number of lecturers formally supported on the programme, through lecturer development initiatives	N/A	N/A	N/A	0	0	0	0	0

20.1 Due to a delay in receiving commitment from Universities of Technology some centres will only start later in 2017.

20.2 Due to a late start date the completions will also be delayed.

20.3 Lecturer development have not started yet and will be done at the same time as learner enrolment.

SUB-PROGRAMME 21: UNIVERSITIES OF TECHNOLOGY WORK INTEGRATED LEARNING FUNDING WINDOW

Description: The purpose of this programme is to fund demand-driven skills development projects that fall outside the scope of current BANKSETA programmes through collaborations with 5 Universities of Technology and to register 450 learners to access work-integrated learning (WIL) opportunities annually by the year 2018/19. (Bursaries and Work Integrated Learning department (Manager) – R12 000 000) (PIVOTAL).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To establish strategic partnerships with TVET Colleges, Universities of Technology and Universities.							
21.1.	Success is measured by the number of Universities of Technology which meet BANKSETA funding window requirements	New project - no baseline established		3	5	4	5	5
21.2.	Success is measured by number learners assisted to access work-integrated learning opportunities	New project - no baseline established		20	450	450	450	450

SUB-PROGRAMME 21: UNIVERSITIES OF TECHNOLOGY WORK INTEGRATED LEARNING FUNDING WINDOW

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To establish strategic partnerships with TVET Colleges, Universities of Technology and Universities.								
21.1.	Success is measured by the number of Universities of Technology which meet BANKSETA funding window requirements	3	1	6	4	1	0	0	3
21.2.	Success is measured by number learners assisted to access work-integrated learning opportunities	50	383	147	502	0	64	188	250

21.1 Achievements are in line with what was planned for 2016/17.

21.2 Target exceeded due to slightly more learners being placed by the Universities of Technology.

SUB-PROGRAMME 22: NSFAS SUPPORT

Description: The purpose of this programme is to fund demand-driven skills development projects that fall outside the scope of current BANKSETA programmes through collaborations with 5 Universities of Technology and to register 450 learners to access work-integrated learning (WIL) opportunities annually by the year 2018/19. (Bursaries and Work Integrated Learning department (Manager) – R12 000 000) (PIVOTAL).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.							
22.1.	Success of the programme is measured by the number of learners who have successfully completed their qualifications and are certificated	No baseline			50	80	80	80

SUB-PROGRAMME 22: NSFAS SUPPORT

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills, to the unemployed youth.								
22.1.	Success of the programme is measured by the number of learners who have successfully completed their qualifications and are certificated	N/A	0	0	70	0	0	0	70

22.1 Target not achieved due to incomplete performance information received from NSFAS.

SUB-PROGRAMME 23: ENTREPRENEURSHIP PROGRAMME

Description: The aim of this project is to ensure that SME businesses have necessary business skills to sustain their business by registering 100 learners on bursaries in 2016/17. A further aim is for 80 learners to successfully complete the programme (Inclusive Banking department (Manager) – R4 000 000). (PIVOTAL).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.							
23.1.	Success is measured by the number of learners entering the programme	No baseline			100	100	-	-
23.2.	Success is measured by the number of learners completing the programme successfully	No baseline			80	80	-	-

SUB-PROGRAMME 23: ENTREPRENEURSHIP PROGRAMME

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.								
23.1.	Success is measured by the number of learners entering the programme	N/A	N/A	99	110	0	0	0	110
23.2.	Success is measured by the number of learners completing the programme successfully	N/A	N/A	85	91	0	0	0	91

23.1 Target slightly exceeded due to negotiations with the training provider to train more delegates at the same cost.

23.2 Target exceeded. This can be attributed to a very stringent selection process and good support from the training provider.

SUB-PROGRAMME 24: TVET WORK INTEGRATED LEARNING FUNDING WINDOW

Description: The purpose of this programme is to fund demand-driven skills development projects that fall outside the scope of current BANKSETA programmes through collaborations with 10 Technical Vocational Education and Training Institutions TVETs as well as assist 450 FET College learners to access Work Integrated Learning (WIL) opportunities annually by the year 2018/19. (Bursaries and Work Integrated Learning department (Manager) – R20 000 000).(PIVOTAL)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To establish strategic partnerships with TVET Colleges, Universities of Technology and Universities.							
24.1.	Success is measured by the number of TVET Colleges who are able to meet BANKSETA's funding requirements (governed by an MoU)	New project - no baseline established		4	10	10	10	10
24.2.	Success is measured by the number of learners assisted to access Work Integrated Learning (WIL) opportunities	New project - no baseline established		350	450	450	450	450

SUB-PROGRAMME 24: TVET WORK INTEGRATED LEARNING FUNDING WINDOW

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To establish strategic partnerships with TVET Colleges, Universities of Technology and Universities.								
24.1.	Success is measured by the number of TVET Colleges who are able to meet BANKSETA's funding requirements (governed by an MoU)	N/A	13	26	10	8	1	0	1
24.2.	Success is measured by the number of learners assisted to access Work Integrated Learning (WIL) opportunities	N/A	623	569	682	477	190	15	0

24.1 Target Achieved.

24.2 TVETs are responding better and quicker than before due to a stronger relationship with the SETA, regular contact and a capacity-building meeting before the programmes begin and therefore the target has been exceeded.

SUB-PROGRAMME 25: SKILLS@WORK AWARDS

Description: The aim of the programme is to formally recognise 4 companies that have positively contributed towards upskilling their employees and contributed to the country's goal of bridging the skills gap annually by the year 2018/19 (Marketing & Communications Department (Manager) – R500 000).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Improving the level of participation in skills planning within the sector.							
25.1.	Success is measured by the number of TVET Colleges who are able to meet BANKSETA's funding requirements (governed by an MoU)	New project - no baseline established		10	10	10	10	10
25.2.	Success is measured by the number of learners assisted to access Work Integrated Learning (WIL) opportunities	New project - no baseline established		No baseline	4	4	4	4

SUB-PROGRAMME 25: SKILLS@WORK AWARDS

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Improving the level of participation in skills planning within the sector.								
25.1.	Success is measured by the number of TVET Colleges who are able to meet BANKSETA's funding requirements (governed by an MoU)	10	14	9	11	0	0	11	0
25.2.	Success is measured by the number of learners assisted to access Work Integrated Learning (WIL) opportunities	4	5	4	5	0	0	5	0

25.1 and 25.2: The target was exceeded due to more entries being received. This may have been due to extension of the closing date as well as increased marketing and awareness of the awards.

SUB-PROGRAMME 26: ASSESSMENT CENTRES

Description: The aim of this programme is to establish assessment centres for the BANKSETA qualifications that will develop qualification assessment specifications development of a database of assessment instruments and manage external summative assessments thereafter, in addition to performing administrative functions. (Quality Management department (Manager) – R10 000 000).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
26.1.	Success is measured by the establishment of an assessment centre	N/A	N/A	N/A	N/A	1	1	1
26.2.	Success is measured by publishing exemplars of external assessments for one of the qualifications	N/A	N/A	N/A	N/A	1	1	1

SUB-PROGRAMME 26: ASSESSMENT CENTRES

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
26.1.	Success is measured by the establishment of an assessment centre	N/A	N/A	N/A	1	0	0	0	1
26.2.	Success is measured by publishing exemplars of external assessments for one of the qualifications	N/A	N/A	N/A	0	0	0	0	0

26.1 BANKSETA confirmed as the Assessment Partner and contract signed with provider for resourcing of the assessment centre.

26.2 The QCTO only published 2 of the 5 curricula in Q4 of 2016/2017. The two external assessments will be published in Quarter 1 of 2017/2018, however, the remainder will have to wait until QCTO published.

SUB-PROGRAMME 27: RECOGNITION OF PRIOR LEARNING (RPL) CENTRES

Description: The aim of this programme is to establish Recognition of Prior Learning (RPL) centres for the BANKSETA qualifications in order assist employed employees to achieve recognition for courses completed in order to achieve a Nationally recognised Banking qualification and facilitate articulation and portability in the Banking and Inclusive banking sector. (Quality Management department (Manager) – R10 000 000).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
27.1.	Success of the programme is the establishment of RPL Centres	New project - no baseline established	New project - no baseline established	New project - no baseline established	-	1	1	1

SUB-PROGRAMME 27: RECOGNITION OF PRIOR LEARNING (RPL) CENTRES

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
27.1.	Success of the programme is the establishment of RPL Centres	N/A	N/A	N/A	1	0	0	0	1

27.1 Target Achieved

SUB-PROGRAMME 28: INFORMATION TECHNOLOGY WORK READINESS PROGRAMME (WRP)

Description: The aim of this programme is to assist the broader banking and microfinance sector to develop information technology related skills required to drive and maintain banking innovation. The top-up funds will be used to implement the existing programme in the 2016/17 financial year, by recruiting 65 unemployed graduate learners on an IT-related programme (in response to a scarce and critical skill, noted in the Sector Skills Plan). (Work Integrated Learning department – R5 000 000). (PIVOTAL)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.							
28.1.	Success is measured by the number of learners entering the programme	New project – no baseline recorded			60	65	65	Programme will be revisited with alternative response
28.2.	Success is measured by the number of learners completing the programme successfully	New project – no baseline recorded			40	50	50	Programme will be revisited with alternative response

SUB-PROGRAMME 28: INFORMATION TECHNOLOGY WORK READINESS PROGRAMME (WRP)

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Increase SME participation in BANKSETA SME support interventions.								
28.1.	Success is measured by the number of learners entering the programme	N/A	N/A	59	94	94	0	0	0
28.2.	Success is measured by the number of learners completing the programme successfully	N/A	N/A	0	151	58	0	0	93

28.1 The target has been exceeded due to more funding being available.

28.2 Learners from the first intake (2015/16) were reported as completed in Q1 of 2016/17. Learners from the second intake (2016/17) reported on in Quarter 4 - 93. The completions for both intakes have been much higher than anticipated and is attributed to a very stringent selection process and support from training provider. Total completions for 2016/2017 = 151.

SUB-PROGRAMME 29: CAPACITY BUILDING WORKSHOPS FOR THE EMPLOYED

Description: The aim of the series of capacity-building workshops is to share best practice on technical requirements that each practitioner may need to implement within the organisation at some stage. The value-add is that this platform allows practitioners within the broader banking and microfinance sector to network and engage with other participants on HR-related matters that affect each organisation. The opportunity to collaborate and engage at this level introduces new solutions to old challenges. Such workshops will assist the delegates in updating their knowledge and skills on various topics as well as providing them with tools on how to implement certain skills development initiatives successfully within their organisations. (Skills Development Department – R5 000 000.00 (Short Courses)).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
29.1.	Success of the programme is measured by the number of delegates attending the capacity-building workshops	New project – no baseline recorded			N/A	1000	Programme will be revisited with alternative response	

SUB-PROGRAMME 29: CAPACITY BUILDING WORKSHOPS FOR THE EMPLOYED

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
29.1.	Success of the programme is measured by the number of delegates attending the capacity-building workshops	N/A	N/A	N/A	0	0	0	0	0

29.1 There has been a delay in starting this project and therefore achievements will only be reported in 2017/2018. The approach to delivery changed slightly from face to face to e-learning so that more delegates can benefit and so that topics can be revisited by delegates without repeat cost. This has caused a delay with the completion of the design and development stage.

SUB-PROGRAMME 30: PROGRAMME IN SUPPORT OF SIPS								
Description: The aim of this project is to support skills needed by the SIPS programmes. (Research Department – R5 000 000.00)								
	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
30.1.	Research completed to identify an appropriate programme	New project – no baseline recorded			N/A	1	-	-
30.2.	Success of the programme is measured by the number of learners enrolled in the programme	New project – no baseline recorded			N/A	100	-	-

SUB-PROGRAMME 30: PROGRAMME IN SUPPORT OF SIPS									
Achievement									
	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
30.1.	Research completed to identify an appropriate programme	N/A	N/A	N/A	1	0	0	1	0
30.2.	Success of the programme is measured by the number of learners enrolled in the programme	N/A	N/A	N/A	101	0	0	0	101

30.1 Programme designed and developed according to identified need.

30.2 Target achieved (exceeded with 1 delegate).

SUB-PROGRAMME 31: SKILLS PROGRAMMES (SCARCE AND CRITICAL SKILLS) FOR THE EMPLOYED

Description: The aim of the programme is to register 300 employees on skills programmes annually by the year 2018/19, encouraging better use of workplace based skills development by assisting the sector in the implementation of skills programmes (scarce and critical skills). A further aim is to have 200 employees complete the skills programmes successfully annually by the year 2017/18 (QM department (Manager) – no discretionary grant funds required).

	Performance indicator	Baseline			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.							
31.1.	Success is measured by the number of learners entering the programme	652	200	200	150	300	300	300
31.2.	Success is measured by the number of learners completing the programme successfully	100	150	150	113	263	200	200

SUB-PROGRAMME 31: SKILLS PROGRAMMES (SCARCE AND CRITICAL SKILLS) FOR THE EMPLOYED

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	To provide an array of learning programmes which focus on scarce and critical skills to employees in the sector.								
31.1.	Success is measured by the number of learners entering the programme	1757	354	53	273	0	0	208	65
31.2.	Success is measured by the number of learners completing the programme successfully	619	116	537	197	0	0	0	197

31.1 and 31.2: This programme is not funded by BANKSETA and performance information can only be reported on once received by employers. BANKSETA cannot dictate the numbers or the timing.

PROGRAMME 2: RESEARCH

SUB-PROGRAMME 1: RESEARCH AND SKILLS PLANNING

Description: In order to produce credible sector skills plans annually by the year 2018/19 to represent the dynamics of the sector and accurately identify skills shortages coupled with realistic interventions (Research department (Manager) – no discretionary grant funds required)

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Improving the quality of sector skills planning.							
1.1.	Stakeholder satisfaction with the accuracy of both the Banking and Inclusive Banking SSPs measured by the annual stakeholder satisfaction survey rating	No baseline	No baseline	70% satisfaction	70% satisfaction for 2014 submission	70% satisfaction for 2015 submission	70% satisfaction for 2016 submission	70% satisfaction for 2017 submission
1.2.	Number of research programme items completed	No baseline	No baseline	No baseline	No performance indicator	3	3	3

SUB-PROGRAMME 1: RESEARCH AND SKILLS PLANNING

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Improving the quality of sector skills planning.								
1.1.	Stakeholder satisfaction with the accuracy of both the Banking and Inclusive Banking SSPs measured by the annual stakeholder satisfaction survey rating	70%	79%	80%	65%	0	0	0	65%
1.2.	Number of research programme items completed	No baseline	No baseline	No Performance Indicator	3	0	0	0	3

- 1.1 Due to the slight change in structure of the Stakeholder Satisfaction Survey it was not possible to isolate the accuracy of the SSP, however, a score of 65% was obtained on the ease of use and effectiveness.
- 1.2 Research completed as planned.

SUB-PROGRAMME 2: RESEARCH AND SKILLS PLANNING (WSP)

Description: The participation of stakeholders in terms of sector skills planning and compilation is fundamental to any meaningful and credible SSP and the aim is to increase the participation by 10% by the year 2015/16 and thereafter maintain the participation at that level (Skills Development department (Manager) – no discretionary grant funds required).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Improving the level of participation in skills planning within the sector.							
2.1.	Increase in the number of employers participating as measured by WSP submission rates	Large-52 Medium-29 Small-296	Large-57 Medium-40 Small-167	Large-Maintain Medium-Maintain Small-Increase by 10%	Large-Maintain Medium-Maintain Small-increase by 10%	Large-Maintain Medium-Maintain Small-Maintain	Large-Maintain Medium-Maintain Small-Maintain	Large-Maintain Medium-Maintain Small-Maintain

SUB-PROGRAMME 2: RESEARCH AND SKILLS PLANNING (WSP)

Achievement

	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Improving the level of participation in skills planning within the sector.								
2.1.	Increase in the number of employers participating as measured by WSP submission rates	Large: 57 Medium: 40 Small: 167	Large and Medium: 107 Small: 166	Large: 99 Medium: 43 Small: 193	Large: 92 Medium: 41 Small: 240	Large: 92 Medium: 41 Small: 240	0	0	0

- 2.1 A total of 373 WSPs were received across all organisations. This is a slight increase compared to a total of 335 in the previous year. The increase was mostly in small levy paying and non-levy paying organisations. There is a continuous movement between large, medium and small due to fluctuating employee numbers. The small employers were made up by levy paying: 107 and non-levy paying: 133.

PROGRAMME 3: QUALITY ASSURANCE

SUB-PROGRAMME 1: QUALITY MANAGEMENT								
Description: The auditing of the sector training providers to ensure that their quality system and the learning programme meet the accreditation criteria and thereby ensuring that learning programme and assessments result in nationally recognised credits, achievement of a formal qualification by 31 March 2017.								
	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Increasing the number of newly accredited training providers within the sector.							
1.1.	Success of the programme is measured by number of “expression of interest” submitted by organisations wishing to be accredited by BANKSETA	N/A	N/A	N/A	3	3	3	3
1.2.	Success of the programme is measured by number of new / recredited providers	N/A	N/A	N/A	3	3	3	3
1.3.	Success of the programme is measured by number of provider requests for external moderation for certification	N/A	N/A	N/A	14	4	4	3
1.4.	Success of the programme is measured by number of learners that are verified and certificated on BANKSETA qualifications	N/A	N/A	N/A	600	200	200	250

This sub-programme was not included in the 2015/6 year, however, at the time of preparing the 2016/2017 APP performance against some of the indicators was probable. It was this included in the APP for 2016/2017 to give an estimation of possible performance.

SUB-PROGRAMME 1: QUALITY MANAGEMENT									
Achievement									
	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Increasing the number of newly accredited training providers within the sector.								
1.1.	Success of the programme is measured by number of “expression of interest” submitted by organisations wishing to be accredited by BANKSETA	N/A	N/A	N/A	10	1	1	3	5
1.2.	Success of the programme is measured by number of new / reaccruited providers	N/A	N/A	N/A	10	2	2	1	5
1.3.	Success of the programme is measured by number of provider requests for external moderation for certification	N/A	N/A	N/A	25	4	4	9	8
1.4.	Success of the programme is measured by number of learners that are verified and certificated on BANKSETA qualifications	N/A	N/A	N/A	1355	304	250	313	488

Although possible performance was estimated, no formal baseline was established and achievements were not verified as the indicators did not form part of the 2015/2016 APP.

- 1.1 BANKSETA received five requests to be accredited thus far. This is at the discretion of providers and BANKSETA has no control over it.
- 1.2 The planned target was exceeded due to 5 providers being accredited / reaccruited to date. This is at the discretion of providers and BANKSETA has no control over it.
- 1.3 The planned target was exceeded. This is at the discretion of providers and BANKSETA has no control over it as it depends on the groups of learners that providers assess.
- 1.4 This target was exceeded. This is at the discretion of providers and depends on how many learners enrol at a particular provider and is deemed competent.

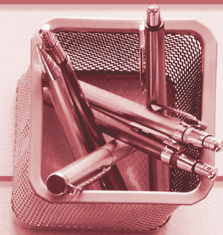
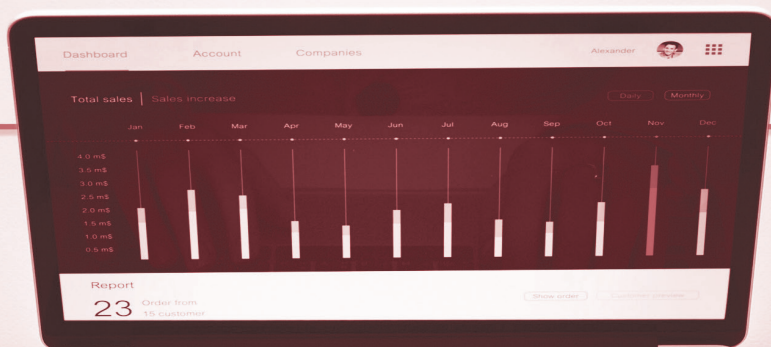
PROGRAMME 4: ADMINISTRATION PROGRAMME

SUB-PROGRAMME 1: ADMINISTRATION PROGRAMME (HUMAN RESOURCES, FINANCE AND GOVERNANCE)

Description: The focus of the programme is to ensure that the BANKSETA on an annual basis has sufficient resources and ensures that annual strategic objectives are met by 31 March 2017 (General Managers (Finance, Corporate Services and Company Secretary) – no discretionary grant funds required, R88 452 000 administration budget).

	Performance indicator	Baseline			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE	Adequate BANKSETA staff to meet strategic objectives, compliance requirements and mandatory grant payout rates.							
1.1.	Success measured by sign-off of staff performance agreements aligned to Balanced Scorecard and Strategic Plan objectives	No baseline	No baseline	No baseline	All aligned performance agreements signed	All aligned performance agreements signed	All aligned performance agreements signed	All aligned performance agreements signed
1.2.	Success measured by staff turnover rate	No baseline	No baseline	No baseline	<10% of staff complement (5)	<10% of staff complement (5)	<10% of staff complement (5)	<10% of staff complement (5)
1.3.	Success measured by all compliance submissions done as per DHET Compliance Calendar	No baseline	No baseline	No baseline	Submission of all due 2015/16 compliance requirements	Submission of all due 2016/17 compliance requirements	Submission of all due 2017/18 compliance requirements	Submission of all due 2018/19 compliance requirements
1.4.	Success measured by mandatory grant payout rate (as per grants due)	No baseline	No baseline	No baseline	96% mandatory grant payout rate	96% mandatory grant payout rate	96% mandatory grant payout rate	96% mandatory grant payout rate

SUB-PROGRAMME 1: ADMINISTRATION PROGRAMME (HUMAN RESOURCES, FINANCE AND GOVERNANCE)									
Achievement									
	Performance indicator	Achievement				Quarterly Achievement			
		2013/14	2014/15	2015/16	2016/17	Q1	Q2	Q3	Q4
STRATEGIC OBJECTIVE	Adequate BANKSETA staff to meet strategic objectives, compliance requirements and mandatory grant payout rates.								
1.1.	Success measured by sign-off of staff performance agreements aligned to Balanced Scorecard and Strategic Plan objectives	No baseline	No baseline	Done	All aligned performance agreement signed	Done	Done	Done	Done
1.2.	Success measured by staff turnover rate	No baseline	No baseline	<10% of staff complement	10% of staff complement (5)	<10%	<10%	<10%	<10%
1.3.	Success measured by all compliance submissions done as per DHET Compliance Calendar	No baseline	No baseline	Done	Submission of all due 2016-17 compliance requirements	Done	Done	Done	Done
1.4.	Success measured by mandatory grant payout rate (as per grants due)	No baseline	No baseline	97% Payout rate	96% mandatory grant payout rate				96% Payout



PART C

Governance

King IV Principles

Skills Development Levies Act

Public Finance Management Act

Compliance Accounting Authority

Executive Authority

Preferential Procurement Framework Act



GROUP PROFILE: WHO GOVERNS US, LEADS US

BANKSETA

The BANKSETA is a statutory body established through the Skills Development Act of 1998 as amended by Act 26 of 2011 to enable its stakeholders to advance the national and global position of the banking and microfinance industry. In terms of the Public Finance Management Act (1999) (PFMA), the BANKSETA is a Schedule 3A public entity. Thus, in delivering on its mandate, the SETA and its Accounting Authority, are governed by the Skills Development Act, the PFMA, the Skills Development Levies Act, the SETA Standard Constitution and any other relevant legislation.

Portfolio Committee

Parliament, through its Portfolio Committee on Higher Education and Training, oversees the performance and budgets of the Department of Higher Education and Training and its public entities and thus is primarily concerned with overall service delivery and improving economic growth. In this way, the BANKSETA is also accountable to the Portfolio Committee to report on the organisation's Strategic Plans and Annual Performance Plans and relevant performance. During the 2016/17 financial year, the BANKSETA did not hold any meetings with the Portfolio Committee. However, all Parliamentary Questions which the BANKSETA was requested to answer was provided to the Executive Authority.

Executive Authority

The Executive Authority (the Minister of Higher Education and Training) must exercise his powers and responsibilities in respect of the SETA constitution, to ensure that the implementation of the objectives and execution of the functions of the SETA comply with both the Act and the policies of the Executive Authority and government. This is managed through a service level agreement which outlines the minimum service levels required by the SETA in performing its statutory functions, meeting the National Skills Development Strategy targets and implementing its strategic plan and annual performance plan. Furthermore, as required by the PFMA and National Treasury Regulations for monitoring and evaluation purposes, the Annual Compliance Calendar is complied with which comprises the quarterly reporting on SETA finances, performance, risk management and governance. The BANKSETA complied with the provisions of the Annual Compliance Calendar for the 2016/17 year and submitted all quarterly reports as required.

Accounting Authority

The Accounting Authority, also known as the Board of the SETA, governs and manages the SETA in accordance with applicable legislation and provides strategic direction. As King III articulates, the essence of good governance emanates from effective leadership; the Accounting Authority and the Executive Management of the SETA have a critical role to play in ensuring that the SETA fulfills its strategic and operational objectives towards sustainable performance and meeting the needs of its stakeholders.

Governance Structure



Martin Mahosi
Chairperson - Ministerial Appointment



Malesela Maleka
Ministerial Appointment



Joe Kokela
Organised Labour - Sasbo



Samantha Anthony
Organised Labour - Sasbo



Myan Soobramoney
Organised Labour - Sasbo



Manny Captain
Organised Labour - Sasbo



Liesel Hollis
Organised Labour - Sasbo



Amanda Naude
Organised Labour - Sasbo



Abram Thebyane
Organised Employers - Nedbank



Nathan Motjuwadi
Organised Employers - Capitec Bank



Sharon Taylor
Organised Employers - Standard Bank



Sarah Louw
Organised Employers - Absa - Barclays



Israel Noko
Organised Employers - MFSA



Sifiso Mthembu
Organised Employers - FirstRand Bank

Introduction

Corporate governance is concerned with the balance of interests and powers between members, directors and stakeholders in order for the organisation to achieve its objectives in an open and transparent manner. BANKSETA, as a public entity and a steward of public funds is accountable to its Executive Authority (and Portfolio Committee on Higher Education and Training) as well as stakeholders and takes responsibility in the implementation of its mandate. In this way, the Accounting Authority needs to ensure that good corporate governance practices are applied and that compliance with the PFMA, King III and King IV code (applicable from 1 April 2017) and other relevant legislation and National Treasury regulations are adhered to, in order to discharge its duties and responsibilities effectively and thereby be an effective Board and in the achievement of strategic objectives.

BANKSETA Governance Structure



Accounting Authority/Board

The roles and functions of the Board are articulated in the BANKSETA Constitution which is the basis of the Board Charter:

- govern and manage the SETA;
- ensure that the SETA achieves the objectives contemplated in clause 5 of the Constitution and performs the functions contemplated in clause 6 of the Constitution;
- provide effective leadership and ensure that the SETA implements the goals of the National Skills Development Strategy and the Performance Agreement with the Minister;
- to set a strategic direction for the SETA;
- liaise with stakeholders;
- ensure that the SETA complies with the relevant statutory requirements and the requirements of the Constitution;
- manage institutional risk;
- monitor the performance of the SETA;
- apply for the establishment of the SETA in terms of section 9(1) of the Act, read together with the Regulations Regarding the Establishment of Sector Education and Training Authorities, 7 September 1999, as amended by General Notice R106 in the Government Gazette 27254 of February 2005;
- perform its functions as required by the Skills Development Act;
- meet the targets in the National Skills Development Strategy;
- implement the approved Strategic Plan; and
- adhere to the requirements of the Public Finance Management Act and Treasury Regulations.

The Board Charter

The King III Report on corporate governance for South Africa 2009 recommends that every board should have a charter setting out its responsibilities.

The BANKSETA Board Charter defines the strategic mandate of the Accounting Authority and outlines the requisite knowledge, skills and experience required by BANKSETA Accounting Authority members in performing their fiduciary duties and meeting the National Skills Development Strategy targets and BANKSETA Strategic Plan objectives, duties, responsibilities and code of conduct as articulated in the BANKSETA constitution, risk management priorities, meeting procedures and governance principles.

During the 2016/17 financial year, there were no matters of non-compliance with the Charter reported.

Composition of the Board

The composition of the BANKSETA Board consists of:

Six representatives from organised labour and six representatives from organised employers (Employer Forum) as well as two representatives from community organisations, professional body or any bargaining council or government department (where relevant). The Chairperson of the Board is appointed by the Minister of Higher Education and Training.

The Board's term of appointment is until 31 March 2018. The details of the Board members are given as follows:

Board Member Name	Constituency	Organisation	Position	Appointment Date
Martin Mahosi (Chairperson)	Ministerial appointment			1 April 2011
Malesela Maleka	Ministerial appointment			1 April 2011
Joe Kokela	Organised labour	Sasbo	President	1 April 2011
Samantha Anthony	Organised labour	Sasbo	Chief Financial Officer	2 August 2011
Myan Soobramoney	Organised labour	Sasbo	National Secretary	1 April 2011
Manny Captain	Organised labour	Sasbo	Sasbo (Deputy President) Business Manager - Nedbank	2 August 2011
Liesel Hollis	Organised labour	Sasbo	Transformation Head: Banking Channels (FNB) / Member of Sasbo Management Committee	4 June 2014
Amanda Naude	Organised labour	Sasbo	Training Officer	21 July 2016
Abram Thebyane	Organised employers	Nedbank	Group Executive: HR	1 April 2011
Nathan Motjuwadi	Organised employers	Capitec Bank	HR Executive	2 August 2011
Sharon Taylor	Organised employers	Standard Bank	Head: Human Capital	6 December 2012 (resigned in November 2016)
Sarah Louw	Organised employers	Absa (Barclays)	Chief Executive: HR	4 June 2014
Israel Noko	Organised employers	MFSA	Chief Executive Officer: NPI Governance Consulting (Pty) Ltd / MFSA Board member	4 June 2014
Sifiso Mthembu	Organised employers	FirstRand Bank	Group HR Executive	21 July 2016

There are two Board membership vacancies, one representing Organised Employers and one representing either:

- government departments that have an interest in the sector
- any interested professional body
- any bargaining council with jurisdiction in the sector
- organisation of community which have an identifiable interest in skills development in the sector

COMMITTEES

Board Committees

The following Board Committees are currently fully operational with organised labour, organised employers and independent representatives:

- Audit and Risk Committee
- Finance and Remuneration Committee
- Executive Committee

Finance and Remuneration Committee

The Finance and Remuneration Committee must perform all functions referred or delegated to it by the Accounting Authority, in order to ensure that the SETA meets the requirements of the Skills Development Act, the Skills Development Levies Act, PFMA and the Treasury Regulations that relate to finance and the remuneration of the Chief Executive Officer, Board and committee members and staff.

Name	Constituency	Organisation	Start Date
Samantha Anthony (Chairperson)	Organised labour	Sasbo	1 April 2011
Malesela Maleka	Ministerial appointment		2 August 2011
Nathan Motjuwadi	Organised employers	Capitec Bank	2 August 2011
Vincent Motholo	Independent	Independent	26 May 2016
Liesel Hollis	Organised labour	Sasbo	26 May 2016
Lukas de Swardt	Independent	Independent	27 July 2016

Audit and Risk Committee

The Audit and Risk Committee must perform the functions of an audit committee as contemplated in the PFMA. The Audit and Risk Committee must serve as a mechanism of the Accounting Authority to monitor and reinforce the effectiveness of both the internal control system and the internal and external audit (Auditor-General) functions in accordance with the Audit and Risk Committee and Internal Audit Charters.

Name	Constituency	Organisation	Start Date
Thomas Kgokolo (Acting Chairperson from June 2016)	Independent	Independent	28 June 2013
Tinyiko Mhlari	Independent	Independent	30 April 2012
Shauneez West	Organised labour	Sasbo	21 May 2014
Israel Noko	Organised employers	MFSA	23 September 2014

Executive Committee

Subject to the directions of the Accounting Authority, the Executive Committee is responsible for overseeing the management of the SETA (inclusive of Governance and Strategy Committee responsibilities from January 2013).

Name	Constituency	Organisation	Start Date
Martin Mahosi (Chairperson)	Ministerial appointment		2 August 2011
Myan Soobramoney	Organised labour	Sasbo	2 August 2011
Abram Thebyane	Organised employers	Nedbank	2 August 2011
Joe Kokela	Organised labour	Sasbo	2 August 2011
Sarah Louw	Organised employers	Absa (Barclays)	17 March 2016

BOARD AND COMMITTEE MEMBER REMUNERATION

Board and Committee members are not staff members of the BANKSETA. An allowance is paid to Board and Committee members for their attendance at, and contributions to official meetings. The allowance rates approved by the Board and by the Minister of Higher Education and Training is in accordance with the remuneration level sub-category S, as determined by the Minister of Finance in the 'Circular from the National Treasury on Adjustment of the Remuneration Levels'. Audit and Risk Committee members are remunerated according to the same rates as Board members and approved by the Minister of Higher Education and Training.

In accordance with Circular 2 (Remuneration Tariffs for the Boards and Committee members of SETAs and non-SETAs that are reporting into Department of Higher Education and Training) issued by the Minister of Higher Education and Training, daily rates are applied for meeting fees (in addition to preparation fees) relevant to Board and Committee meetings attended.

Allowances are paid to the constituencies that members represent and not to the individual except for members who are Ministerial appointments, independent Committee members and for members who have gained exemption in this respect from respective employers. Independent Committee members who are considered public officials or government employees are not remunerated for meeting attendance unless they take unpaid leave from their respective positions to attend. Allowances were also subject to relevant tax rates (and regulations) during the applicable reporting period.

Board Member Remuneration Meeting and Board Fees:

Name	Organisation	Role	Meeting Fee (R)	Attendance
M Mahosi	Ministerial	Chairperson	69 804,00	7/7
M Maleka	Ministerial	Member	46 548,00	6/7
J Kokela	Sasbo	Member	38 790,00	5/7
S Anthony	Sasbo	Member	54 306,00	7/7
M Soobramoney	Sasbo	Member	38 790,00	5/7
M Captain	Sasbo	Member	15 516,00	2/7
A Thebyane	Nedbank	Member	38 790,00	5/7
N Motjuwadi	Capitec Bank	Member	31 032,00	4/7
S Taylor	Standard Bank	Member	23 274,00	3/4
S Louw	Absa (Barclays)	Member	46 548,00	6/7
L Hollis	Sasbo	Member	46 548,00	6/7
I Noko	MFSA	Member	38 790,00	5/7
A Naude	Sasbo	Member	23 274,00	3/4
S Mthembu	FirstRand Bank	Member	31 032,00	4/4

Finance and Remuneration Committee Member Meeting Fees:

Name	Organisation	Role	Meeting Fee (R)	Attendance
S Anthony	Sasbo	Chairperson	49 860,00	5/5
M Maleka	Ministerial	Member	7 758,00	1/5
N Motjuwadi	Capitec Bank	Member	38 790,00	5/5
V Motholo	Independent	Member	31 032,00	4/5
L de Swardt	Independent	Member	31 032,00	4/4
L Hollis	Sasbo	Member	15 516,00	2/5

Audit and Risk Committee Member Meeting Fees:

Name	Organisation	Role	Meeting Fee (R)	Attendance	Fees for attended Board meetings
T Kgokolo	Independent	Acting Chairperson	49 860,00	5/6	9 972,00
T Mhlari	Independent	Member	48 762,00	6/6	9 972,00
S West	Sasbo	Member	46 548,00	6/6	
I Noko	MFSA	Member	46 548,00	6/6	

Executive Committee Member Meeting Fees:

Name	Organisation	Role	Meeting Fee (R)	Attendance
M Mahosi	Ministerial	Chairperson	49 860,00	5/6
M Soobramoney	Sasbo	Member	38 790,00	5/6
J Kokela	Sasbo	Member	41 004,00	5/6
A Thebyane	Nedbank	Member	31 032,00	4/6
S Louw	Absa (Barclays)	Member	46 548,00	6/6

RISK MANAGEMENT

In accordance with the BANKSETA Risk Management Policy and Framework, risk management has been adopted as a critical governance requirement in order to address all factors that may hinder or prevent BANKSETA from achieving all its goals and objectives. BANKSETA (through the Accounting Authority, Audit and Risk Committee and the Risk Management Committee (which is composed of the BANKSETA management team and staff members) is committed to the optimal management of risk in order to achieve its vision, mission, objectives, strategies and plans and to protect our core values.

The Accounting Authority ('the Board') has committed BANKSETA to a process of risk management that is aligned to the principles of good corporate governance, as supported by legislation and leading practice and is composed of the following:

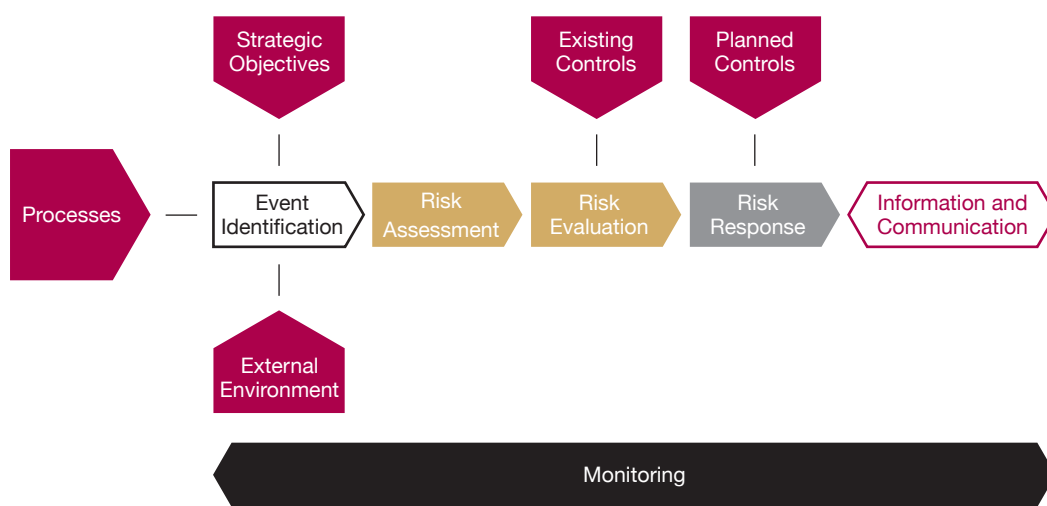
- Risk management is inseparable from BANKSETA's strategic and business processes;
- Risk identification should be directed in the context of BANKSETA's purpose;
- The Board will be responsible for the process of risk management;
- The Board will approve BANKSETA's chosen risk philosophy;
- The Board will approve key strategic risk indicators and tolerance levels;
- The Board will adopt a risk management plan;
- The Board will report on the effectiveness of risk management;
- The Board will ensure that BANKSETA's reputational risk is protected;
- The Board will determine the extent to which risks relating to sustainability are addressed and reported on;
- The Board will ensure that IT is aligned with business objectives and sustainability;
- The Board will consider the risk of the unknown as part of the qualitative and quantitative risk assessment process;
- The Board may delegate the responsibility of risk management to a risk committee;
- Management is responsible for the implementation of the risk management process;
- Risk management will be practised by all staff in their day-to-day activities and risk management will be included as a key performance area for all BANKSETA staff members;
- Risk assessments will be performed on an ongoing basis; and
- Key risks are quantified and are responded to appropriately.

Through the Risk Management Framework, the BANKSETA has adopted a standard approach to enterprise risk management at BANKSETA and to ensure that all risks that could affect our people, reputation, business processes and systems, financial and environmental performance are identified, assessed and treated to an acceptable level by:

- Incorporating a consistent approach to risk management into the culture and strategic planning processes of BANKSETA, supporting the setting of priorities and making of decisions at all levels;

- Applying a consistent approach to risk response and control activities to support BANKSETA's governance responsibilities for innovation and responsible risk-taking, policy development, programmes and objectives. In all cases, appropriate measures will be put in place to address unfavourable impacts from risks and favourable benefits from opportunities;
- Manage a transparent approach to risk through formal and informal communication and monitoring of all key risks, balancing the cost of managing the risk with the anticipated benefit. Risk management practices will be adapted to encompass best practices, specific circumstances and mandate.

The risk management process comprises:



The Risk Management Committee is a sub-committee of the Audit and Risk Committee and is responsible for assisting the Chief Executive Officer in monitoring the performance of risk management and to report accordingly to the Audit and Risk Committee and the BANKSETA Board. The role of the Risk Management Committee is to formulate, promote and review the Enterprise-wide Risk Management objectives, strategy and policy, and to monitor the process at strategic, management and operational levels.

GOVERNANCE REPORT

The BANKSETA is committed to the application of recommended practices and principles as given in the King III and IV Code of Governance Practice in South Africa and compliance with the prescripts of the PFMA. The BANKSETA has recently undertaken a King IV readiness review and is currently implementing the recommendations thereto.

An independent Board evaluation for the 2016/17 year was conducted. The scope of the assessment was to evaluate the Board performance against accepted good corporate governance principles and practices, on a comparable basis with previous Board assessments.

The following areas will be covered by means of interviews and questionnaires:

- Board composition;
- Strategy;
- Roles and responsibilities;
- Board meetings;
- Succession planning;
- Chairman of the Board;
- Company Secretary;
- Board Committees (Executive, Finance and Remuneration, Audit and Risk).

The results of the evaluation showed that overall (across all categories) the Board considered their performance to be effective with improvements considered and noted for Board composition, Strategy and Succession Planning (particularly within the BANKSETA context).

INTERNAL CONTROLS AND INTERNAL AUDIT COVERAGE FOR 2016/17

As part of the Board's role in respect of risk management, the Board is also responsible for maintaining a sound system of internal control. Internal Audit, thus, assists BANKSETA to accomplish its objectives by bringing a systematic and disciplined approach in order to evaluate and improve the effectiveness of risk management, control, and governance processes, as articulated in its Internal Audit Charter.

BANKSETA Internal Audit has been insourced from March 2016 and the BANKSETA has appointed the Head of Internal Audit with an internal audit team, consisting of Internal Audit specialists, recruited. Where external expertise is required to supplement the expertise of the Internal Audit team, a due procurement process in order to procure such services is followed.

Internal Audit Coverage for 2016-17 (aligned to the rolling three-year strategic internal audit plan and outcomes of the risk assessment) encompassed the following:

- Performance Information (for 3 Quarters)
- Strategic Plan Implementation - Discretionary Projects, Learnerships and Learning Programmes
- Human Capital Management
- Strategic Planning – Review of Strategic and Annual Performance Plan
- Payroll Review
- Financial Discipline Review
- Supply Chain Management
- Commitments Schedule
- Follow Up - Internal Audit Findings (all unresolved prior findings)
- Follow Up - Auditor General Findings
- Bonus Review (outsourced for independent review)
- King IV Readiness Review
- Risk Management Compliance Review

COMPLIANCE

The BANKSETA ensures that it complies with laws and regulations through its pertinent governance structure and senior management responsibilities, in accordance with its mandate and as formally communicated by the relevant Executive Authority and National Treasury. Furthermore, the BANKSETA has developed a compliance framework for submissions, aligned to the Executive Authority compliance calendar, and a Compliance Policy, to ensure there is consistent focus on adhering to compliance responsibilities. The BANKSETA is awaiting the finalisation of the National Treasury Compliance Framework in order to inform further compliance responsibilities. During the 2016/17 financial year, there were no significant changes to legislation nor regulations applicable to the SETA, except for the extension of the NSDS III and the re-establishment of the SETAs until 31 March 2020.

BANKSETA is also required to report to the relevant authorities on the disclosure of information in terms of the Promotion of Access to Information Act. During the period of review, no information requests were received.

The BANKSETA has a Fraud Prevention Plan and Policy (which includes Whistleblower Protection) and an anti-fraud hotline, managed by an independent service provider with specific reporting processes in place. Fraud reporting is a standard agenda item for the Risk Management Committee, Audit and Risk Committee and Board governance structures. No reports on possible fraud at the BANKSETA were noted during the 2016/17 financial year.

Formal declaration of interests are noted and records kept in accordance with meetings conducted at Committee and Board level as well as for Supply Chain Management activities in order to ensure that conflict of interest is minimised within the context of the SETA activities and mandate.

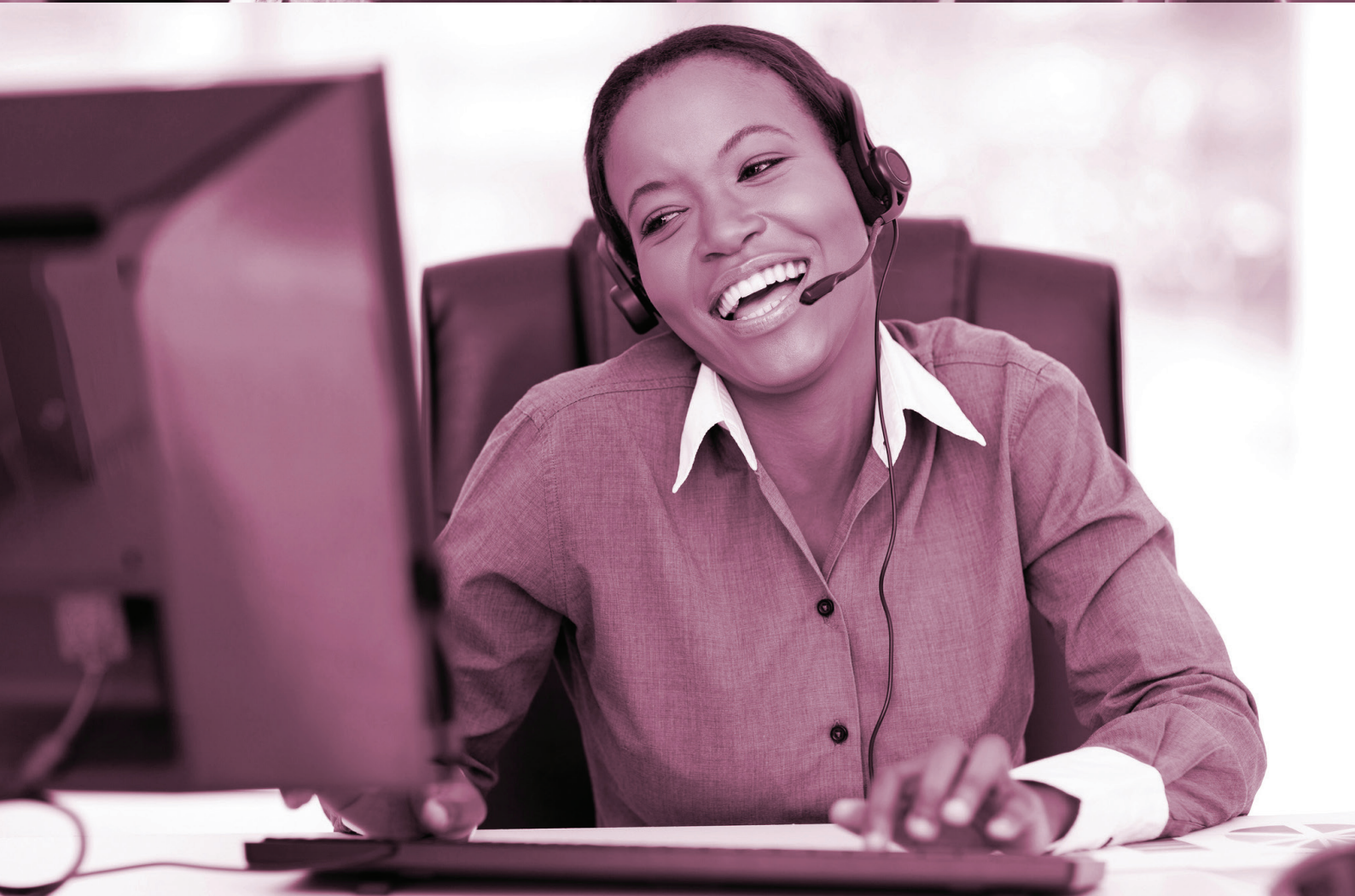
CODE OF CONDUCT

The BANKSETA strictly adheres to the Code of Conduct as elucidated in the BANKSETA Constitution and is applied as follows:

- All Members of the Accounting Authority, the chambers and any committee established by the Accounting Authority are subject to this Code of Conduct and are required to comply with both the letter and the spirit of the Code
- The Members of the Accounting Authority, the chambers and any committee established by the Accounting Authority;
 - stand in a fiduciary relationship to the SETA,
 - must comply with all the applicable laws and regulations that regulate the activities they are engaged in for and on behalf of the SETA,
 - must perform their functions fairly, honestly and in good faith, giving full effect to the obligations and spirit of the Act and this Constitution,
 - must protect and promote the reputation of the SETA and promote goodwill towards it,
 - must perform their duties conscientiously and in the best interest of the SETA, and
 - conduct themselves ethically and in accordance with the principles of good governance.
- To ensure the proper execution of its mandate and effective compliance with the applicable legislative and policy framework, the Accounting Authority must ensure that the staff of the SETA and Members of all committees and chambers, adhere to the following principles of governance
 - Effectiveness and efficiency in the execution of their specified mandates, which require clearly formulated purpose statements, objectives, roles and responsibilities,
 - Accountability for meeting their specified mandates, which requires effective accountability mechanisms, proper management, control and the safeguarding of finances and resources, as well as regular and accurate performance reviews, assessments and reporting,
 - Integrity and honesty in the management of finances and resources, which require observing and promoting high standards of ethical conduct, proper execution of fiduciary duties, independence from vested interests and avoiding undue influence and a conflict of interests,
 - Transparency and openness, which require fair, transparent and accessible rules, processes and procedures; the consistent application of these rules, processes and procedures; transparent and motivated decision-making; and timely and accurate provision of information to a higher authority, stakeholders and the public,
 - Participation in the development and implementation of public policies, where appropriate, which requires the active involvement of beneficiaries, stakeholders and other affected groups in the formulation of policies and programmes; promoting ownership of policies and programmes; stakeholder commitment to their success; and consultation with, and representation on institutional structures,
 - The capacity and resources to execute their mandate, which require appropriate selection and capacity-building, in order to ensure that Members and staff have the necessary skills, knowledge and experience.

Contravention of the Code of Conduct would be treated in the manner prescribed by the BANKSETA Standard Constitution. No incidences in respect of breach of the Code of Conduct and Ethics were recorded during the 2016/17 financial year.

The BANKSETA recognises its accountability to all its stakeholders under the legal and regulatory requirements applicable to its business and is committed to high standards of integrity and fair dealing in the conduct of its business. It is committed to comply with both the spirit and the letter of applicable requirements and to always act with due skill, care and diligence. The social impact of the BANKSETA's efforts in meeting its primary strategic objectives will result in a transformed, skilled and capable workforce to address the sector strategic objectives and national strategic objectives and skills development legislation (Standard Constitution of SETA regulations and Skills Development Amendment Act, 2011).



PART D

Human Resource
Management



HUMAN RESOURCE OVERSIGHT STATISTICS

The BANKSETA's staff complement increased over the past two years and as at 31st March 2017, there was a total of 59 staff members. The increase came as a result of the insourcing of previously outsourced functions: Supply Chain Management, Information Technology, Finance and Internal Audit. Over and above the insourcing of the very functions, the organisational structure was revisited to see if it continued to satisfy the business needs. This very exercise gave rise to the centralisation of the Project Management Office (PMO), as well as the recruitment of additional resources to address the needs identified.

The BANKSETA values the contribution and throughput of a diverse workforce to the success of its business. The organisation complies with the provisions of the Employment Equity (EE) Act; and with its recruitment drive to have the previously outsourced function insourced; the organisation developed an EE Plan and adhered to it 100%.

Staff turnover remains at a very low percentage, with the statistics reflecting a 5% rate.

The organisation continues to invest in the Employee Assistance Programme that looks after the wellbeing of its staff as well as their household members. The usage of the initiative is impressive; therefore, any challenges experienced are dealt with as and when they occur. This ensures that high performance levels at work are maintained and that there is no record of leave abuse. Staff members are encouraged to take regular breaks to avoid burnout, and take care of their physical-mental wellbeing and families.

PRIORITIES AND ACHIEVEMENTS FOR THE YEAR UNDER REVIEW

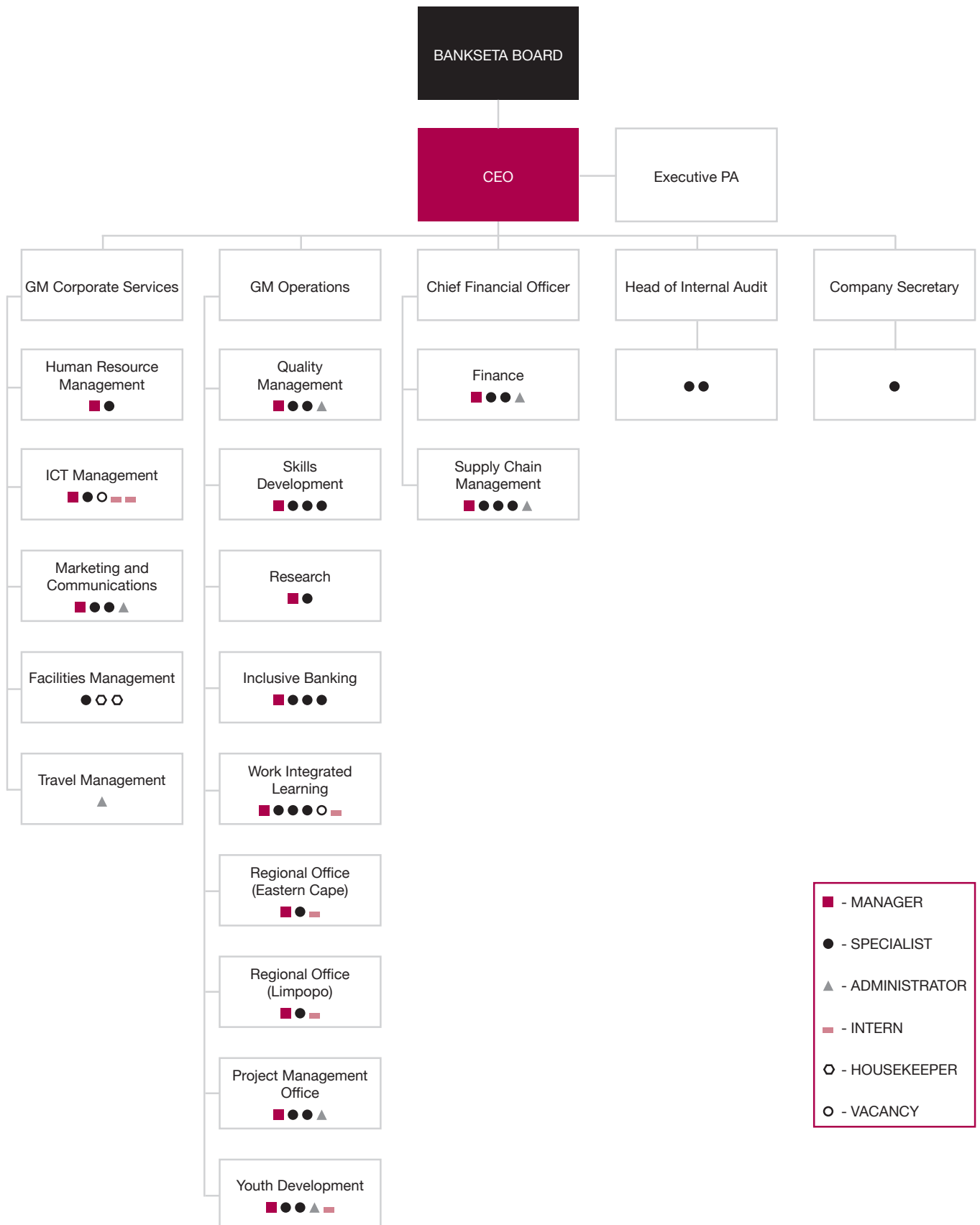
The organisation subscribes to the Investors in People (IIP) standards and was also subjected to an assessment that led to the retention of the recognition at the developed level. Two areas of improvement were noted, which refers to adopting a culture of recognition and the development of non-monetary rewards for staff. As a business, the focus for the new financial year will be on addressing the highlighted areas; entrenching the culture as guided by the indicators under the developed level prior to focusing on the established level.

As part of continuous learning which is very key to the organisation, staff members attended a performance management workshop which included a component that talks to the moderation process within performance management system. The BANKSETA's focus for the new financial year will be on ensuring a strong alignment between the performance contracts of the individual staff members, the balance scorecard and the strategy of the organisation. This will include taking a close look at the impact of the initiatives implemented, to inform the focus hence forth.

Staff members were engaged in the development of a competency framework that will be used as an indicator for the type of competencies relevant for staff to perform effectively within the respective roles. This includes highlighting the needed competencies for one to move to the next job level. This initiative was succeeded by an assessment that was done across the business to assess individual areas of improvement and guide the learning and development investment for every staff member.

The business has noted a need to focus on the upliftment of the staff morale and to explore ways in which that could be improved upon. Staff members continue to perform at their highest levels, and continue to show commitment to the organisation and its impact to the society.

BANKSETA continues to undertake a study that informs how stakeholders perceive its staff members in relation to the values the organisation stands for. The organisation appreciates the ongoing feedback as it continues to shape and elevate the manner in which staff conduct themselves and engage with its stakeholders.



Personnel cost per job band

Occupational Level	Personnel Expenditure (Rand Value)	% of Personnel Expenditure to Total Personnel	Number of Employees	Average Personnel Cost Per Employee
Senior Management	4 885 604.00	15.54%	4	R 1 221 901.00
Professional Qualified	10 706 130.00	34%	15	R 713 742.00
Skilled	13 923 681.00	44.28%	31	R 449 151.00
Semi-Skilled	1 677 900.00	5.37%	7	R 239 700.00
Unskilled	249 830.00	0.79%	2	R 124 915.00
Total	31 443 145.00	99.98%	59	R 2 748 909.00

Performance rewards

Occupational Level	Number of Employees	Personnel Expenditure (Rand Value)	% of Performance Rewards to Total Personnel Cost
Senior Management	4	1 628 488.00	5.18%
Professional Qualified	15	2 844 461.00	9.05%
Skilled	31	2 942 767.00	9.36%
Semi-Skilled	7	287 698.00	0.91%
Unskilled	2	44 685.00	0.14%
Total	59	7 748 091.00	24.64%

Employment equity

	Males				Female				Foreign Nationals			
	AM	CM	IM	WM	AF	CF	IF	WF	Male	Female	Total	% EE
Senior Management	0	0	0	0	1	1	0	1	0	1	4	50%
Professionals	3	1	1	0	5	0	2	2	1	0	15	85%
Skilled	13	0	1	0	14	1	1	0	0	1	31	96.33%
Semi-Skilled	4	0	0	0	3	0	0	0	0	0	7	100%
Unskilled	0	0	0	0	2	0	0	0	0	0	2	100%
Total Permanent	20	1	2	0	25	2	3	3	1	2	59	89.83%

Disability

	Males				Female				Foreign Nationals			
	AM	CM	IM	WM	AF	CF	IF	WF	Male	Female	Total	% EE
Disabled	0	0	0	0	1	0	0	0	0	0	0	1.67%

Employment changes

Levels	Appointments	Resignations	Promotions
Senior Management	0	0	0
Management/Professionals	3	2	1
Skilled	10	1	0
Semi-Skilled	1	0	0
Unskilled	0	0	0
Total	14	3	1

Reasons for staff leaving

Death	Resignation/Personal	Ill-Health	Retirement	Misconduct
0	3	0	0	0

Training costs

Programme/ Activities/Objectives	No of employees trained	Training expenditure	Average training cost per employee
Internal Comms and Brand Management	1	10 258,86	10 258,86
BTECH IT	1	9 640,00	9 640,00
N5 Management Assistant	1	6 900,00	6 900,00
BA Communications	1	7 200,00	7 200,00
NIL 5 OD- ETDP Certificate	1	11 474,10	11 474,10
Media Training	59	82 500,00	1 398,31
WIL Annual Conference	5	22 500,00	4 500,00
Digital Education Workshop	1	4 981,80	4 981,80
Digital Education Workshop	1	4 981,80	4 981,80
Masters Public Admin	1	3 727,00	3 727,00
BTECH Project Management	1	22 400,00	22 400,00
BTECH IT	1	9 440,00	9 440,00
Post Grad Monitoring and Evaluation	1	38 425,00	38 425,00
PhD Computer Science	1	15 400,00	15 400,00
Annual Membership Fee	1	1 521,00	1 521,00
Doctoral Degree HRM	1	22 870,00	22 870,00
Annual Membership Fee	1	1 767,00	1 767,00
Post Grad Certificate Taxation	1	15 000,00	15 000,00
Demand and Acquisition Management	2	42 820,00	21 410,00
Performing Effective Quality Assessment	1	7 823,00	7 823,00
Performance Management	59	36 480,00	618,31
Annual Membership Fee	1	1 717,98	1 717,98
ITIL Programme	1	7 318,80	7 318,80
Investors in People Workshop	59	90 000,00	1 525,42
Hons Degree Inclusive banking	1	14 320,00	14 320,00
Post Grad Diploma	1	7 800,00	7 800,00
BTECH IT	1	8 753,60	8 753,60
Masters Public Admin	1	7 787,00	7 787,00
GRAPP Training	10	114 000,00	11 400,00
Masters in Education	1	18 985,00	18 985,00
Investors in People Advocate Workshop	3	16 500,00	5 500,00
Asset Management	1	12 999,00	12 999,00
Diploma Procurement	1	21 049,38	21 049,38
Diploma Procurement	1	21 049,38	21 049,38
Diploma Procurement	1	21 049,38	21 049,38
Diploma Procurement	1	21 049,38	21 049,38
ND Public Relations	1	8 510,00	8 510,00
Annual Membership Fee	1	883,50	883,50
ND Public Relations	1	5 600,00	5 600,00
Media Training	59	27 500,00	466,10
Annual Membership Fee	1	2 184,00	2 184,00
ACCA Professional Qualification	1	30 482,60	30 482,60
Pre-registration Fees Paid by Members	1	3 000,00	3 000,00
Total		840 648,56	





PART E

Annual Financial
Information



Banking Sector Education and Training Authority
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

The Annual Financial Statements for the year ended 31 MARCH 2017, set out on pages 92 to 137, have been approved by the Accounting Authority on 26 July 2017 in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), No 1 of 1999 as amended, and are signed on their behalf by:

A handwritten signature in black ink, appearing to be 'C. King'.

Caroline King (Acting CEO)

A handwritten signature in black ink, appearing to be 'Martin Mahosi'.

Martin Mahosi (Chairperson)

Banking Sector Education and Training Authority
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON BANKING SECTOR EDUCATION AND TRAINING AUTHORITY

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Banking Sector Education and Training Authority (BANKSETA) set out on pages 92 to 137, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, cashflow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the 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 BANKSETA as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Generally Recognised Accounting Practices (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act of South Africa, 1998 (Act No. 97 of 1998) (SDA).

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 auditor-general's responsibilities for the audit of financial statements section of this report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the 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.

Responsibilities of the accounting authority

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA and the SDA 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the BANKSETA'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 intention is to liquidate the public entity or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

8. 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON BANKING SECTOR EDUCATION AND TRAINING AUTHORITY

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 1 - skills development	24 - 55

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programme:
 - Programme 1: skills development

Other matter

15. I draw attention to the matters below.

Achievement of planned targets

16. Refer to the annual performance report on pages 1 to 54 for information on the achievement of planned targets for the year and explanations provided for the under or overachievement of a significant number of targets.

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 1, sub-programme 6, on indicator 1. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

18. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
19. I did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON BANKING SECTOR EDUCATION AND TRAINING AUTHORITY

Other information

20. The BANKSETA's accounting authority is responsible for the other information. The other information comprises the information in the annual report which includes audit committee's report, accounting authority's report, chairperson's report, chief executive officers report and departmental reporting. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in the auditor's report.
21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor General

Pretoria
31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE A - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. 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 programme and on the public entity's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the 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 by the board of directors, which constitutes the accounting authority
 - conclude on the appropriateness of the accounting authority's 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 related to events or conditions that may cast significant doubt on the BANKSETA's ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of the 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 whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. 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.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

AUDIT AND RISK COMMITTEE REPORT

Report of the Audit and Risk Committee required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999

The BANKSETA hereby present the report for the financial year ended 31 March 2016.

Introduction

The BANKSETA and its Board are committed to the highest standards of sound corporate governance principles and practices in South Africa. This is avouched by its notably ethical behaviour and ongoing fine tuning of the prevailing corporate governance principles and practices. The Audit and Risk Committee's composition and activities are fully compliant with the requirements of the Public Finance Management Act and it endeavoured to exceed the requirements of the Act.

Audit and Risk Committee Members and Attendance

The Audit and Risk committee consists of the members listed hereunder and meets at least 4 times per annum as per its approved terms of reference. During the current financial year 6 meetings were held.

Name of Member Attended	Number of Meetings
Tinyiko Mhlari- Independent member (Appointed 30 April 2012)	6
**Thomas Kgokolo (Appointed 28 May 2013)	5
Shauneez West (Appointed 21 May 2014)	6
Israel Noko (Appointed 23 September 2014)	6

Furthermore, at least one representative from both the Auditor-General's office and the Internal Auditors are present at all Audit and Risk committee meetings, regardless of whether or not the agenda items directly concern the audit of the SETA's Financial Statements.

Audit and Risk Committee Responsibility

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

** Thomas Kgokolo is Acting Chairperson from June 2016 until a new Chairperson is appointed

The Effectiveness of Internal Control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the management letter of the Auditor-General, it was noted that no significant or material non-compliance with regulations have been reported.

Evaluation of Annual Financial Statements

The Audit and Risk Committee has

- Reviewed and discussed the Audited Annual Financial Statements to be included in the annual report;
- Reviewed the Auditor-General management letter and management's response thereto; and
- Reviewed changes in accounting policies and practices.
- Reviewed and monitored the risk assessment and risk management processes for the period under review.

The Audit and Risk Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



Thomas Kgokolo - Acting Chairperson
31 July 2017

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

As the BANKSETA Accounting Authority, it is the Board's responsibility to prepare financial statements that fairly represent BANKSETA's financial position as at 31 March 2017 and also the financial performance and summary cash flow for the year ending 31 March 2017. We are of the opinion that appropriate accounting policies, supported by reasonable and prudent judgements and estimates, have been applied on a consistent basis. The Financial Statements comply with GAAP, including any interpretations of such Statements issued by the Accounting Practices Board and with the prescribed Standards of Generally Recognised Account Practice (GRAP).

1. General review of the state of affairs

- The Banking Sector Education and Training Authority (BANKSETA) is a Schedule 3A public entity established by the Minister of Labour on 20 March 2000, and subsequently re-established to 31 March 2020. The objective of the BANKSETA is to develop skills in and for the broader banking and Micro finance industries in South Africa. The following sectors fall within the scope of the BANKSETA:
- Central banking
- Discount houses, commercial and other banking
- Building Societies
- Financial mediation
- Lease financing
- Securities dealings
- Activities ancillary to financial mediation

The Mission of the BANKSETA is:

"To support transformation and people development and through partnerships, to enable stakeholders to advance the national and global position of the broader banking and microfinance industry."

The BANKSETA is therefore responsible for:

- The identification of priority skills in the sector
- The distribution of mandatory grants to qualifying registered companies
- The distribution of discretionary grants that will benefit the sector at large as well as individuals within the sector
- The implementation of quality assurance processes that will enhance and ensure quality provision of training
- Supporting the implementation of applicable national strategic objectives as identified in the National Skills Development Strategy.

During the year, the BANKSETA's licence was extended from 31 March 2018 to 31 March 2020. DHET is continuing with consultations within the sector on the delivery of skills training and delivery post 2020.

BANKSETA's receives 80% of the skills development levies paid by employers in the sector, 20% going to the National Skills Fund. In addition, the BANKSETA receives penalties and interest collected from sector companies. This levy income, penalties and interest decreased by 2% from prior year to R689 million from R693 million. This points to reduced remuneration in the sector which was partially due to once-off share schemes paid out in prior years. The levy base stayed constant with about 3,600 registered levy payers. The levy exemption threshold for employers remained at R500 000 per annum payroll.

The mandatory grant participation and payout ratios remained at prior year's high level of 96%. Mandatory grant disbursement decreased to R151 million from R163 million in the prior year in line with the decrease in levies. The mandatory grant is pegged at 20%. The 2016/17 discretionary grant expenditure including project expenses increased by 19% from R423 million to R506 million. The increase from the prior year is mainly due to the discretionary funds available being 18.3% higher than in prior year as a result of accumulated surpluses as well as faster delivery of training. All project related costs are directly allocated to projects and are not allocated to operational expenditure. BANKSETA has allocated approximately 76% (2015/16: 100%) of its available surplus funds as at 31 March 2017.

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

Admin expenditure increased by 5% from R62 million to R65 million. The staff complement has grown from average 46 employees in prior year to average 55 employees this year. Admin expenditure was less than admin levies for 2016/17 by R22 million (2015/16 – R26 million) representing 25% of admin levies received (2015/16 – 26). Approval of retention of all surpluses for use in the following year has been sought from National Treasury.

Please refer to the annual financial statements for full details of the BANKSETA's income and expenditure.

2. Payments and Remuneration in the BANKSETA

2.a Members of the Accounting Authority.

Note: The accruals indicated below will be paid to the nominating organisations and not to the individual representatives (with the exception of Ministerial appointments). All payments are in respect of Board meeting or Committee meeting attendance fees.

Name	Constituency	Board Fees	Committee Fee
		R'000	R'000
M Mahosi	Ministerial	70	50
M Maleka	Ministerial	47	8
J Kokela	Sasbo	39	41
S Anthony	Sasbo	54	50
M Soobramoney	Sasbo	39	39
M Captain	Sasbo	16	-
A Thebyane	Nedbank	39	31
N Motjuwadi	Capitec Bank	31	39
S Taylor	Standard Bank	23	-
S Louw	Absa (Barclays)	47	46
L Hollis	Sasbo	47	16
I Noko	MFSA	39	47
S. Mthembu	FirstRand Bank	31	-
A Naude	SASBO	23	-

2.b. Executive Management

2016/17	Base remuneration	Pension	Medical Aid and other benefits	Total guaranteed package	Non-guaranteed remuneration	Total guaranteed and non-guaranteed remuneration
	R'000	R'000	R'000	R'000	R'000	R'000
CEO *	-	-	-	-	-	-
CFO	1 159	144	127	1 430	490	1 920
GM Operations	1 163	144	123	1 430	471	1 901
GM Corporate Services	1 148	142	153	1 443	330	1 773
Acting CEO**	782	97	427	1 306	337	1 643
Total	4 252	527	830	5 609	1 628	7 237

* The position of the CEO was vacant during the full year.

** The Company Secretary acted as the CEO for the full year.

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

Non-guaranteed (at risk) remuneration comprises of incentive scheme bonuses. These are benchmarked and negotiated annually and are dependent on:

- personal performance,
- the BANKSETA overall performance, and
- the retention strategy of the BANKSETA.

3. Business address

Physical address

BANKSETA
Thornhill Office Park
Block no. 22
94 Bekker Road
Midrand
1685

Postal Address

P.O. Box 11678
Vorna Valley
1686
Tel: 011 805 9661
Fax: 011 805 8348
Website: www.bankseta.org.za

Corporate Governance

In terms of the Skills Development Act, total administration costs may not exceed 10% of total levies received. The total administration expenditure in the BANKSETA is again running below the allowed 10%. Our aim has always been to run the BANKSETA on a lean and efficient basis and I attribute the SETA's success in this regard to the quality of people in its employ, the quality of its HR practices and sound business model.

The BANKSETA has an independent Audit and Risk Committee, which is satisfied that the necessary checks and balances are in place. The Audit and Risk committee functions are in line with the Audit and Risk Committee Charter and comply with principles of good corporate governance and with the requirements of the Public Finance Management Act. The functions of the audit committee include a review and an update of the risk analysis, by management and independently from internal audit. Also refer to the Audit and Risk Committee's report for detail.

A materiality framework is in place and no instance occurred during the year that required an implementation of the policy developed in the materiality framework.



Martin Mahosi
BANKSETA Chairperson

26 July 2017

Banking Sector Education and Training Authority
ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2016/17 R'000	2015/16 R'000
REVENUE			
Skills development levy: income from non-exchange transactions	<u>2</u>	660 015	673 762
Skills development levy: penalties and interest from non-exchange transactions		29 124	19 676
Total revenue from non-exchange transactions		689 139	693 438
Investment revenue from exchange transactions	<u>3</u>	46 250	38 875
Other revenue from exchange transactions	<u>4</u>	105	51
Total revenue from exchange transactions		46 355	38 926
Total revenue		735 494	732 364
EXPENSES			
Employer grant and project expenses	<u>5</u>	(657 617)	(586 022)
Employee related costs	<u>6</u>	(39 429)	(31 744)
Depreciation and amortisation	<u>6</u>	(1 684)	(836)
Repairs and maintenance	<u>6</u>	(177)	(181)
General expenses	<u>6</u>	(24 045)	(29 469)
Finance costs	<u>5.2</u>	-	(1 135)
Total expenses		(722 952)	(649 387)
NET SURPLUS FOR THE YEAR	<u>1</u>	12 542	82 977

Banking Sector Education and Training Authority

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

31 MARCH 2017

	Notes	2016/17 R'000	2015/16 R'000
ASSETS			
Non-current assets			
Property and equipment	<u>7</u>	2 628	3 377
Intangible assets	<u>8</u>	230	18
Current assets			
Receivables from non-exchange transactions	<u>9</u>	5 785	1 471
Receivables from exchange transactions	<u>10</u>	3 604	3 700
Cash and cash equivalents	<u>11</u>	620 681	579 935
Total assets		632 928	588 501
LIABILITIES			
Current liabilities			
Payables from exchange transactions	<u>12</u>	53 589	23 907
Payables from non-exchange transactions	<u>13</u>	14 377	14 101
Provisions	<u>14</u>	21 963	20 036
Total liabilities		89 929	58 044
NET ASSETS		542 999	530 457
NET ASSETS AND LIABILITIES			
Funds and reserves			
Administration reserve		2 858	3 396
Employer grant reserve		146	68
Discretionary reserve		539 995	526 993
TOTAL FUNDS AND RESERVES		542 999	530 457

Banking Sector Education and Training Authority

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Administration reserve	Employer grant reserve	Discretionary reserve	Unappropriated surplus	Total
		R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2015		1 710	342	445 428	-	447 480
Net surplus per Statement of Financial Performance		-	-	-	82 977	82 977
Allocation of unappropriated surplus	1	26 227	6 237	50 513	(82 977)	-
Excess reserves transferred to discretionary reserve		(24 541)	(6 511)	31 052	-	-
Balance at 31 March 2016		3 396	68	526 993	-	530 457
Net surplus for the period		-	-	-	12 542	12 542
Allocation of unappropriated surplus	1	21 515	6 755	(15 728)	(12 542)	-
Excess reserves transferred to discretionary reserve		(22 053)	(6 677)	28 730	-	-
BALANCE AT 31 MARCH 2017		2 858	146	539 995	-	542 999

An amount of R2 858 thousand (2015/16: R3 396 thousand) is retained in the administration reserve equal to the carrying value of property and equipment, and intangible assets.

An amount of R146 thousand (2015/16: R68 thousand) is disclosed in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date and new scheme year levies received for the period ending 31 March. Refer to note 16.2 for disclosure of this contingent liability.

Banking Sector Education and Training Authority
ANNUAL FINANCIAL STATEMENTS
CASH FLOW STATEMENT
 FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		690 142	693 244
Cash paid to stakeholders, suppliers and employees		(694 503)	(710 957)
Cash generated from operations	15	(4 361)	(17 713)
Investment revenue from exchange transactions received	3	46 250	36 095
Finance cost	5.1	-	(1 135)
Net cash inflow from operating activities		41 889	17 247
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment	7	(751)	(2 524)
Purchase of intangible assets	8	(404)	(14)
Proceeds from disposal of property and equipment		12	25
Net cash outflow from investing activities		(1 143)	(2 513)
Net increase in cash and cash equivalents		40 746	14 734
Cash and cash equivalents at the beginning of the period	11	579 935	565 201
Cash and cash equivalents at the end of the period	11	620 681	579 935

Banking Sector Education and Training Authority

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Approved Original Budget	Budget Adjustments	Final Budget	Actual income / (Expenditure)	Favourable / (Unfavourable) variance
		2015/16	2016/17	2016/17	2016/17	2016/17
		R'000	R'000	R'000	R'000	R'000
REVENUE						
Skills development levy transfer from non-exchange transactions	<u>25.1</u>	702 000	-	702 000	660 015	(41 985)
Skills development levy penalties and interest from non-exchange transactions	<u>25.2</u>	-	-	-	29 124	29 124
National Skills Fund income		-	-	-	-	-
Investment revenue from exchange transactions	<u>25.3</u>	20 000	-	20 000	46 250	26 250
Other revenue from exchange transactions		-	-	-	105	105
Total Revenue		722 000	-	722 000	735 494	13 494
EXPENSES						
Employer grant and project expenses	<u>25.4</u>	(629 862)	-	(629 862)	(657 617)	(27 755)
Employee related costs		(43 819)	-	(43 819)	(39 429)	4 390
Depreciation and amortisation		-	-	-	(1 684)	(1 684)
Repairs and maintenance		(200)	-	(200)	(177)	23
General expenses		(48 119)	-	(48 119)	(24 045)	24 074
Total Expenses		(722 000)	-	(722 000)	(722 952)	(952)
NET SURPLUS FOR THE PERIOD		-	-	-	12 542	12 542

For details regarding the difference between budget and actual refer to note 25.

Banking Sector Education and Training Authority

ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1. Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise indicated.

The annual financial statements have been prepared on the historical cost basis, except where adjusted for present/fair values as required by the respective accounting standards. The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended, including any interpretations of such Standards issued by the Accounting Standards Board.

2. Currency

These financial statements are presented in South African Rands. All figures have been rounded off to the nearest thousand Rands, unless otherwise stated.

3. Revenue recognition

3.1 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the BANKSETA, usually in accordance with a binding arrangement. Non-exchange revenue is recognised in accordance with GRAP 23 using the 'assets and liabilities' approach. When the BANKSETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that BANKSETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Where the resources transferred to the BANKSETA are subject to the fulfillment of specific conditions, it recognises an asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised. The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange revenue transactions include the receipt of levy income from registered sector employers via the Department of Higher Education and Training (DHET), income from the National Skills Fund, and grants from the national government. Non-exchange revenue transactions also include penalties and interest levied by the South African Revenue Service (SARS) on arrear levies and channeled to the SETA via DHET.

3.1.1 Levy income

The accounting policy for the recognition and measurement of skills development levy income is based on the Skills Development Act, Act No 97 of 1998 as amended and the Skills Development Levies Act, Act No 9 of 1999, as amended.

Skills Development Levy (SDL) transfers are recognised when it is probable that future economic benefits will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training either makes an allocation or payment, whichever comes first, to the SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), as amended.

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended, registered member companies of the SETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education and Training.

80% of skills development levies are paid over to the SETA (net of the 20% contribution to the National Skills Fund). The SETA was not in a position to verify that SARS has collected all potential skills levy income.

Banking Sector Education and Training Authority

ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Exempt registered member companies of the SETA

Companies with an annual payroll cost less than R500,000 are exempted from paying the 1% skills development levy, in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005. An employer who is liable to pay the levy is exempted if, during any month there is reasonable ground to believe that the total remuneration (as determined in accordance with the Levies ACT) payable or paid by the employer to all its employees during the following 12-month period will not exceed R500,000.

Should the SETA receive any SDL from such possibly exempt companies, the SETA recognises a payable shown as a provision equalling the SDL received from these possible levy exempt companies. As per the Skills Development Circular 09/2013, should the levies received from exempt companies not be refunded to the respective employer through the SARS system after five years from receipt, the SETA transfers all monies received from exempt companies to levy revenue. Such levies are allocated to discretionary levies.

Levy income is recognised on the accrual basis.

Revenue is adjusted for interSETA transfers due to employers changing SETAs. Such adjustments are separately disclosed as interSETA transfers. The amount of the interSETA adjustment is calculated according to the most recent Standard Operating Procedure issued by the Department of Higher Education and Training. Skills Development Levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when the Department makes an allocation of the SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

3.1.2 Interest and penalties

Interest and penalties received on the skills development levy are recognised on the accrual basis.

3.2 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

3.2.1 Investment revenue from exchange transactions

Investment revenue from exchange transactions is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

4. Grants and project expenditure

A registered employer may recover a maximum of 20% of its total levy payment (excluding interest and penalties) as a mandatory employer grant by complying with the grant criteria in accordance with the Skills Development Act, 1998 SETA Grant Regulations regarding monies received and related matters (The SETA Grant Regulations).

4.1 Mandatory grants

The grant expenditure is recognised when the employer has submitted an application for a grant in the prescribed form within the legislated cut-off period and the application has been approved. Grants are equivalent to 20% of the total levies contributed by employers to the SETA during the corresponding financial period.

4.1.1 Retrospective adjustments by SARS

The SETA refunds amounts to employers in the form of mandatory grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in mandatory grants that have been paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such mandatory grant over payment, net of bad debts and provision for irrecoverable amounts.

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4.2 Discretionary grants

A SETA may allocate discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period.

4.2.1 Discretionary project expenditure

A SETA may out of surplus mandatory, administration or discretionary levies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the SETA's Board. Where necessary it can be required of interested employers, associations or organisations to complete and submit a funding application for consideration and approval by the SETA.

A SETA allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expenses in the period in which they are incurred, in which the conditions are met.

Discretionary project expenditure

Discretionary project expenditure comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the SETA under the terms of the contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics. Project costs are recognised as expenses in the period in which they are incurred.

5. Property and equipment

Property and equipment comprise tangible non-current assets that are held for use for administrative purposes and are expected to be used during more than one financial year.

The cost of an item of property 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 SETA; and
- The cost or fair value of the item can be measured reliably.

The cost of an item of property 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 the date of acquisition.

Property and equipment is initially recognised at cost and subsequently at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

The useful life indicators are used to review estimated useful lives, residual values and depreciation method each year, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation.

- Computer equipment 3 years
- Office furniture and fittings 10 years
- Office equipment 5 years
- Leasehold improvements Over the lease term

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised.)

The gain or loss on disposal of property and equipment is determined as the difference between the sale proceeds and the carrying amount and is taken into account in determining the net surplus or deficit for the year.

6. Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance and mainly comprise of software licences and computer application licences.

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost and subsequently at cost less any subsequent accumulated amortisation and adjusted for any impairments. Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method. The useful life indicators are used to review estimated useful lives, residual values and depreciation method each year, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of amortisation

- Software, application software and licenses (2 years (unless the license period differs))

Where the carrying amount of an asset is greater than its estimated recoverable service amount, it is written down immediately to its recoverable service amount (i.e. impairment losses are recognised.) The gain or loss on disposal of intangible asset is determined as the difference between the sale proceeds and the carrying amount and is taken into account in determining the net surplus or deficit for the year.

7. Leasing

Finance leases consistent with the definition set out in the Treasury Regulations refer to a contract that transfers the risks, rewards, rights and obligations incidental to ownership to the lessee and are recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases.

Payments made under operating leases (leases other than finance leases) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

8. Provisions

Provisions are recognised when the SETA has a present legal obligation and/or constructive obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits or service potential that can be estimated reliably. 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. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the SETA settles the obligation. The reimbursement is treated as a separate asset. 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.

9. Employee Benefits

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

Short-term employee benefits include items such as:

- Salaries, wages and social security contributions;
- Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- Incentive and performance related bonuses payable within twelve months after the end of the reporting period in which the employees render the related service; and

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for leave (based on the current salary rates and incentive bonuses. Termination benefits are recognised and expensed only when the payment is made.

The SETA recognises the expected cost of incentive and performance related bonus payments when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the SETA has no realistic alternative but to make the payments.

Post-employment benefits

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

- The SETA does not provide any post-employment medical benefits.
- The SETA provides a defined contribution pension fund as post-retirement benefits to its employees. Defined contribution plans are post-employment benefit plans under which the entity pays fixed contributions into a separate entity (a pension fund) during the period of the employees' service. The SETA will have no legal or constructive obligation to pay further contributions in the current period, prior or future periods including post retirement years of the employees should the fund not hold sufficient assets to pay all employee benefits relating to employee service.

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

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

10. Grants and projects

A liability is recognised for grant payments once the specific criteria set out in the SETA Grant Regulations has been complied with by member companies and it is probable that the SETA will approve the grant application for payment. The liability is measured based on the expected future cash outflow as determined in accordance with the Act. The measurement of the liability is estimated using the value of the levies received.

Discretionary projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as approved and allocated for future projects in the notes to Annual Financial Statement. Where a project has been contracted, but has not been accrued for, it is disclosed as commitments in the notes to the financial statements.

Commitments are disclosed where the SETA has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses which are not yet due for payment

11. 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. Financial assets and liabilities are recognised on the SETA's Statement of Financial Position when the SETA becomes a party to the contractual provisions of the instrument.

11.1 Financial assets

The SETA has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class Category	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The SETA recognises financial assets using trade date accounting.

Cash and cash equivalents

Cash and cash equivalents mainly comprise of cash on hand, current and savings bank accounts and money market investments, call accounts and fixed deposits held by the BANKSETA at the Corporation of Public Deposits (CPD) and at domestic banks. Cash and cash equivalents are initially recognised at cost and subsequently stated at amortised cost, which due to their short term nature, closely approximate their fair value.

Loans and receivables

Exchange and non-exchange receivables comprise of trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market and are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each year end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The impairment values or movement in provision for impairment are recognised in the Statement of Financial Performance.

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

11.2 Financial liabilities

All financial liabilities of the SETA were classified as other financial liabilities. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

The SETA has the following types of financial liabilities (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Accruals	Financial asset measured at amortised cost
Trade and other payables from exchange transactions	Financial asset measured at amortised cost
Trade and other payables from non-exchange transactions	Financial asset measured at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised using the effective method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

11.3 Derecognition

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

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

Fair value considerations

The fair values at which financial instruments are carried at the balance sheet date have been determined using available market values. Where market values are not available, fair values will be calculated by discounting expected future cash flows at prevailing interest rates where material.

Offsetting

Financial assets and financial liabilities are offset only if there is any intention to realise the asset and settle the liability simultaneously and a legally enforceable right to set off exists.

12. Segment reporting

A segment is an activity of the BANKSETA:

- that generates economic benefits or service potential (including economic benefit or service potential relating to transactions between activities of the same entity):
- whose results are regularly reviewed by management to make decisions about resource to be allocated to that activity and in assessing its performance, and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on the segment report. They are segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria is met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the BANKSETA's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segments' surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring corresponding amounts in the BANKSETA's financial statements.

13. Reserves

Net assets is classified based on the restrictions placed on the distribution of monies received in accordance with the Regulations as follows:

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Unappropriated surplus

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Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of:

	2016/17	2015/16
	%	%
Administration costs of the SETA	10,5	10,5
Employer Grant Fund Levy	20,0	20,0
Discretionary grants and projects	49,5	49,5
Received by the SETA	80,0	80,0
Contribution to the National Skills Fund	20,0	20,0
	100,0	100,0

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund its administration costs.

Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grant projects.

Surplus funds in the administration reserve and unallocated funds in the employer grant reserve are moved to the discretionary fund reserve. Provision is made in the administration reserve equal to the net book value of depreciable assets. Provision is made in the employer grant reserve for newly registered companies, participating after the legislative cut-off date.

14. Commitments

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

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

- Contracts should be non-cancellable or only cancellable at significant cost; and
- Contracts should relate to items other than the routine, steady state business of the entity (such as administration services and goods contracts) – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

The SETA presents commitments for discretionary project contracts which would be funded out of discretionary reserves on hand at the date of the Statement of Financial Position, lease contractual commitments and any capital expenditure commitments.

15. Related Parties

An entity or individual is considered to be a related party to the BANKSETA when the party has the ability to control (or jointly control) the BANKSETA or can exercise significant influence over the BANKSETA in making financial and operating decisions, or if the party and the BANKSETA are under common control under the same Executive Authority.

All departments and public entities in the national sphere of government are related parties as they are ultimately under common control.

Representation of individuals and employer/labour representatives to the Accounting Authority Body, committees of the Accounting Authority or other equivalent body is considered as significant influence.

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

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Only transactions with related parties where the transactions are not concluded within the normal operating procedures or on terms that are no more or less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

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16. Presentation of budget information in the financial statements

The BANKSETA presents a comparison of the budget amounts for which it is held publicly accountable and actual amounts as a separate financial statement in the annual financial statements.

The comparison of budget and actual amounts are presented separately for each level of legislative oversight:

- the approved and final budget amounts.
- the actual amounts on a comparable basis and
- by way of note disclosure and explanations of material differences between the budget for which the entity is held publicly accountable and actual amounts.

The budget covers the period 1 April 2016 to 31 March 2017 and has been prepared on the accrual basis of accounting.

17. Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA
- The Skills Development Act (the Act), 1998 (Act No.97 of 1998) as amended
- Instructions and circulars issued by the National Treasury

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

All irregular and fruitless and wasteful expenditure is recognised against the respective class of expense in the period in which they are incurred. The expenditure is classified in accordance with the nature of the expense, and wherever recovered in the same accounting period, it is shown net of any recoveries. Wherever it is recovered subsequently, it is accounted for as revenue in the statement of financial performance.

Irregular and fruitless and wasteful expenditure is removed from the notes to the annual financial statements when condoned by National Treasury.

18. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

19. Taxation

No provision has been made for taxation, as the SETA is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

20. Events after the reporting date

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

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

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

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1. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES

			Employer grants reserve	Discretionary reserve	
	Total per Statement of Financial Performance	Total per Statement of Financial Performance	Administration reserve	Projects	Total discretionary
	2015/16	2016/17	2016/17	2016/17	2016/17
	R'000	R'000	R'000	R'000	R'000
Total revenue	732 364	735 494	86 850	157 925	490 719
Skills development levy: income from non-exchange transactions					
Admin levy income (10,5%)	88 412	86 745	86 745	-	-
Grant levy income (69,5%)	585 350	573 270	-	157 925	415 345
Skills development levy: penalties and interest from non-exchange transactions	19 676	29 124	-	-	29 124
Investment revenue from exchange transactions	38 875	46 250	-	-	46 250
Other revenue from exchange transactions	51	105	105	-	-
Total expenses	(649 387)	(722 952)	(65 335)	(151 170)	(506 447)
Administration expenses	(62 230)	(65 335)	(65 335)	-	-
Finance Costs	(1 135)	-	-	-	-
Employer grants and project expenses	(586 022)	(657 617)	-	(151 170)	(506 447)
Net Surplus per Statement of Financial Performance allocated	82 977	12 542	21 515	6 755	(15 728)

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2. SKILLS DEVELOPMENT LEVY INCOME FROM NON-EXCHANGE TRANSACTIONS

2016/17	2015/16
R'000	R'000

The total levy income per the Statement of Financial Performance is as follows:

Levy income: Administration

Levies received

Levies received from SARS

InterSETA transfers in

InterSETA transfers out

Levies accrued

86 745	88 412
86 754	88 408
86 768	88 387
(14)	14
-	7
(9)	4

Levy income: Employer Grants

Levies received

Levies received from SARS

InterSETA transfers in

InterSETA transfers out

Levies accrued

157 925	169 546
157 847	169 420
157 874	169 391
(27)	27
-	2
78	126

Levy income: Discretionary Grants

Levies received from SARS

Levies received

InterSETA transfers in

InterSETA transfers out

Levies accrued

415 345	415 804
415 476	415 891
415 542	415 791
(66)	67
-	33
(131)	(87)

660 015	673 762
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3. INVESTMENT REVENUE FROM EXCHANGE TRANSACTIONS

2016/17	2015/16
R'000	R'000

Interest Revenue

Bank deposits

Receivable

43 111	36 095
3 139	2 780
46 250	38 875

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4. OTHER REVENUE

Other Revenue comprises:

Gain on disposal of assets
Other income

2016/17	2015/16
R'000	R'000
4	8
101	43
105	51

5. EMPLOYER GRANT AND PROJECT EXPENSES

Mandatory grants

Disbursed
Provisions and accruals

Project expenditure

Disbursed
Provisions and accruals

2016/17	2015/16
R'000	R'000
151 170	163 309
154 877	177 224
(3 707)	(13 915)
506 447	422 713
476 940	434 926
29 507	(12 213)
657 617	586 022

5.1 Finance Cost

Finance costs relating to relating to FET Colleges Infrastructure Contribution*

Other finance costs

Total finance costs

-	1 129
-	6
-	1 135

*In terms of Skills Development Circular No. 08/2013, issued on 29 August 2013, the BANKSETA was required to contribute funds to the NSF for FET college infrastructure development. The amount to be paid by BANKSETA was R71 827 thousand. The BANKSETA's Accounting Authority approved that the amount be paid in tranches from September 2014 until March 2016. Due to the materiality of this amount and the time between the raising of the obligation and its settlement, the effect of discounting is material. The liability has been settled as at 31 March 2016. The total finance costs incurred over the period was R5 844 thousand.

Total Project Expenditure as per Note 17.1

Finance costs relating to FET Colleges Infrastructure Contribution
Project expenditure

506 447	423 842
-	1 129
506 447	422 713

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6. ADMINISTRATION EXPENSES

Notes	2016/17	2015/16
	R'000	R'000
Depreciation/Amortisation	1 684	836
Operating lease rentals (minimum lease payments)	3 214	2 984
Buildings	3 013	2 519
Equipment	201	465
Maintenance, repairs and running costs - other	177	181
Advertising, marketing and promotions, communication	3 264	2 738
Entertainment expenses	109	121
Service provider fees	4 164	9 861
Legal fees	215	980
Cost of employment	39 429	31 744
Travel and subsistence	890	1 693
Staff training and development	830	545
Remuneration to members of the Accounting Authority and committees	1 131	970
External auditor's remuneration - Audit fees	1 992	1 767
Audit fees	1 992	1 767
Allowance for doubtful debts	34	(196)
Other	8 202	8 006
Other administration expenses	1 460	1 645*
Consultancy fees	735	820
Telephone costs	1 213	1 131
Workshops	390	520
Printing and stationery	231	307*
Research costs	405	894
Internal audit fees	189	679
Quality Council for Trade and Occupations	3 579	2 010
	65 335	62 230

*Prior year figure restated to conform with current year presentation.

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6. ADMINISTRATION EXPENSES (Continued)

6.1 Cost of employment

	Notes	2016/17 R'000	2015/16 R'000
Salaries and wages		34 157	27 406
Basic salaries		25 052	20 637
Performance awards		7 830	5 893
Allowances		374	260
Temporary staff		325	146
Leave payments		576	470
Social contributions		4 454	3 951
Medical aid contributions		922	719
Pension contributions: defined contribution plans		3 207	2 662
Risk cover contributions		218	218
Skills Development Levies		309	203
Employee Benefits Tax		(364)	-
Workmen's Compensation		65	70
UIF		97	79
Recruitment Costs		818	387
		39 429	31 744
Allocation of cost of employment			
Administration expenses	6	39 429	31 744
Average number of employees		55	46

Refer to the report by the Accounting Authority for disclosure concerning the emoluments of members of the Accounting Authority, and the Executive management group.

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7. PROPERTY AND EQUIPMENT

Year ended 31 March 2017

Computer equipment
Office furniture and fittings
Office equipment
Leasehold improvements
Balance at end of period
Made up as follows:
- Owned assets

Cost	Accumulated depreciation	Closing carrying amount
R'000	R'000	R'000
2 029	(1 516)	513
2 079	(1 110)	969
1 204	(947)	257
1 828	(939)	889
7 140	(4 512)	2 628
7 140	(4 512)	2 628

Year ended 31 March 2016

Computer equipment
Office furniture and fittings
Office equipment
Leasehold improvements
Balance at end of period
Made up as follows:
- Owned assets

Cost	Accumulated depreciation	Closing carrying amount
R'000	R'000	R'000
1 803	(1 165)	638
1 909	(960)	949
1 210	(810)	400
1 543	(153)	1 390
6 465	(3 088)	3 377
6 465	(3 088)	3 377

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7. PROPERTY AND EQUIPMENT (Continued)

Movement summary 2017

	Carrying amount 2016	Additions	Disposals	Depreciation	Carrying amount 2017
	R'000	R'000	R'000	R'000	R'000
Computer equipment	638	297	(8)	(414)	513
Office furniture and fittings	949	170	-	(149)	970
Office equipment	400	-	-	(143)	257
Leasehold improvements	1 390	284	-	(786)	888
Balance at end of period	3 377	751	(8)	(1 492)	2 628

Movement summary 2016

	Carrying amount 2016	Additions	Disposals	Depreciation	Carrying amount 2017
	R'000	R'000	R'000	R'000	R'000
Computer equipment	492	526	(10)	(370)	638
Office furniture and fittings	525	541	-	(117)	949
Office equipment	542	40	-	(182)	400
Leasehold improvements	123	1 416	(6)	(143)	1 390
Balance at end of period	1 682	2 524	(16)	(812)	3 377

The following useful lives are used in the calculation of depreciation.

	Useful lives	Depreciation rate
- Computer equipment	3 years	33,33%
- Office furniture and fittings	10 years	10%
- Office equipment	5 years	20%
- Leasehold improvements	over the lease term	

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8. INTANGIBLE ASSETS

Year ended 31 March 2017

Application software
 Balance at end of period
 Made up as follows:
 - Owned assets

Cost	Accumulated amortisation	Closing carrying amount
R'000	R'000	R'000
450	(220)	230
450	(220)	230
450	(220)	230

Year ended 31 March 2016

Application software
 Balance at end of period
 Made up as follows:
 - Owned assets

Cost	Accumulated amortisation	Closing carrying amount
R'000	R'000	R'000
117	(99)	18
117	(99)	18
117	(99)	18

Movement summary 2017

Carrying amount 2016	Additions	Disposals	Amortisation	Carrying amount 2017
R'000	R'000	R'000	R'000	R'000
18	404	-	(192)	230

Movement summary 2016

Carrying amount 2016	Additions	Disposals	Amortisation	Carrying amount 2017
R'000	R'000	R'000	R'000	R'000
28	14	-	(24)	18

Application software complies with the definition of Intangible assets, which is an identifiable non-monetary asset without physical substance.

The amortisation expense has been included in the line item 'depreciation/amortisation' in note 6, administration expenditure.

Assets costing R70,000 (2015/16 R99,000) which were fully depreciated were disposed off during the period.

	Useful lives	Depreciation rate
- Application software	2 years (Unless license period is different)	50% p.a.

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9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Notes	2016/17 R'000	2015/16 R'000
InterSETA debtors	22	5	113
Employer receivables	9.1	5 780	1 358
		5 785	1 471

9.1 Employer receivable

Employer receivable			
Overpayment to employers		5 834	1 378
Allowance for impairment		(54)	(20)
Net effect of SARS retrospective adjustments on affected employers		5 780	1 358

R5 384 thousand (2016: R1 378 thousand) was recognised as a receivable relating to the overpayment to the employer in earlier periods, and is based on the amount of such grant overpayments.

Reconciliation of impairment allowance on employer receivable			
Opening balance: Impairment of employer receivable		(20)	(216)
Change in estimate		-	196
Addition		(34)	-
Recovered/reversed		-	-
Closing balance: impairment allowance on employer receivable		(54)	(20)

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2016/17 R'000	2015/16 R'000
SARS receivable	67	559
Deposits	362	338
Staff advances and payroll receivables	12	11
Interest receivables	3 139	2 780
Other receivables	24	12
	3 604	3 700

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11. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in fixed deposits. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

	2016/17	2015/16
	R'000	R'000
Cash at bank and on hand	36 158	18 613
Cash at bank	36 154	18 609
Cash on hand	4	4
Short-term investments/instruments	584 523	561 322
Cash and cash equivalents at end of year	620 681	579 935

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short-term bank deposits was 7.35% (2015/16: 6.40%).

The Skills Development Act Regulations state that a SETA may, if not otherwise specified by the Public Finance Management Act, invest the monies in accordance with the investment policy approved by the relevant SETA.

Treasury Regulation 31.3 requires that, unless exempted by the National Treasury, the SETA as a public entity that is listed in Schedule 3A of the Act must invest surplus funds with the Corporation for Public Deposits.

As the SETA was exempted by the National Treasury from the requirement of Treasury Regulation 31.3 to invest surplus funds with the Corporation for Public Deposits, surplus funds were invested in line with an investment policy as required by Treasury Regulation 31.3.5.

12. PAYABLES FROM EXCHANGE TRANSACTIONS

	2016/17	2015/16
	R'000	R'000
Salary related payables	718	128
Project creditors	49 860	20 353
Sundry payables	3 011	3 426
Trade payables	1 357	1 956
Other accrued expenses	691	400
Leave accrual	963	1 070
	53 589	23 907

The effect of discounting was considered and found to be immaterial.

13. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	2016/17	2015/16
	R'000	R'000
Skills development grants payable - mandatory	14 317	13 958
InterSETA payables	17	17
Employer payables	43	126
	14 377	14 101

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14. PROVISIONS

	Opening Balance	Change In Estimate	Addition	Paid/Reversed during the year - transferred to discretionary grant reserve	Closing Balance
2016/17					
Levies incorrectly received ¹	1 278	-	76	(14)	1 340*
Unallocated levies received ²	12 240	-	-	-	12 240
Employee benefits tax provision ³	364	-	-	(364)	-
Provision for incentive bonus ⁵	5 894	82	7 749	(5 976)	7 749
Provision for acting allowances ⁶	260	-	374	-	634
	20 036	82	8 199	(6 354)	21 963
2015/16					
Levies incorrectly received ¹	1 321	(272)	273	(44)	1 278
Unallocated Levies Received ²	12 240	-	-	-	12 240
Employee Benefits Tax Provision ³	364	-	-	-	364*
Potential Surrender of Uncommitted surplus funds ⁴	2 394	-	-	(2 394)	-
Provision for incentive bonus ⁵	-	-	5 894	-	5 894
Provision for acting allowances ⁶	-	-	260	-	260
	16 319	(272)	6 427	(2 438)	20 036

* An amount of R1 340 thousand (2015/16: R1 278 thousand) relates to levies incorrectly contributed by employers, and paid over by SARS and DHET, after being exempted from contributing skills development levies due to new legislation which came into effect 1 August 2005.

¹ In terms of Skills Development Circular No. 09/2013, issued by DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190(4) of the Tax Administration Act. These amounts have been transferred to the discretionary funds in line with the aforementioned circular.

² In the 2014/15 financial year, BANKSETA received more levy income in cash, than was substantiated by employer levy files from the Department of Higher Education and Training (DHET). The amount of this overpayment is R1 224 thousand. As at 31 March 2017, this issue had not yet been resolved. Due to this discrepancy, BANKSETA has taken a conservative approach, and has recognised a Levy receipt liability for this amount.

³ In previous financial years, the BANKSETA did not withhold PAYE or pay tax to SARS for death and disability cover benefit that the BANKSETA was paying for, on behalf of the employees. An estimate was made of the possible tax that should have been paid over to SARS, being R364 thousand, and a provision was raised for this amount in 2014/15 financial year. In 2016/17 the matter was settled with SARS. The service provider who provided financial and payroll services during the period of incorrect PAYE calculations refunded the BANKSETA the actual amount levied by SARS of R279 thousand. The BANKSETA therefore reversed the provision for this liability.

⁴ Included in the 2014/15 provisions is the potential surplus amount payable to the National Skills Funds for the financial year 2014/15 amounting to R2 394 thousand. This relates to uncommitted discretionary reserves.

⁵ In the 2016/17 and 2015/16 financial period, the performance incentive bonuses relating to the particular year were determined and paid out after year-end. The quantum and timing of payment of the bonuses is subject to Board discretion.

⁶ Board needs to approve the quantum and timing of payment of this acting allowance for the Acting CEO.

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15. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET SURPLUS

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in fixed deposits. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

	2016/17	2015/16
	R'000	R'000
Net surplus as per Statement of Financial Performance	12 542	82 977
Adjusted for non-cash items:		
Depreciation/Amortisation	1 684	836
(Profit) on disposal of property and equipment	(4)	(8)
Finance cost	-	1 135
Adjusted for items separately disclosed		
Interest received	(46 250)	(36 095)
Adjusted for working capital changes:		
(Increase)/Decrease in receivables from exchange transactions	96	(314)
(Increase)/Decrease in receivables from non-exchange transactions	(4 314)	14 336
(Decrease)/Increase in payables and provisions	31 885	(80 603)
Decrease/(Increase) in consumables	-	23
Cash generated from operations	(4 361)	(17 713)

16. CONTINGENCIES

16.1 Retention of surplus funds

In terms of the PPMA, all surplus funds as at year-end may be forfeited to National Treasury should an application for retention of surplus funds be denied.

Instruction 3 of 2015/16 issued in September 2015 clarified that the surplus should be based on the cashflow from operating activities and net investment activities.

Instruction of 2017/18 clarified that the surplus should be based on the the following:

	2016/17	2015/16
	R'000	R'000
Cash and cash equivalents at the end of the year	620 681	579 935
Add: Receivables	9 389	5 171
Less: Current Liabilities	(89 929)	(58 044)
Less Commitments	(401 570)	(526 619)
Total surplus	138 571	442

The BANKSETA submitted an application to the Department of Higher Education and Training and National Treasury for the retention of surplus funds and this has been approved after year-end.

16.2 First-time employer registrations

The Skills Development legislation allows an employer, registering for the first time, 6 months to submit an application for a mandatory grant. At the reporting date it is estimated that, as a result, additional mandatory grant expenditure of R146 thousand (2015/16: R68 thousand) will be payable. The amount is contingent on the number of submissions received and approved.

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17. COMMITMENTS

17.1 Discretionary reserve

Of the balance of R539 995 thousand (2015/16 : R526 993 thousand) available in the discretionary reserve as at year-end, R401 570 thousand (2015/16: R526 619 thousand) has been committed by the Accounting Authority for future projects and skills priorities shown below. Note that the definition of commitments by the Accounting Authority includes signed contracts and memoranda of agreements up to the approval date of the financial statements. Amounts for expenses that have already been incurred, and therefore included in grant expenses in the Statement of Financial Performance, are also indicated. A request for the accumulation of these funds has been submitted to National Treasury and has been subsequently approved.

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PROGRAMME: QUALITY ASSURANCE										
QCTO Pilot Project	246	357	-	(116)	-	241	-	(111)	-	130
Provision for General Management	594	-	-	-	-	-	3 600	-	-	3 600
Assessment Centre for RPL	621	-	-	-	-	-	7 102	-	-	7 102
Total Quality Assurance		357	-	(116)	-	241	10 702	(111)	-	10 832
PROGRAMME: RESEARCH										
Doctoral & Post Doctoral Studies Research Funding	515	131	-	(131)	-	-	-	-	-	-
Doctoral & Post Doctoral Studies Research Funding	538	122	275	(225)	(47)	125	-	(125)	-	-
Doctoral & Post Doctoral Studies Research Funding	572	-	877	(827)	(50)	-	-	(50)	50	-
African Banking Expansion	581	-	17 152	-	-	17 152	-	-	(17 152)	-
Doctoral & Post Doctoral Studies Research Funding	612	-	-	-	-	-	998	(710)	(238)	50
Total Research Programmes		253	18 304	(1 183)	(97)	17 277	998	(885)	(17 340)	50
PROGRAMME: SKILLS DEVELOPMENT										
NSFAS Support Funding	456	2 423	7 640	-	(2 423)	7 640	5 040	(299)	(7 341)	5 040
Work Readiness Intervention	468	181	-	-	(181)	-	-	-	-	-
Internship Funding	478	-	120	(120)	-	-	-	-	-	-
Niche Learnerships (18.1)	479	30	-	-	(30)	-	-	-	-	-
Niche Learnerships (18.2)	481	135	-	-	(135)	-	-	-	-	-
Post Matric Work Readiness Programme	484	360	-	(180)	(180)	-	-	-	-	-
Inter-Banking Compliance Project	494	6 886	638	(4 270)	-	3 254	-	(3 214)	(40)	-
Maths & Science Support Programme	496	15 583	5 878	(16 108)	-	5 353	26 292	(6 311)	(202)	25 132
Niche Learnership for Employed Learners (18.1)	505	3 888	-	(2 277)	(1 611)	-	-	-	-	-
Niche Learnership for Unemployed Learners (18.2)	506	6 112	-	(2 232)	(3 880)	-	-	-	-	-
PIVOTAL Grants Funding Window	509	17 194	-	(7 951)	(4 902)	4 341	-	(149)	(4 192)	-
Masters & Executive Development Courses 2013	517	224	-	(224)	-	-	-	-	-	-
CMD 2014	520	12 621	-	(703)	-	11 918	-	713	(12 631)	-
Consumer Education	521	178	1 330	(843)	-	665	-	(665)	-	-
IEDP Investment Banking	524	1 441	-	(1 441)	-	-	-	-	-	-
IEDP Retail Banking	525	31	-	-	(31)	-	-	(68)	68	-
RPL for SDFs	529	699	-	(236)	(463)	-	-	-	-	-
Masters and Executive 2014	535	4 748	-	(1 620)	(488)	2 640	-	(2 520)	(120)	-
Internships and Work-Based Experience Programmes	536	4 943	-	(2 681)	(451)	1 811	-	(820)	(991)	-
RPL for FAIS	540	13 987	-	(13 987)	-	-	-	-	-	-
Work Readiness Intervention Programme Post Graduate	544	14 186	-	(13 122)	(1 064)	-	-	-	-	-
Post Matric Work Readiness Intervention	545	4 708	-	(4 708)	-	-	-	-	-	-
Kuyasa 2014	546	19 235	-	(19 481)	737	491	-	1 694	(2 181)	4
Letsema 2014	547	27 196	3 177	(25 628)	(4 745)	-	-	(1 095)	1 095	-
18.1 Niche Learnership for the employed	549	13 647	-	(8 247)	(918)	4 482	540	(3 501)	(1 521)	-
18.2 Niche Learnership for Unemployed	550	13 853	-	(6 964)	(1 306)	5 583	504	(3 845)	(2 242)	-
Subtotal Skills Development		184 489	18 783	(133 023)	(22 071)	48 178	32 376	(20 080)	(30 298)	30 176

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PROGRAMME: SKILLS DEVELOPMENT FOR THE UNEMPLOYED										
18.2 Niche Learnership for Unemployed	551	440	-	(88)	(108)	244	12	(96)	(160)	-
PIVOTAL Grant Funding Window 2014	552	15 737	4 567	(11 752)	(3 314)	5 238	315	(4 078)	(1 475)	-
Letsema 2015	557	19 109	19 685	(6 808)	(1 157)	30 829	-	(25 222)	(5 608)	-
Kuyasa Learnership	558	19 703	16 273	(8 249)	(4 847)	22 880	-	(19 723)	(3 157)	(1)
Learnership Funding for Unemployed	559	-	20 920	(10 220)	-	10 700	200	(3 320)	(1 060)	6 520
Work Readiness Programme for Graduates	560	15 162	-	-	(1 971)	13 191	-	(12 231)	-	959
Work Readiness Programme for Graduates	561	-	4 776	-	-	4 776	-	(4 776)	-	-
Internship and Work-Based Experience Funding	562	-	4 775	(2 175)	-	2 600	1 280	(2 013)	(688)	1 180
Learning Programme for Learners with Disabilities	564	-	1 980	(990)	-	990	-	(45)	-	945
Certificate in Management Development (CMD)	566	-	48 314	(17 151)	-	31 163	-	(29 828)	-	1 335
Pivotal Grant Funding Window	568	4 567	79 450	(13 127)	-	70 890	-	(38 033)	(17 199)	15 658
Learnership Funding for Employed	569	-	20 615	(8 488)	-	12 127	-	(4 708)	(2 135)	5 285
International Executive Development Programme - Investment Banking	571	-	8 028	(8 028)	-	-	-	-	-	-
Masters and Executive Bursaries	586	-	2 854	(1 367)	-	1 487	-	(2 414)	(655)	(1 582)
International Executive Development Programme - Retail Banking	587	-	6 347	(6 313)	(34)	-	-	-	-	-
Youth Induction Programme	590	-	1 055	-	-	1 055	-	(667)	-	388
Organisational Risk Practitioner	591	-	-	-	-	-	6 568	(2 770)	-	3 798
Kuyasa Learnership	598	-	-	-	-	-	27 868	(6 399)	(68)	21 401
Letsema Learnership	599	-	-	-	-	-	37 371	(8 953)	(214)	28 204
18.2 Learnership Funding	600	-	-	-	-	-	20 520	(10 140)	(240)	10 140
18.1 Internship Unemployed	602	-	-	-	-	-	4 800	(1 050)	(50)	3 700
18.2 Learnership Funding - Learners with Disabilities	604	-	-	-	-	-	1 935	(720)	-	1 215
Maths & Science Support Programme	605	-	-	-	-	-	7 473	(5 918)	(954)	601
18.1 Learnership Funding	607	-	-	-	-	-	21 490	(10 728)	-	10 763
Masters and Executive Bursaries	609	-	2 373	-	-	2 373	8 990	(4 215)	(525)	6 623
IEDP General Banking	610	-	-	-	-	-	8 593	(8 223)	(370)	-
IEDP Investment Banking	611	-	-	-	-	-	8 621	(8 621)	-	-
FAIS Compliance	613	-	-	-	-	-	11 524	(2 962)	(240)	8 322
18.2 Learnership Funding	614	-	-	-	-	-	75 215	(32 146)	(430)	42 639
Capacity Building Workshops	622	-	-	-	-	-	1 604	(481)	-	1 123
IT Skill Funding	624	-	-	-	-	-	5 896	(1 428)	-	4 468
Total Skills Development		259 207	260 794	(227 778)	(33 502)	258 722	282 651	(271 987)	(65 526)	203 860

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PROGRAMME: CAPACITY BUILDING										
Post School Public FET Capacity Building	480	56 092	6 207	(32 574)	(649)	29 076	-	(10 485)	(3)	18 588
UWC Thuthuka Project	510	10 278	32 878	(29 007)	(5 166)	8 983	-	-	-	8 983
Entrepreneurship Graduation Project	511	1 878	-	(1 685)	-	193	-	(193)	-	-
Merit Bursaries	537	26 378	62	(4 367)	(22 073)	-	-	-	-	-
University Grant Funding Window	539	-	5 033	(27 077)	22 044	-	-	-	-	-
Work Readiness IT Programme	542	4 857	-	(6 659)	1 802	-	10 611	(10 104)	-	507
TVET Funding Window	543	5 212	1 155	(4 479)	(806)	1 082	387	(584)	(885)	-
TVET Funding Window	556	10 868	-	(5 083)	(1 260)	4 525	-	(3 300)	(864)	360
CoE: University of Venda- SAICA Thuthuka	523	0	-	-	(0)	0	-	-	-	-
CoE: Unizulu (2015)	530	-	18 962	-	(8 991)	9 971	-	-	(9 971)	-
CoE: University of Venda- SAICA Thuthuka	532	520	-	-	(520)	-	-	-	-	-
National Skills Fund	555	1 129	-	(1 129)	-	0	-	-	-	-
BANKSETA Higher Education Funding Window	563	-	127 100	(11 649)	-	115 451	22 837	(100 990)	(2 527)	34 771
Merit Bursaries	565	-	8 512	(7 680)	(562)	270	-	(270)	-	-
Post School Public UOT Capacity Building	567	-	-	-	-	-	70 500	(12 795)	-	57 705
University of Technology (UOT) Work Integrated Learning	577	-	10 363	-	-	10 363	827	(8 496)	(1 280)	1 414
CoE: Unizulu 2013	578	12 756	-	(8 991)	8 991	12 756	-	(12 213)	(543)	-
CoE: Fort Hare(2015)	579	-	4 067	(4 067)	-	-	-	-	-	-
CoE: UniVenda (2015)	580	18 000	19 150	(16 084)	-	21 066	-	(21 122)	56	-
TVT WIL Funding 2015/16	582	-	35 565	(8 702)	555	27 418	120	(18 916)	(1 214)	7 408
BANKSETA - SSACI Bookkeeping apprenticeship	592	-	1 260	-	-	1 260	-	(1 008)	-	252
TVT WIL Funding 2015/16	593	-	1 547	(774)	-	773	-	(429)	(35)	309
BANKSETA Higher Education Funding Window	595	-	-	-	-	-	24 488	(4 538)	-	19 950
TVT WIL Funding 2016/17	596	-	-	-	-	-	15 435	-	-	15 435
TVT WIL Funding 2016/17	597	-	-	-	-	-	15 481	(8 808)	-	6 673
Total Capacity Building		147 968	271 861	(170 007)	(6 635)	243 187	160 684	(214 251)	(17 265)	172 355

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PROGRAMME: INCLUSIVE BANKING/SMEs										
SME Support	464	49	-	(31)	(18)	-	-	-	-	-
CMD for Micro Finance	492	-	-	-	0	-	-	(222)	222	-
Capacity Building in Development Finance	493	4 199	-	(3 169)	-	1 030	-	(1 101)	71	-
SME Support 2013	501	727	-	(367)	(248)	112	-	-	(112)	-
Cooperative Financial Institutions Support 2013	504	1 238	1 000	(761)	646	2 123	-	(249)	(1 873)	1
SME Support 2014	526	2 184	-	(1 020)	(577)	587	-	(143)	(342)	102
CMD for Micro Finance	548	2 822	-	(2 833)	11	-	-	235	(235)	-
Business Analyst Internship Programme	554	3 600	-	(2 700)	-	900	-	(600)	(300)	-
SME Support 2015	573	-	2 298	(1 050)	(208)	1 040	-	(684)	(277)	79
Rural Development Programme	574	-	1 755	(483)	-	1 272	-	(1 268)	110	114
Co-operative Financial Institutions	576	-	638	(410)	(100)	128	480	(565)	(43)	-
Entrepreneurial Skills Programme 2015	589	-	3 222	(3 222)	-	-	-	-	-	-
SME Funding for Scarce and Critical Skills	615	-	-	-	-	-	4 474	(2 911)	(84)	1 479
AET 2013	499	432	-	-	(432)	-	-	(203)	203	-
Entrepreneurial Skills Development Programme	618	-	-	-	-	-	14 000	(3 500)	-	10 500
Total Inclusive banking/SME Programmes		15 251	8 913	(-16 046)	(-926)	7 192	19 794	(12 051)	(2 660)	12 275
PROGRAMME: MARKETING AND COMMUNICATIONS										
Career Guidance	570	-	1 400	(1 621)	221	-	-	-	-	-
Career Awareness : Life Orientation Teacher Training	606	-	-	-	-	-	1 911	(1 148)	-	763
SKILLS@WORK Awards 2016	619	-	-	-	-	-	1 911	(399)	(77)	1 435
Total Marketing and Communications Programmes		-	1 400	(1 621)	221	-	3 822	(1 547)	(77)	2 198
TOTAL		423 036	561 273	(416 752)	(40 938)	526 619	478 651	(500 832)	(102 868)	401 570

Please note: The Current year expenditure (Utilised), is made up as follows (Note 5):

Project direct expenditure (per above)

Finance Costs relating to FET Colleges Infrastructure Contribution

Project admin expenditure - non contractual

Total project expenditure

416 752

1 129

5 961

423 842

(500 832)

-

5 615

506 447

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17.2 Other Commitments

Capital Expenditure

	2016/17	2015/16
	R'000	R'000
Computer equipment	746	-
Software	30	-
	776	-

Such capital expenditure commitments will be funded from the next financial year's administration levies.

17.3 Operating Leases

Total of future minimum lease payments under non-cancellable leases:

	2016/17	2015/16
	R'000	R'000
Not later than one year	2 476	3 004
Later than one year and not later than five years	-	2 407
	2 476	5 411

The operating leases above relate to building premises utilised for office accommodation and multicopier printers. In prior year this related to building premises used for office accommodation, and multifunction copiers. During February 2016 BANKSETA entered into a new lease agreement for the building until 28 February 2018.

18. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

18.1 Irregular Expenditure

		2016/17	2015/16
Incident/Detail of Irregular Expenditure	Disciplinary Steps Taken/ criminal proceedings	R'000	R'000
Deviations not classified as sole supplier or emergency that did not have prior written National Treasury approval	None. The BANKSETA received notification of the new circular late when these transactions had already been approved by the Accounting Officer	100	-
Accommodation and travel expenditure above the limits set in National Treasury Regulations	None, the reasons that led to the deviations in the travel arrangements booked/processed are in line with acceptable reasons in the Cost Containment regulations from National treasury	-	126
Total irregular expenditure incurred in the current financial year		100	126

	2016/17	2015/16
	R'000	R'000
Opening balance	1 115	989
Add: Irregular expenditure - current year	100	126
Less: Amounts condoned	-	-
Closing Balance of Expenditure awaiting condonation nation/to be recovered	1 215	1 115
Irregular Expenditure awaiting condonation	1 215	1 115
Analysis of expenditure awaiting condonation per age classification		
Current year	100	126
Prior years	1 115	989
Total	1 215	1 115

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18.2 Fruitless and Wasteful Expenditure

	2016/17	2015/16
	R'000	R'000
Reconciliation of fruitless and wasteful expenditure		
Fruitless and wasteful expenditure - opening balance	10	4
Fruitless and wasteful expenditure - current year	5	6
Less: Amounts condoned	-	-
Less: Amounts recovered	-	-
Fruitless and wasteful expenditure awaiting condonation or recovery	15	10

The expenditure under 2016/17 year relates

- R2.8 thousand being the advertising and reporting costs of tenders cancelled during the year, and
- R2.25 thousand for reprinting of travel invoices to clear travel reconciliations outstanding from 2009 to 2015.

19. FINANCIAL INSTRUMENTS

In the course of the SETA operations it is exposed to credit, liquidity and market risk. The SETA has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

19.1 Interest rate risk

The SETA manages its interest rate risk by effectively investing SETA surplus cash in term deposits with different financial institutions according to the SETA's investment policy.

The SETA's exposure to interest rate risk and the effective interest rates on financial instruments at Statement of Financial Position date are as follows:

	Interest bearing		Non-interest bearing	TOTAL R'000
	Amount R'000	Effective interest rate	Amount R'000	
Year ended 31 March 2017				
Assets				
Cash	620 681	7,4%	-	620 681
Accounts receivable from non-exchange transactions	-	-	5 785	5 785
Other accounts receivable	-	-	3 604	3 604
Total financial assets	620 681	7,4%	9 389	630 070
Liabilities				
Trade and other Payables	-	-	89 929	89 929
Total financial liabilities	-	-	89 929	89 929
Year ended 31 March 2016				
Assets				
Cash	579 935	6,4%	-	579 935
Accounts receivable from non-exchange transactions	-	-	1 471	1 471
Other accounts receivable	-	-	3 700	3 700
Total financial assets	579 935	6,4%	5 171	585 106
Liabilities				
Trade and other Payables	-	-	58 044	58 044
Total financial liabilities	-	-	58 044	58 044

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19.2 Credit risk

The SETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The SETA's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA's concentration of credit risk is limited to the banking industry in which the SETA operates. No events occurred in the banking industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. The SETA is exposed to a concentration of credit risk, as significant amounts is owed by the South African Revenue Service (SARS). This concentration of risk is limited as SARS is a government entity with sound reputation. Accounts receivable are presented net of allowance for doubtful debt.

19.3 Liquidity risk

Liquidity risk is the risk that the entity could experience difficulties meeting its commitments to creditors as financial liabilities fall due for payment. The BANKSETA is exposed to liquidity risks as it has outstanding obligations to make payments to levy-paying employers and training providers for training that has been completed, and also to trade creditors for goods delivered and services rendered.

The SETA's financial instruments consist mainly of cash and cash equivalents, receivables from exchange and non-exchange transactions and payables from exchange and non-exchange transactions. No financial instruments were carried at amounts in excess of fair value.

The SETA manages Liquidity through proper management of working capital, capital expenditure and review of cashflows against budgeted cashflows as detailed in the finance policies. Adequate reserves and liquid resources are also maintained

19.4 Ageing of financial assets and liabilities

The ageing of receivables from exchange and non-exchange transactions

	2016/17		2015/16	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	3 538	-	3 141	-
Past due 0 - 30 days	-	-	113	-
Past due 31 - 120 days	5 834	(54)	1 378	(20)
Past due 120 - 365 days	67	-	559	-
More than one year	4	-	-	-
Total Other Receivables	9 443	(54)	5 191	(20)

The ageing of cash and cash equivalents

	2016/17		2015/16	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	620 681	-	579 935	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-
Total cash and cash equivalents	620 681	-	579 935	-

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The ageing payables from exchange and non-exchange transactions.

2016/17

	Carrying Amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
Trade and other payables from exchange transactions	(53 589)	(53 589)	(53 589)	-	-	-
Trade and other payables from non-exchange transactions	(14 377)	(14 377)	(14 360)	-	(17)	-

2015/16

	Carrying Amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
Trade and other payables from exchange transactions	(23 907)	(23 907)	(23 907)	-	-	-
Trade and other payables from non-exchange transactions	(14 101)	(14 101)	(14 084)	(17)	-	-

In case of liquidity problems, funding resources might be available in terms of DHET and National Treasury approval for borrowing requirements in the open market.

19.5 Fair values

The carrying amount of financial assets that represent the maximum exposure to credit risk are as follows and approximates their fair value:

	2016/17	2015/16
	R'000	R'000
Cash and cash equivalents	620 681	579 935
Receivables from exchange transactions	3 604	3 700
Receivables from non-exchange transactions	5 785	1 471
	630 070	585 106

The following methods and assumptions are used to determine the fair value of each class of financial instrument:

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the SETA and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Receivables

The carrying amount of accounts receivable is net of allowances for any doubtful debt, estimated by the Accounting Authority based on prior experience. The carrying amount of these assets approximate their fair value.

Payable

The carrying amount of account and other payables approximates fair value due to the relatively short-term maturity of these financial liabilities.

19.6 Credit quality

The credit quality of the financial assets are sound. Cash and cash equivalents are mainly fixed deposits at the well-established institutions approved by National Treasury. No security is held for these items.

Receivables from exchange transactions is mainly the interest due on these fixed deposits which is capitalised on the first business day of the following month and deposits on office accommodations with reputable well-established companies.

Receivables from non-exchange companies arise from reversals from SARS on SDL received and in most cases is recoverable from future SDL receipts.

19.7 Market risk

The SETA is exposed to fluctuations in the employment market for example sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year that the SETA are aware of.

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20. NEW ACCOUNTING PRONOUNCEMENTS

At the date of authorisation of these financial statements, there are Standards and Interpretations in issue but not yet effective. These include the following Standards and Interpretations that are applicable to the SETA and may have an impact on future financial statements.

	Statement	Effective date, commencing on or after
Related Parties Disclosures	GRAP 20	No date determined
Service Concession Arrangements: Grantor	GRAP 32	No date determined
Separate financial statements	GRAP 34	No date determined
Consolidated financial statements	GRAP 35	No date determined
Investments in Associates and Joint Ventures	GRAP 36	No date determined
Joint Arrangements	GRAP 37	No date determined
Disclosure of Interests in Other Entities	GRAP 38	No date determined
Accounting by Principals and Agent	GRAP 109	No date determined
Statutory Receivables	GRAP 108	No date determined
Living and non living resources	GRAP 110	No date determined
Service concession arrangements: where a Grantor controls a significant residual interest in an asset	IGRAP 17	No date determined
Recognition and derecognition of land	IGRAP 18	Financial periods commencing on 1 April 2019
The Selection of an Appropriate reporting Framework by public entities	Directive 12	Financial periods commencing on 1 April 2018

An entity shall apply Standards of GRAP for Annual Financial Statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1)(b) of the PFMA.

GRAP 20 : Related Party disclosures

This standard prescribes the disclosure of information relevant to draw attention to the possibility that the Seta financial position and surplus/deficit may have been affected by the existence of related parties. It is not expected that this standard will significantly impact future disclosures as the current disclosures are based on GRAP 20.

GRAP 32 : Service Concession Arrangements: Grantor

This standard prescribes the accounting for service concessions arrangements by the grantor, a public sector entity. This Standard will not impact the BANKSETAs disclosures.

GRAP 34 : Separate financial statements

This standard prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when the entity prepares separate financial statements. The BANKSETA has no such transactions and this Standard will therefore not impact on the BANKSETAs disclosures.

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GRAP 35 : Consolidated financial statements

The objective of this standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The BANKSETA does not control any other entities. This Standard will therefore not impact on the BANKSETAs disclosures.

GRAP 36 : Investments in joint ventures and associates

This standard prescribes the accounting treatment for investments in associates and joint ventures and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The BANKSETA does not have any stakes in associates and joint ventures and therefore this Standard will not impact on any BANKSETA disclosures.

GRAP 37 : Joint arrangements

The standard establishes principles for financial reporting by entities that have an interest in arrangements that are jointly controlled. This standard will effect the BANKSETAs reporting in the future.

GRAP 108: Statutory receivables

The standard prescribes the accounting treatment of receivables that arise from legislation, supporting regulations, or similar means. It is not expected that this standard will significantly impact future disclosures.

GRAP 109 : Accounting by principals and agents

GRAP 109 outlines principles to assess whether an entity is party to a principal-agent arrangement. The standard will not affect the BANKSETAs reporting.

IGRAP 17: Service concession arrangements: where a Grantor controls a significant residual interest in an asset

This gives accounting guidance where a grantor has significant control or interest in assets granted to a public entity.

IGRAP 18 : Recognition and derecognition of land

This standard prescribes the accounting for land and will not impact the BANKSETAs disclosures.

Directive 12 : The Selection of an Appropriate reporting Framework by public entities

This gives guidance on the selection of accounting frameworks in the public sector.

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21. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the SETAs accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives and residual value of property and equipment and intangible assets

The SETA has reviewed the residual values used for the purposes of depreciation calculations in light of the amended definition of residual value. The useful lives of assets were reassessed at the end of the financial year as per the table shown below. The adjustments are not deemed material and the new depreciation rates will be applied prospectively from the next financial year. Residual values are reviewed annually. Refer to note 7 and 8 for the respective carrying values.

Category	Existing useful lives	Revised useful lives
Computer equipment	3 years	3 - 10 years
Office furniture and fittings	10 years	10 - 20 years
Office equipment	5 years	5 - 10 years
Leasehold improvements	2 years or over the lease term	2 years or over the lease term
Software	2 years or the licence period	2 years or the licence period

22. RELATED PARTY TRANSACTIONS

Transactions with entities under common control

The SETA was controlled by the Department of Labour, for the period up until 31 October 2009, and since 1 November 2009 by the Department of Higher Education and Training and Training. The departments were controlled, respectively by the Minister of Labour and Minister of Higher Education and Training.

By virtue of the fact that BANKSETA is a National Public Entity related to other entities and departments in the National sphere of government it is considered related to Telkom, Eskom, South African Airways, other SETAs and the National Skills Fund. The transactions are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under the common control of the Department, these amounts were disclosed below:

InterSETA transactions and balances arise due to the movement of employers from one SETA to another.

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The balances at year-end included in receivables and payables are:

	Notes	2016/17		2015/16	
		R'000		R'000	
		Amount of the transaction	Amount receivable/ payable	Amount of the transaction	Amount receivable/ payable
Receivables	9	5	5	113	113
FASSET		-	-	108	108
SERVICES SETA		5	5	5	5
Payables	13	(17)	(17)	(17)	(17)
HW SETA		(17)	(17)	(17)	(17)
Total		(12)	(12)	96	96

*Note that relating to SETA transfer that the amount of the transaction, where applicable, includes interest and penalties transferred to or from the SETA.

Remuneration of key management

The key management personnel (as defined by IPSAS 20, Related Party Disclosures) of BANKSETA are: the members of the accounting authority and the members of the senior management group.

The Accounting Authority consists of members appointed in terms of its constitution. The chief executive officer attends meetings of the accounting authority but is not a member of the accounting authority. The aggregate remuneration of members of the accounting authority and the number of members receiving remuneration within this category are:

	2016/17	2015/16
	R'000	R'000
Aggregate remuneration	1 131	970
Number of persons	14	12

The senior management group consists of the SETA's Chief Executive Officer, and the following General Managers: General Manager: Operations, General Manager: Corporate Services and the Chief Financial Officer. The aggregate remuneration of members of the senior management group and the number of managers receiving remuneration within this category are:

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22. RELATED PARTY TRANSACTIONS (Continued)

	Basic salary remuneration	Post-employment benefits pensions	Other short-term benefits	Bonuses and performance-related amounts	Total remuneration	Total remuneration
	R'000	R'000	R'000	R'000	R'000	R'000
CEO *	-	-	-	-	-	1 608
CFO	1 159	144	127	490	1 920	1 723
GM Operations	1 163	144	123	471	1 901	1 728
GM Corporate Services	1 148	142	153	330	1 773	1 739
Acting CEO**	782	97	427	337	1 643	-
Total	4 252	527	830	1 628	7 237	6 798

* The position of the CEO was vacant during the full year. The previous incumbent left the SETAs employment during the previous financial year.

** The Company Secretary acted as the CEO for the full year. She was not part of the executive in the prior year.

23. TRANSACTIONS WITH STAKEHOLDERS REPRESENTED ON THE ACCOUNTING AUTHORITY)

BANKSETA has, in the normal course of its operations, entered into certain transactions with entities which had a nominated representative serving on BANKSETAs accounting authority.

			2016/17		2015/16	
			R'000		R'000	
Related party	Nature of relationship	Transaction type	Amount of the transaction	Amount receivable/(payable)	Amount of the transaction	Amount receivable/(payable)
Payables						
First Rand Bank	S Mthembu (Authority member)	Discretionary Grant	(2 197)	(2 197)	(2 270)	(2 270)
ABSA	S Louw (Authority member)	Discretionary Grant	(3 599)	(3 599)	(2 029)	(2 029)
Nedbank	A Thebyane (Authority member)	Discretionary Grant	(5 904)	(5 904)	(1 830)	(1 830)
Standard Bank	S Taylor (Authority member) Resigned Nov 2016	Discretionary Grant	(8 400)	(8 400)	(2 101)	(2 101)
Capitec	N Motjuwadi (Authority Member)	Discretionary Grant	(2 246)	(2 246)	(695)	(695)
Total			(22 346)	(22 346)	(8 925)	(8 925)

The above transactions occurred under terms that were no less favourable than those available in similar arm's length dealings.

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24. SEGMENT REPORTING

The BANKSETA has identified the levy categories of mandatory, discretionary and administration levies as the reportable segments based on the type of expenditure that may be funded from each category of levies per legislation. Mandatory levies are utilised for mandatory grants paid to qualifying levy paying stakeholders in the sector who submit a Work Place Skills Plan and Annual Training Report in the prescribed format within the legislated timeframes. This levy is currently 20% of the skills development levy received by the SETA. The discretionary levy is currently 49.5% of the levy received by the SETA and is utilised to fund discretionary projects and programmes within the sector that are aligned with the national skills and sector skills priorities and are approved by the sector. Any investment and other income is swept into the discretionary grant reserves and funds discretionary projects. Administration levies accounts for 10.5% of the levies paid to the SETA. It is used to fund QCTO and administration cost of the SETA including research.

The assets and liabilities that are directly attributable to each segment are reported within the segment whilst those assets utilised across the entity are shown separately. The BANKSETA does not use geographical segments for reporting or decision-making, except to the extent that the concentration of stakeholders in any geographical area determines the positioning of regional offices. This method is also not used for internal reporting.

Reconciliation to the statement of financial performance

Segment Reporting	Mandatory	Discretionary	Admin	Total Segmental reporting	Non Segmented Amounts	Total	Note
Segment Revenue							
Total revenue from non-exchange transactions	157 925	444 469	86 745	689 139	-	689 139	
Total revenue from exchange transactions	-	46 250	105	46 355	-	46 355	
Total revenue	157 925	490 719	86 850	735 494	-	735 494	
Segment Expenditure							
Employer grant and project expenses	(151 170)	(506 447)	-	(657 617)	-	(657 617)	5
Employee related costs	-	-	(39 429)	(39 429)	-	(39 429)	6
Depreciation and amortisation	-	-	(1 684)	(1 684)	-	(1 684)	6
Repairs and maintenance	-	-	(177)	(177)	-	(177)	6
General expenses	-	-	(24 045)	(24 045)	-	(24 045)	6
Finance cost	-	-	-	-	-	-	5
Total Expenditure	(151 170)	(506 477)	(65 335)	(722 952)	-	(722 952)	
SURPLUS (DEFICIT) FOR THE PERIOD	6 755	(15 728)	21 515	12 542	-	12 542	

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SEGMENT REPORTING (Continued)

Reconciliation to the statement of financial position

Segment Reporting	Mandatory	Discretionary	Admin	Total Segmental reporting	Non Segmented Amounts	Total	Note
Assets							
Non-current assets							
Infrastructure, plant and equipment	-	-	-	-	2 628	2 628	7
Intangible assets	-	-	-	-	230	230	8
Current assets							
Receivables from non-exchange transactions	5 785	-	-	5 785	-	5 785	9
Receivables from exchange transactions	-	3 604	-	3 604	-	3 604	10
Cash and cash equivalents	-	-	-	-	620 681	620 681	11
Total assets	5 785	3 604	-	9 389	623 538	632 928	
Liabilities							
Current liabilities							
Payables from Exchange Transactions	-	49 860	3 729	53 589	-	53 589	12
Payables from Non-Exchange Transactions	14 377	-	-	14 377	-	14 377	13
Provisions	13 579	-	8 383	21 963	-	21 963	14
Total liabilities	27 956	49 860	12 113	89 929	-	89 929	
NET ASSETS AND LIABILITIES	(22 171)	(46 256)	(12 113)	(80 541)	623 538	542 999	
Funds and reserves							
Administration reserve	-	-	2 858	2 858	-	2 858	
Employer grant reserve	146	-	-	146	-	146	
Discretionary reserve	-	539 995	-	539 995	-	539 995	
TOTAL FUNDS AND RESERVES	146	539 995	2 858	542 999	-	542 999	

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SEGMENT REPORTING (Continued)

2015/16

Reconciliation to the statement of financial performance

Segment Reporting	Mandatory	Discretionary	Admin	Total Segmental reporting	Non Segmented Amounts	Total	Note
Segment Revenue							
Total Revenue from non-exchange transactions	169 546	435 480	88 412	693 438	-	693 438	
Administration reserve	-	38 875	51	38 926	-	38 926	
Total revenue	169 546	474 355	88 463	732 364	-	732 364	
Segment Expenditure							
Employer grant and project expenses	(163 309)	(422 713)	-	(586 022)	-	(586 022)	5
Employee related costs	-	-	(31 744)	(31 744)	-	(31 744)	6
Depreciation and amortisation	-	-	(836)	(836)	-	(836)	6
Repairs and maintenance	-	-	(181)	(181)	-	(181)	6
General expenses	-	-	(29 469)	(29 469)	-	(29 469)	6
Finance cost	-	(1 129)	(6)	(1 135)	-	(1 135)	5
Total Expenditure	(163 309)	(423 842)	(62 236)	(649 387)	-	(649 387)	
SURPLUS (DEFICIT) FOR THE PERIOD	6 237	50 513	26 227	82 977	-	82 977	

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SEGMENT REPORTING (Continued)

2015/16

Reconciliation to the statement of financial position

Segment Reporting	Mandatory	Discretionary	Admin	Total Segmental reporting	Non Segmented Amounts	Total	Note
Assets							
Non-current assets							
Infrastructure, plant and equipment	-	-	-	-	3 377	3 377	7
Intangible assets	-	-	-	-	18	18	8
Current assets							
Receivables from non-exchange transactions	1 471	-	-	1 471	-	1 471	9
Receivables from exchange transactions	-	3 700	-	3 700	-	3 700	10
Cash and cash equivalents	-	-	-	-	579 935	579 935	11
Total assets	1 471	3 700	-	5 171	583 330	588 501	
Liabilities							
Current liabilities							
Payables from Exchange Transactions	-	20 353	3 554	23 907	-	23 907	12
Payables from Non-Exchange Transactions	14 101	-	-	14 101	-	14 101	13
Provisions	13 518	-	6 518	20 036	-	20 036	14
Total liabilities	27 619	20 353	10 072	58 044	-	58 044	
NET ASSETS AND LIABILITIES	(26 148)	(16 653)	(10 072)	(52 873)	583 330	530 457	
Funds and reserves							
Administration reserve	-	-	3 396	3 396	-	3 396	
Employer grant reserve	68	-	-	68	-	68	
Discretionary reserve	-	526 993	-	526 993	-	526 993	
	68	526 993	3 396	530 457	-	530 457	

25. NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

25.1 Skills Development Levy: Income from non-exchange transactions:

The levy receipt for the current year was 5.9% lower than the budget for the year and 2.0% lower than prior year. This points to slowing decreasing employment and bonuses in the sector.

25.2 Skills Development Levy: penalties and interest from non-exchange transactions

Income from penalties and interest arise when employers fail to submit their returns as required by legislation. These amounts typically vary significantly year on year and indicates the level of non-compliance in the sector. The full balance is made available for discretionary projects.

25.3 Investment Revenue from Exchange Transactions

Investment revenue from exchange transactions was 129% greater than what was budgeted for due to increasing money market rates in 2016/17 and higher average cash balances during the financial year.

25.4 Employer grant

The approved final budget only includes the estimated mandatory grant spending of the current financial year. There was an decrease in mandatory grant expenditure in line with the levies received. The mandatory grant claim ratio remained at 97%.

25.5 Project expenditure

The approved final budget only includes the estimated project spending of the current financial year. The actual project expenditure was higher than budget due to Accounting Authority approving new projects to cover the higher than expected revenue. The time frame of some projects of over more than one year as well as the time needed for supply chain and/or discretionary grant processes lead to an inability to spend all of the additional income within the same financial period.

25.6 Administration expenses

Administration expenditure is limited to 10.5% of levies received. The legislation limit has not been exceeded and the savings will be utilised to fund sector skills priorities, through various projects.

26. GOING CONCERN

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

The SETA is currently established until 31 March 2020.

27. EVENTS AFTER REPORTING DATE

The SETA received approval for retention of its cash surplus of R138,571 thousand after the balance sheet date.

The SETA has no other material adjustments after the reporting date but before the financial statements are authorised for issue.

BANKSETA TEAM







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