







Abbreviations and Acronyms.....	page 02
<b>PART A: General Information.....</b>	<b>page 05</b>
Vision, Mission and Values.....	page 07
<b>PART B: Accounting Authority's Review.....</b>	<b>page 09</b>
<b>PART C: Chief Executive Officer's Review.....</b>	<b>page 13</b>
<b>PART D: Core Business Report .....</b>	<b>page 35</b>
<b>PART E: Projects Report.....</b>	<b>page 45</b>
<b>PART F: Corporate Services Report.....</b>	<b>page 51</b>
<b>PART G: Finance Report.....</b>	<b>page 63</b>
<b>PART H: Audit Committee Report.....</b>	<b>page 65</b>
<b>PART I: Report of the Auditor-General.....</b>	<b>page 67</b>
<b>PART J: ANNUAL FINANCIAL STATEMENTS.....</b>	<b>page 71</b>
Statement of Financial Performance.....	page 74
Statement of Financial Position.....	page 75
Statement of Changes in Net Assets.....	page 76
Statement Cash Flows.....	page 77
Statement of Comparisons of Budget and Actual Amounts.....	page 78
Accounting Policies.....	page 79
Notes to the Annual Financial Statements.....	page 86
Remuneration to Key Management and Accounting Authority Disclosure.....	page 104



# ABBREVIATIONS AND ACRONYMS

<b>AA</b>	Accounting Authority
<b>APP</b>	Annual Performance Plan
<b>APR</b>	Annual Performance Report
<b>AQP</b>	Assessment Quality Partner
<b>ATR</b>	Annual Training Report
<b>CBE</b>	Core Business Executive
<b>CBO</b>	Community-Based Organisation
<b>CEO</b>	Chief Executive Officer
<b>CESA</b>	Civil Engineering South Africa
<b>CETA</b>	Construction Education and Training Authority
<b>CFO</b>	Chief Financial Officer
<b>CIBD</b>	Construction Industry Development Board
<b>CPD</b>	Corporation for Public Deposits
<b>DEAFSA</b>	Deaf South Africa
<b>DG</b>	Discretionary Grant
<b>DHET</b>	Department of Higher Education and Training
<b>DHS</b>	Department of Human Settlements
<b>DoL</b>	Department of Labour
<b>DPSA</b>	Disabled People South Africa
<b>DQP</b>	Development Quality Partner
<b>ETQA</b>	Education and Training Quality Assurance
<b>FITA</b>	Flooring Industry Training Association
<b>FY</b>	Financial Year
<b>JPMT</b>	Joint Project Management Team
<b>KPI</b>	Key Performance Indicator
<b>LGSETA</b>	Local Government Sector Education and Training Authority
<b>LPQD</b>	Learning Pathways and Quality Development
<b>MBSA</b>	Master Builders South Africa
<b>MG</b>	Mandatory Grant
<b>MIS</b>	Management Information System
<b>MOU</b>	Memorandum of Understanding
<b>MPLS</b>	Multi-Protocol Label Switching
<b>MQA</b>	Mining Qualifications Authority
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>NAMB</b>	National Artisan Moderating Body



<b>NARYSEC</b>	National Rural Youth Service Corps
<b>NCV</b>	National Certificate Vocational
<b>NGO</b>	Non-Governmental Organisation
<b>NPO</b>	Non-Profit Organisation
<b>NHBRC</b>	National Homebuilders Registration Council
<b>NQF</b>	National Qualifications Framework
<b>NSDS</b>	National Skills Development Strategy
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>NVC</b>	New Venture Creation
<b>OFO</b>	Organising Framework for Occupations
<b>PABX</b>	Private Automated Branch Exchange
<b>PFMA</b>	Public Finance Management Act
<b>PSA</b>	Public Service Act
<b>PSET</b>	Post-School Education and Training
<b>QCTO</b>	Quality Council for Trades and Occupations
<b>QMR</b>	Quarterly Monitoring Report
<b>RPL</b>	Recognition of Prior Learning
<b>SAFCEC</b>	South African Federation of Civil Engineering Contractors
<b>SANMVA</b>	South African National Military Veterans' Association
<b>SAQA</b>	South African Qualifications Authority
<b>SARS</b>	South African Revenue Services
<b>SAWIC</b>	South African Women in Construction
<b>SDA</b>	Skills Development Act
<b>SDF</b>	Skills Development Facilitator
<b>SDLA</b>	Skills Development Levies Act
<b>SETA</b>	Sector Education and Training Authority
<b>SIP</b>	Session Initiation Protocol
<b>SSETA</b>	Services Sector Education and Training Authority
<b>SMME</b>	Small, Medium and Micro-sized Enterprise
<b>SSP</b>	Sector Skills Plan
<b>SP</b>	Strategic Plan
<b>TETA</b>	Transport Education and Training Authority
<b>TVET</b>	Technical and Vocational Education and Training
<b>WSP</b>	Workplace Skills Plan

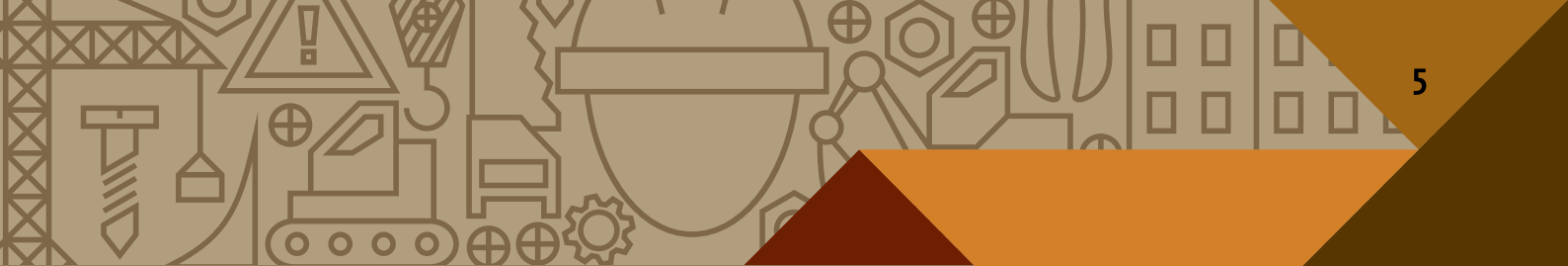




*“In the delivery of its mandate, the CETA identified Women, People with Disability, Youth, Rural and Township Communities and Military Veterans as its strategic priorities through whom the CETA will have focused skills development initiatives.”*







**PART A:**



# GENERAL INFORMATION



# GENERAL INFORMATION

## CETA GENERAL INFORMATION

Registered name of the public entity	Construction Education and Training Authority
ISBN number	ISBN 978-0-621-45508-3
RP number	RP154/2017
Registered office address	183 Kerk Street (cnr Old Pretoria Main Road), Halfway House, Midrand, 1685
Contact telephone numbers	+27 11 265 5900
Email address	JabulaniJ@ceta.co.za
Website address	www.ceta.org.za

## EXTERNAL AUDITOR'S INFORMATION

### Auditor-General of South Africa

Physical address	300 Middel Street
	New Muckleneuk
	Pretoria, South Africa
Postal address	Box 446
	Pretoria
	0001
Telephone	+27 12 426 8000
Fax	+27 12 426 8257

## BANKER'S INFORMATION

Standard Bank	5 Simmonds Street
	Johannesburg
	2001



## VISION

To be a firm pillar of all in construction and nation-building

## MISSION

To create a solid skills base as a foundation for infrastructural development and economic empowerment

## VALUES

- ▶ Responsiveness
- ▶ Respect
- ▶ Integrity
- ▶ Professionalism





***Dr Bonginkosi Nzimande (MP)***

**MINISTER OF HIGHER EDUCATION  
AND TRAINING**

## **Submission of the Annual Report to the Executive Authority**

To the Minister of Higher Education and Training, Dr Bonginkosi Nzimande (MP), I have the honour of submitting to you in accordance with the Public Finance Management Act (PFMA) (1 of 1999), the Annual Report of the Construction Education and Training Authority (CETA) for the period 1 April 2016 to 31 March 2017.

**MR RAYMOND CELE**

*CETA Chairperson*





## PART B:



# ACCOUNTING AUTHORITY'S REVIEW



# ACCOUNTING AUTHORITY'S REVIEW

## REPORT OF THE ACCOUNTING AUTHORITY TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA.



**Mr Raymond Cele**  
CETA CHAIRPERSON



It is the responsibility of the Accounting Authority to prepare financial statements that fairly represent the CETA's financial position as well as the financial performance and summary cash flow activities for the year ending 31 March 2017. 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).

The CETA maintained a clean audit opinion from the Auditor General for the year under review due to the fact that – among others – appropriate accounting policies, supported by reasonable and prudent judgements and estimates, have been applied on a consistent basis.

The maintenance of the clean audit outcome, though admirable and commendable, would be meaningless to the CETA if the mandate of the organisation is not achieved. It is therefore with great pleasure that we can also report having secured 22 787 learners for the year 2016/17. The Accounting Authority and its management remains committed to ensure that the CETA continues to deliver on its mandate whilst it continuously improves its risk mitigation strategies and implementation in its efforts to maintain a clean audit.

### GENERAL REVIEW OF THE STATE OF AFFAIRS

The Construction Education and Training Authority (CETA) is a Schedule 3A public entity which was established by the Minister of Labour on 20 March 2000. In 2010, all the Sector Education and Training Authority's (SETA) functions were transferred to the

Department of Higher Education and Training (DHET), which resulted in the CETA subsequently being re-established by the Minister of Higher Education and Training, with its current licensing period expiring on 31 March 2020.

The mandate of the CETA is to facilitate and fund skills development in the Construction Sector in South Africa.

#### *The following sub-sectors are served by the CETA:*

- ▶ Building Construction
- ▶ Built Environment Professions
- ▶ Materials Manufacturing
- ▶ Roads and Civil Construction

### CETA RESPONSILITIES

*Based on the extended National Skills Development Strategy (NSDS) III, its own Sector Skills Plan (SSP), Strategic Plan and Annual Performance Plans, the CETA is, in the main, responsible for the following:*

- ▶ Review, development and registration of qualifications
- ▶ Accreditation of providers and the registration of practitioners
- ▶ Implementation of quality assurance processes that will enhance and ensure quality provision of training
- ▶ Funding of critical and scarce skills in the sector through the allocation of discretionary grants
- ▶ Disbursements of mandatory grants based on the submission of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) by qualifying companies in the construction sector



## FINANCIAL OVERVIEW

The total revenue for the year ended 31 March 2017 amounted to R730 million. Interest received on investments increased by 57%, from R79 million received in 2015/16 to R124 million received in 2016/17 as a result of an increase in the bank balance. All funds are currently invested with the Corporation for Public Deposits (CPD) and the average interest rates are quoted at 7.3%.

Total expenditure for the year ended 2016/17 amounted to R474 million as per Finance report refer to page 64. Total expenditure is made up of mandatory grants expenditure, discretionary grants expenditure and administrative expenditure. Mandatory grant expenditure was R80 million. Discretionary grants expenditure increased from R325 million in 2015/16 to R329 million in 2016/17. The increase is attributed to payments made to projects implemented in the current year.

The CETA only spent 8.3% of its administrative budget, keeping it below the regulated threshold of 10.5%.

The 16% increase in total reserves, from R1.599 billion in 2015/16 to R1.855 billion in 2016/17 was as a result of an increase in interest from investments.

## GOVERNANCE

The Accounting Authority of the CETA is constituted in line with the prescripts of its Constitution.

*The following are its Committees:*

- ▶ Executive Committee
- ▶ Audit Committee
- ▶ Finance Committee
- ▶ Core Business Committee
- ▶ Governance and Strategy Committee
- ▶ Remuneration Committee

All the Committees of the Accounting Authority met as per the requirements of the Constitution and delivered on their respective mandates.

The CETA has an independent Audit Committee which ensures that the necessary checks and balances are in place for the organisation to exercise its fiduciary responsibility and to minimise risk. 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 PFMA. The functions of the Audit Committee include a review and an update of the risk analysis by management and internal audit (also refer to the Audit 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.

*The members of the Accounting Authority of the CETA for the reporting period are as follows:*

NAME	CONSTITUENCY	RESIGNATION DATE
Mr Raymond Cele	Chairperson	Active Member
Ms Sibongile Nxumalo	Organised Employer	Active Member
Mr Malusi Ganiso	Organised Employer	Active Member
Mr Webster Mfebe	Organised Employer	Active Member
Mr Fanuel Motsepe	Ministerial Appointee	July 2016
Ms Martha Sedumedi	Organised Employer	Inactive Member
Mr Mark Mfikoe	Organised Employer	October 2016
Mr Josias Mpe	Organised Labour	Active Member
Mr Lesiba Shai	Organised Labour	Active Member
Mr Bongani Dlamini	Organised Labour	Active Member
Mr Bhekani Ngcobo	Organised Labour	Active Member
Mr Piet Matosa	Organised Labour	Active Member
Ms Sankie Molefe	Organised Labour	Active Member
Mr Roy Mnisi	Organised Employer	Active Member

In conclusion, I would like to reiterate that there is undoubtedly a need to professionalise the Construction Sector. This must be coupled with the opening up of construction workplaces as training spaces to allow both employed and unemployed people to acquire skills. This will go a long way to enable us to deal with existing skills shortages and mismatches. This year, good work has been done by the CETA, particularly through the CETA's consistent focus on achieving specific objectives. As we look to the new financial year, our sights are firmly set on enabling a Construction Sector that grows the country's skills base and on shaping a sector that is an inclusive and attractive training ground for South African youth.



**MR RAYMOND CELE**  
CETA Chairperson





# ACCOUNTING AUTHORITY'S REVIEW

*"All the Committees of the Accounting Authority met as per the requirements of the Constitution and delivered on their respective mandates."*



*Back left to right: Mr Bhekani Ngcobo, Mr Josias Mpe, Mr Leseba Shai, Ms Sibongile Nxumalo, Mr Malusi Ganiso, Mr Bongani Dlamini and Mr Mark Mfikoe.*

*Front left to right: Mr Webster Mfebe, Mr Raymond Cele and Mr Piet Matosa.*





**PART C:**

# CHIEF EXECUTIVE OFFICER'S REVIEW







**Ms Sonja Pilusa**  
CETA CHIEF EXECUTIVE  
OFFICER



It is our pleasure to present the Annual Report of the Construction Education and Training Authority (CETA) for the year 2016/17.

We are delighted that the CETA maintained its clean audit opinion from the Auditor General (AG) for the year 2016/17. This second clean audit opinion is grounded on the foundations of a clean administration based on the realisation that the CETA is a public entity in the service of humanity. This service is rendered through the delivery of the CETA on its mandate – to fund and facilitate skills development in the Construction Sector. The above is further evidenced by the clean audit the CETA received for its performance information – another first in the history of the CETA.

In addition to the above-mentioned clean audit achievement of the CETA, the organisation maintained its R0 irregular expenditure as well as its R0 fruitless and wasteful expenditure which it reported over the last few financial years. The number of findings in the final management report of the AG to the CETA has further been significantly reduced from 23 administrative findings in the previous financial year to two only in the current year. This is a clear indication of the CETA's commitment to addressing the areas of continuous improvement as identified by the AG and the CETA Management in the previous financial year.

The overall audit report of the CETA clearly demonstrates that the internal controls are in place, adequate and effective. This is reflected in a clean audit report by the AG for the CETA on Leadership, Governance and its Financial and Performance Management. This is the culmination of the aggressive processes that the CETA has put in place over the last few years in achieving a clean administration.

Not only did the CETA achieve this clean audit; it also delivered very strongly on its mandate, which is evidenced by its achievements in the number of learners reported. The CETA reported an increase in the number of learners for the year under review, from 19 046 in the 2015/16 FY to 22 787 learners for the 2016/17 FY, which represents a 20% increase. The CETA had a commitment schedule for the year under review of R1 580 767 000, of which R1 060 175 382 went directly to Public Sector support for skills development. This represents an increase of 28% when compared to the R828 050 382 allocated to Public Sector support in the 2015/16 FY. From the Public Sector support, R335 113 500 was directly allocated for supporting Public TVET colleges, a 12% increase from the R297 888 500 which was allocated in the 2015/16 FY.

*The Auditor General audited the reported performance information of the CETA for the following selected programmes presented in the Annual Performance Report of the entity for the year ended 31 March 2017:*

Programme 2: Core Business

Programme 3: Skills Development Provisioning

## CETA STRATEGIC IMPERATIVES

In the delivery of its mandate, the CETA identified Women, People with Disability, Youth, Rural and Township Communities and Military Veterans as its strategic priorities through whom the CETA will have focused skills development initiatives.

In line with its objective to increase the meaningful participation of women within the Construction Sector, the CETA set a target of ensuring that a minimum of 40% of its beneficiaries through its various skills development initiatives are women. To this end, the CETA-funded projects have consisted of 55% of their beneficiaries being women. Similarly, in meeting its strategic imperative with regards to People with Disability and Youth, 7% of the beneficiaries of CETA projects are people with disabilities whilst 87% are young people. The CETA's achievements with regards to rural and township development as well as military veterans is exemplary. The CETA through its structured focus in addressing the skills needs of these designated populations reached 1 233 military veterans and have 230 projects in rural areas.

## QUALIFICATIONS DEVELOPMENT

One of the mandates of the CETA is to ensure the review of existing and the development of new qualifications. The CETA responded to this mandate by the development of five new qualifications, of which three are within the civil engineering subsector and two in the building subsector. Currently, the CETA has 57 qualifications registered on the National Qualifications Framework (NQF).



## ESTABLISHMENT OF SKILLS DEVELOPMENT CENTRES

The CETA Accounting Authority has approved funding for the establishment of 13 Skills Development Centres through Public TVET Colleges and Universities for the implementation of construction occupational qualifications and skills programmes to rural and township communities. The establishment of the Skills Development Centres is accompanied by structured construction learnership programmes, particularly in Community House Building. Registered learners use the construction of the Skills Centres as part of workplace learning.

Out of the 13 centres, seven have been fully established and are operational. Construction of two of the seven operational skills development centres were completed during the year under review. One more is currently under construction.

These skills development centres play a critical role in skills provisioning in rural and township communities as these centres are established right in the heart of the communities.

## INTER-SETA COLLABORATION

In October 2015, the Minister of Higher Education and Training tabled a proposal on the new SETA landscape post-2018, setting out a vision for the post-school sector until 2030. A key part of this proposed new SETA landscape focusses on the need for SETAs to have greater collaboration among themselves. Toward this end, the Services SETA and the Construction SETA established a Joint Projects Management Team through which these SETAs implement joint projects as part of their collaborative efforts. This partnership has recently been extended to, among others, the Energy and Water SETA (EWSETA) and the Culture, Arts, Tourism and Hospitality SETA (CATHSETA). These collaborative efforts encapsulate the vision of the Department as set out in some of the elements of the proposal.

Through the existing partnership between the Services SETA and the Construction SETA, projects are being run in all nine provinces of South Africa. One of the main characteristics of these projects is that they are all mainly taking place in rural and township communities and unreached areas of the country where there is little or no SETA presence. For example, the Karoo communities of Beaufort West, Merweville, Murraysburg, Nelspoort, Cradock and Middleburg are benefitting from these projects as well as rural communities in Ngeleni and Cala. The projects stretch even as far as the border town of Alexander Bay on the border of South Africa and Namibia.

The SETAs are currently running 16 projects under this collaboration, with a total allocation of R278 million, benefitting 8 397 learners.

## SUPPORT TO HIGHER EDUCATION INSTITUTIONS

As part of the transformation and contribution to the development of new professionals in the sector, the CETA took a decision to support higher education institutions. This support to higher education institutions varies from academic support to programme development, bursaries and lecturer support.

To this end, the CETA supported the Universities of KwaZulu-Natal, Witwatersrand, Venda and Johannesburg in various initiatives. The CETA further supported the Cape Peninsula University of Technology on various initiatives.

The total amount spent on higher education institutions for the various programmes was R62 048 000.

## CORPORATE SERVICES

To deliver on its mandate, the CETA has a national footprint with offices in all nine provinces. All nine these offices are located within public spaces and are easy to access for the various communities they are meant to serve.

The CETA has a highly competent and committed staff complement, which is evidenced by the clean audit outcomes for a second consecutive year. The CETA staff compliment of the CETA for the year under review is 109.

The CETA in partnership with Disabled People South Africa (DPSA) established an internship programme targeted to exclusively cater for people with disabilities. Four such interns have been recruited and appointed at the CETA head office.

In reaching out to the learners and communities it must serve, the CETA held various career awareness campaigns and exhibitions. Twenty-two exhibitions were held that reached 5 351 learners.

## PRE-DETERMINED OBJECTIVES ANALYSIS

The CETA's Annual Performance Plan (APP) for 2016/17 provided the plan of action for the year under review. It was based on an adaptation of the template prescribed by National Treasury for government departments and public institutions. In terms of strategic goals, it responds specifically to the goals of the NSDS III, with the exception of project management, corporate management and corporate governance goals, which are unique goals aimed at addressing the corporate support and management and corporate governance of the Construction SETA.

The CETA does not only measure performance against quantitative targets but also considers qualitative factors that have an impact on the achievement of NSDS III objectives. Furthermore, there are activities which are not part of the APP which the CETA undertook in the main based on requests from the DHET, which are not part of this analysis but will be reflected in the Annual Report of the CETA.



## PART B : PROGRAMME AND SUB-PROGRAMME PLANS

### PROGRAMME 1: ADMINISTRATION

Purpose – provide strategic leadership, management and support services to the CETA

1.1 STRATEGIC OBJECTIVE		PROVIDE LEADERSHIP TO THE CETA
Objective statement	To provide strategic direction and guidance to the organisation as well as reporting to the Executive Authority.	
Baseline	CETA-approved organogram; Constitution.	
Justification	To ensure that there is basic adherence to the Skills Development Act in carrying out the duties of the SETA in line with statutory requirements and compliance.	
Links	Key acts, including the Skills Development Act, NSDS III and Public Service Act (PSA).	
1.2 STRATEGIC OBJECTIVE		PROVIDE SOUND FINANCIAL MANAGEMENT
Objective statement	To ensure effective financial management through the application of good financial management systems, including management accounting, financial accounting and supply chain management in line with the requirements of the Public Finance Management Act (PFMA).	
Baseline	Credit payments age: 30 days.	
Justification	To ensure efficient and effective systems of financial management.	
Links	Key Acts, including the PFMA.	
1.3 STRATEGIC OBJECTIVE		EFFECTIVE HUMAN RESOURCES MANAGEMENT
Objective statement	To ensure effective human resource management and administrative support within the CETA, including the filling of 90% of the vacant positions, as per the organisational organogram.	
Baseline	Approved organogram; current CETA staffing capacity; current performance management system.	
Justification	To build required capacity in order to support the objectives of the CETA and to improve efficiency, productivity and morale.	
Links	Key acts, including the PSA, the Occupational Health and Safety Act (OHS), Single Public Service Bill, the Labour Relations Act (LRA), Skills Development Act (SDA) and Skills Development Levies Act (SDLA), Basic Conditions of Employment Act (BCEA) and Employment Equity Act (EEA).	
1.4 STRATEGIC OBJECTIVE		MANAGEMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY
Objective statement	To improve efficiency through the development of approved annual ICT procurement plans for the implementation of the necessary information technology infrastructure and systems.	

Baseline	ICT Charter.
Justification	This objective will ensure that IT infrastructure is available to serve the business needs of the CETA.
Links	The Government Information Technology Policy and Public Service Act.

<b>1.5 STRATEGIC OBJECTIVE</b>	<b>CORPORATE GOVERNANCE</b>
Objective statement	Ensure Exemplary Corporate Governance, oversight and compliance in line with the Constitutional Mandate.
Baseline	Delegation of Authority approved by the Accounting Authority; approved policies; approved risk register; signed declaration of interest.
Justification	The CETA's Strategic Plan is aligned to the management and achievement of the NSDS III goals.
Links	NSDS III; CETA Constitution.

<b>1.6 STRATEGIC OBJECTIVE</b>	<b>RISK MANAGEMENT</b>
Objective statement	Ensure the identification of (sic) and mitigate potential threats to the organisation's functioning and delivery of mandated tasks as per DHET requirements.
Baseline	Approved risk register; Internal Audit Report; AG Management Report.
Justification	The CETA has a Risk Management Policy and Strategy in place to mitigate risks identified to an acceptable level in line with the National Treasury Risk Management Framework.
Links	National Treasury Risk Management Framework.

STRATEGIC OBJECTIVE	5-YEAR STRATEGIC PLAN TARGET	BASELINE (AUDITED / ACTUAL PERFORMANCE) 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017
1.1.1. Effective and fully functional regulatory bodies	Number of functional governance structures in operation to monitor the efficiency and functionality of the organisation in line with statutory requirements.	7	7	7	Target Achieved
1.1.2 Annual General Meeting	Minimum notice of AGM advertised in media.	30 days	30 days	30 days	Target Achieved





# CHIEF EXECUTIVE OFFICER'S REVIEW

1.2.1. Effective financial management through application of good financial management systems, including management accounting, financial accounting and supply chain management in line with the requirements of the PFMA.	Application of good financial management systems, including management accounting, financial accounting and supply chain management.	Unqualified Audit	Unqualified Audit Opinion - Clean Audit	Unqualified Audit Opinion - Clean Audit	<b>Target Achieved</b>
1.3.1. Adequate staffing	Reduce vacancy rate to less than 10%.	35%	10%	17%	<b>Target Not Achieved</b> Although the CETA advertised all vacant positions, suitable candidates could not be found to fill those that remain vacant; some candidates declined the offers. The CETA embarked on an intensive recruitment drive during the period under review. 36 new appointments were concluded (nine of these were internal candidates). Ten promotions In total, 46 new positions were filled during the financial year under review. Interviews conducted for ten positions wherein no successful candidates were appointed or the offers were declined.
1.3.2. Resource capacitation	% of staff trained or enrolled in further studies / received continuous development.	71%	80%	93%	<b>Target Exceeded</b> This is due to the CETA having addressed this through bursaries, capacity building workshops, regulatory training and interdepartmental staff development activities during the financial year under review. The following interventions were implemented for staff development: ▶ Bursaries = four interventions ▶ Strategic planning sessions = 93 interventions ▶ SCM training = eight interventions ▶ Professional fees = two interventions ▶ ICT Training = one intervention.
1.4.1. To improve ICT efficiency through the implementation of the ICT procurement plan/Charter.	Approved, updated and operational ICT Charter per annum.	1	1	1	<b>Target Achieved</b>
1.5.1. Ensure Exemplary Corporate Governance, oversight and compliance in line with the Constitutional Mandate.	Revised delegation of authority and approvals framework as well as policies and procedures.	Approved delegation of authority, approvals framework as well as policies and procedures.	Approved delegation of authority, approvals framework as well as policies and procedures.	Approved delegation of authority, approvals framework as well as policies and procedures.	<b>Target Achieved</b>

1.6.1 Ensure the identification of and (sic) mitigate potential threats to the organisation's functioning and delivery of mandated tasks as per DHET requirements.	Reviewed risk and declaration of interest register.	Updated risk register and signed declaration of interest register.	Updated risk register and signed declaration of interest register.	<b>Target Achieved</b>
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## 1.2 PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF) 2016

LINKS TO STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS	BASELINE (AUDITED / ACTUAL PERFORMANCE) 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017
1.1.1	Number of functional governance structures (i.e. audit committee, core business committee, etc.).	7	7	7	<b>Target Achieved</b>
1.1.1	Number of AA meetings attended	4	4	4	<b>Target Achieved</b>
1.1.1	Number of AA sub-committee meetings attended.	4	4	4	<b>Target Achieved</b>
1.2.1	Internal and External Audit queries received versus attended to (%).	100%	100%	100%	<b>Target Achieved</b>
1.2.1	Creditor payment age.	30 days	30 days	30 days	<b>Target Achieved</b>
1.3.1	Reduce vacancy rate to less than 10%.	35%	10%	17 %	<b>Target Not Achieved</b> Although the CETA advertised all vacant positions, suitable candidates could not be found to fill those that remain vacant; others declined the offers. The CETA embarked on an intensive recruitment drive during the period under review. 36 new appointments were concluded (nine of these were internal candidates). Ten promotions. In total, 46 new positions were filled during the financial year under review. Interviews conducted for ten positions wherein no successful candidates were appointed or the offers were declined.



1.3.1	% of staff trained or enrolled in further studies / received continuous development.	71%	80%	93%	<b>Target Exceeded</b> Due to the CETA having addressed this through interdepartmental staff development activities during the financial year. The following interventions were implemented for staff development: ► Bursaries = four interventions ► Strategic planning sessions = 93 interventions ► SCM training = eight interventions ► Professional fees = two interventions ► ICT Training = one intervention.
1.3.1	Performance management: % of employees with approved performance plans.	100%	100%	100%	<b>Target Achieved</b>
1.3.1	Resource capacitation.	100%	80%	83%	<b>Target Achieved</b>
1.4.1	Approved ICT Charter.	1	1	1	<b>Target Achieved</b>
1.5.1	Revised delegation of Authority and Approvals Framework.	Approved Delegation of Authority.	Approved Delegation of Authority.	Approved Delegation of Authority.	<b>Target Achieved</b>
1.5.1	Revised policies and procedures.	Approved policies and procedures.	Approved policies and procedures.	Approved policies and procedures.	<b>Target Achieved</b>
1.6.1	Reviewed risk register.	Updated risk register.	Updated risk register.	Updated risk register.	<b>Target Achieved</b>
1.6.1	Declaration of interest register.	Signed declaration of interest.	Signed declaration of interest.	Signed declaration of interest.	<b>Target Achieved</b>

## PROGRAMME 2: CORE BUSINESS

Purpose – To influence the course of training and skills development in construction by ensuring that all training reflects the needs and requirements of the sector as well as reporting on the CETA's implementation of the Sector Skills Plan to the Department of Higher Education and Training (DHET).

2.1 STRATEGIC OBJECTIVE	MANAGEMENT OF PROJECTS COST-EFFECTIVELY, TIMELY AND PRODUCTIVELY
Objective statement	Provide oversight on all active discretionary grant project allocations and ensure the effective implementation and management thereof through external moderation, verification and certification of successful learners at the end of project life.
Baseline	Provision of Discretionary Grant allocations and update thereof as per Commitment Schedule; database of existing and new applications for accreditation; completed projects for certifications.
Justification	The effective management and implementation of projects as per the CETA's Strategic Plan aligned to the goals of the NSDS III: Establishing a credible mechanism for skills planning. The regular monitoring of CETA-funded projects throughout the project lifecycle is required in order to maintain the quality of learning as well as to maintain accountability of the project implementers.
Links	Skills Development Act (SDA); NSDS III; Policy Framework for the Government-wide Monitoring and Evaluation System.



2.2 STRATEGIC OBJECTIVE		ENSURE EFFECTIVE SKILLS PLANNING AND REPORTING FOR THE CONSTRUCTION SECTOR
Objective statement	Promote and ensure high-quality education and training in the Construction Sector through systematic and comprehensive research. Ensure reporting on CETA's progress towards achieving the NSDS III targets as well as the progress made towards achieving CETA's strategic objectives. Provide advice to stakeholders, (sic) and inform policy makers on all matters relating to the construction industry.	
Baseline	Current total database of Levy-paying entities within the Construction Sector; provision of Sector-specific research into Skills Development needs.	
Justification	This function serves to ensure development of the CETA Sector Skills Plan (SSP) and the alignment of Service Level Agreements (SLA) with the Strategic Plan (SP), the Annual Performance Plan (APP), (sic) and the Quarterly Monitoring Report (QMR).	
Links	Skills Development Act (SDA); Treasury Framework; NSDS III.	
2.3 STRATEGIC OBJECTIVE		REGISTRATION OF QUALIFICATIONS AND ENSURING QUALITY DELIVERY OF SKILLS DEVELOPMENT PROGRAMMES
Objective statement	Promote quality learning through the development and registration of qualifications and learning programmes, and the quality assurance of these. In addition, (sic) the monitoring and auditing of the achievements of the CETA in terms of national qualifications and standards.	
Baseline	Maintenance of existing database as well as (sic) pool of new applicants for the provision of quality skills development programmes; registration of learning programmes in line with CETA's strategic objectives.	
Justification	The CETA's Strategic Plan is aligned to the goals of the NSDS III: Establishing a credible mechanism for skills planning that prioritises the need for quality skills development and training.	
Links	Skills Development Act (SDA); QCTO; NQF Act; White Paper on Post-School Education and Training (PSET); NSDS III.	

### 2.1 STRATEGIC OBJECTIVE ANNUAL TARGETS

STRATEGIC OBJECTIVE	5-YEAR STRATEGIC PLAN TARGET	BASELINE (AUDITED / ACTUAL PERFORMANCE) 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017
2.1.1 Manage project costs effectively, timely and productively.	Perform oversight on the review and updating of the Commitment Schedule.	Audited Commitment Schedule for 2014/15.	Audited Commitment Schedule for 2015/16.	Audited Commitment Schedule for 2015/16.	<b>Target Achieved</b>
2.1.2 Monitor project performance and validate quality of learning for all sector projects.	Approved Site Visit Schedules.	4	4	8	<b>Target Exceeded</b> This is due to the increased focus on resources and monitoring of CETA-funded projects by the organisation. The CETA is in the process of developing an online-monitoring tool for CETA-funded projects.
2.2.1 Sectoral skills development needs are researched, documented and communicated to enable effective planning in the Construction Sector.	Number of levy-paying members submitting creditable data (through WSPs and ATR) for the development of the SSP.	1	1	1	<b>Target Achieved</b>



2.3.1 Registration of qualifications and ensuring quality delivery of skills development programmes.	Number of entities funded to achieve Development Quality Partner (DQP) status.	3	3	4	<b>Target Exceeded</b> This is due to the increased partnerships with industry associations' involvement in the development of new occupational qualifications.
	CETA NQF qualifications are reregistered until 2019.	100%	100%	100%	<b>Target Achieved</b>

## 2.2 PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR MTEF 2016

LINKS TO STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS	BASELINE (AUDITED / ACTUAL PERFORMANCE) 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017
2.1.1	Establishment of Joint Project Management Teams (JPMTs) for CETA projects.	100% Functional JPMTs.	100% Functional JPMTs.	90% Functional JPMTs.	<b>Target Not Achieved</b> The CETA has established JPMTs for CETA-funded projects in line with its project implementation model.
2.1.1	Review and update Standard Operating Procedures (SOPs) for projects.	Reviewed SOPs.	Reviewed SOPs.	Reviewed SOPs.	<b>Target Achieved</b>
2.1.1	Customise and use Project Management module in the Management Information System (MIS).	An operational Project Management module in the MIS.	An operational Project Management module in the MIS.	Developed Project Management module in the MIS.	<b>Target Achieved</b> The CETA Project Management MIS Module is developed and is live.
2.1.1	Review the current Project Implementation Model.	Reviewed Project Implementation Model.	Reviewed Project Implementation Model.	Reviewed Project Implementation Model.	<b>Target Achieved</b>
2.1.1	Update and review of the Commitment Schedule, including Performance Information.	Updated Commitment Schedule.	Updated Commitment Schedule.	Updated Commitment Schedule.	<b>Target Achieved</b>

2.1.2	Number of approved M&E schedules.	4	4	8	<b>Target Exceeded</b> This is due to the CETA's vigorous project monitoring activities and project implementation approach as well as external moderation visits to ensure learner certification.
2.1.2	Number of M&E visits conducted.	240	40	281	<b>Target Exceeded</b> This is due to the CETA's vigorous project monitoring activities and project implementation approach. 153 External Moderation 128 Project Monitoring.
2.2.1	Number of WSP/ATR Provincial workshops conducted with stakeholders on the WSP compilation and submission.	9	9	9	<b>Target Achieved</b>
2.2.1	Number of construction associations engaged to gather accurate sectoral developments and challenges relating to skills planning.	1	3	8	<b>Target Exceeded</b> This is due to the CETA engaging more associations in a bid to enhance the quality of skills planning for the development of the Sector Skills Plan.
2.2.1	Number of construction companies engaged to gather accurate sectoral developments and challenges relating to skills planning.	8	8	68	<b>Target Exceeded</b> The CETA embarked on a rigorous research process and engaged with a variety of construction companies which resulted in it receiving 68 responses.
2.2.1	Number of SDFs trained.	217	100	166	<b>Target Exceeded</b> This is due to the CETA's continued efforts to engage stakeholder SDFs in order to provide the necessary support.
2.2.1	Number of union officials and members trained on how to work closely with employers; establishing WSPs and ATRs and how they work.	67	100	23	<b>Target Not Achieved</b> This is due to a lower number of union officials in attendance during stakeholder engagement sessions.
2.3.1	Number of occupational qualifications developed by DQPs per year.	4	5	5	<b>Target Achieved</b> Three Civil Engineering qualifications have been developed and submitted to QCTO. Two of the current Flooring and Tiling NQF qualifications (NQF Level 1 and 2) are being reviewed and a new Flooring and Tiling curriculum and Occupational Qualifications are being developed.





### PROGRAMME 3: SKILLS DEVELOPMENT PROVISIONING / PROJECT DELIVERY STRATEGIES / PROJECT EXECUTION

Purpose – To implement education and training interventions to assist in achieving national goals in relation to the country's skills needs and guiding investment in education and training provision within the Construction Sector.

INCREASING ACCESS TO OCCUPATIONALLY-DIRECTED PROGRAMMES IN THE CONSTRUCTION SECTOR	
Objective statement	Middle-level skills needs are identified and addressed in all sectors; artisans per year registered with relevant skills in the Construction Sector; high-level built environment scarce skills needs are being addressed by work-ready graduates from higher education institutions; relevant research and development and innovation capacity is developed and innovative research projects are established.
Baseline	The CETA researches and identifies middle-level skills needs in the Construction Sector and puts in place strategies to address them, particularly through the use of the Public TVET Colleges and universities of technology working in partnership with employers providing workplace-based training.
Justification	The CETA's strategic plan is aligned to the goals of the NSDS III: increasing access to occupationally-directed programmes.
Links	NSDS III: Goal 4.2 Increasing access to occupationally-directed programmes.
BUILDING PROJECT-BASED PARTNERSHIPS WITH TVET COLLEGES	
Objective statement	The CETA identifies TVET Colleges with relevant programmes and puts in place partnerships to offer vocational courses and work experience for college learners.
Baseline	Existing partnerships entered into with TVET Colleges.
Justification	Partnerships between DHET, SETAs, employers, private providers and Public TVET Colleges that will result in increased capacity to meet industry needs.
Links	NSDS III: Goal 4.3.
SMMES, NGOS, COOPERATIVES AND WORKER INITIATIVES	
Objective statement	Partnership projects to provide training and development support to small and emerging businesses in the Construction Sector and their impact reported on.
Baseline	The CETA identifies in its skills planning research established and emergent cooperatives, small businesses, NGO's and their skills needs.
Justification	The CETA through skills planning research identifies the skills needs of small and emerging businesses in their sector and promotes relevant programmes. Sector projects are developed that are piloted and expanded through partnership funding. The CETA engages with trade unions, NGOs and community-based organisations in their sector and identifies skills needs and strategies to address the needs.
Links	NSDS III: Goal 4.6.
ENHANCEMENT OF PUBLIC SECTOR CAPACITY FOR IMPROVED SERVICE DELIVERY	
Objective statement	To cooperate and collaborate with relevant government departments and other public institutions to improve service delivery through skills development.
Baseline	A thorough analysis and reflection is conducted on provision of education and training within the Public Sector and contribution of the various role players.
Justification	The CETA is responsible for Public Sector training conduct, analysis and reflection on achievements and challenges related to construction.
Links	NSDS III: Goal 4.7.

3.5 STRATEGIC OBJECTIVE	
FACILITATE AND SUPPORT LEARNERS WITH RPL PROGRAMMES IN THE CONSTRUCTION SECTOR	
Objective statement	Facilitate and support learners through RPL-based programmes.
Baseline	CETA RPL process to address workers and unemployed youth with experience in construction and related fields but no qualifications.
Justification	Addressing the low level of youth and adult language and numeracy skills to enable additional training.
Links	NSDS III: Goal 4.4.

3.6 STRATEGIC OBJECTIVE	
BUILDING CAREER AND VOCATIONAL GUIDANCE	
Objective statement	To ensure Career paths are mapped to qualifications in all sectors and sub-sectors and communicated effectively, contributing to improved relevance of training and greater mobility and progression.
Baseline	Current SSP and Career Guide booklet.
Justification	Career guides are developed with labour market information from SETAs, addressing sub-sectors within the Construction Sector.
Links	NSDS III: Goal 4.8.

### 3.1 STRATEGIC OBJECTIVE ANNUAL TARGETS

STRATEGIC OBJECTIVE	5-YEAR STRATEGIC PLAN TARGET	BASELINE (AUDITED / ACTUAL PERFORMANCE) 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017
3.1.1 Sectoral skills development needs are researched, documented and communicated to enable effective planning in the Construction Sector.	Number of levy-paying members submitting credible data (through WSPs and ATR) for the development of SSPs.	2190	2000	2192	<b>Target Exceeded</b> The CETA conducts stakeholder engagement sessions to support levy-paying entities in ensuring submission of their WSPs and ATRs.
3.1.2 Learners are enrolled on (sic) various skills development programmes linked to Construction Sector scarce and critical skills.	Number of employed and unemployed learners enrolled in construction-related fields.	16323	10550	12434	<b>Target Exceeded</b> The CETA provided increased support to entities implementing CETA-funded projects through the JPMTs. This resulted in more entities being compliant with the requirements of the CETA and therefore more CETA-funded projects being implemented. Out of 12434 learners, 270 entered the programme reported in this APR but were not reported in the previous reporting periods.



3.1.3 Learners are certified and linked to Construction Sector scarce and critical skills.	Number of employed and unemployed learners certified in construction-related fields.	5870	5175	10353	<p><b>Target Exceeded</b></p> <p>The CETA has provided increased support to entities implementing projects under the qualifications of the CETA through the JPMTs. This resulted in an increased understanding of the requirements for certification amongst training providers, which led to more learners being certificated by the CETA.</p> <p>Out of 10353 learners, 88 reported in this APR completed their programmes in the previous reporting periods but were never reported.</p>
3.2.1 To forge partnerships with TVET Colleges to encourage a closer coordination and synergy between these institutions which must strengthen and capacitate colleges with a view of prioritising them when it comes to training provision.	Number of strategic partnerships secured with TVET Colleges.	46	20	34	<b>Target Achieved</b>
3.2.2 Initiate and implement skills development centres in select areas in line with the CETA's Strategic Plan and Annual Performance Plan.	Number of skills development centres supported.	13	13	13	<b>Target Achieved</b>
3.3.1 Encourage and support cooperatives, small enterprises, worker initiatives, NGOs and community training initiatives in the Construction Sector.	Number of SMMEs, NPOs, cooperatives and worker initiatives developed. This includes a target of two Trade Unions to be supported.	59	33	66	<p><b>Target Exceeded</b></p> <p>As part of its transformation programme, the CETA has established and supported 53 SMMEs with accreditation and start-up capital.</p> <p>The CETA has further supported eight NGOs and five cooperatives in the implementation of construction skills-related programmes.</p> <p>Two trade unions in the Construction Sector were also supported through skills development interventions.</p>
3.4.1 To cooperate and collaborate with relevant government departments and other public institutions to improve service delivery through funding of skills development.	MoUs entered with relevant government departments and other public institutions to improve service delivery through skills development by 2018.	1	10	40	<p><b>Target Exceeded</b></p> <p>In line with the CETA Public Sector support strategy, the CETA has in the 2016/17 FY funded government departments and state agencies for the implementation of construction-related training.</p>



3.5.1. Support RPL-based programmes in the Construction Sector.	Number of learners supported in RPL-based programmes.	1234	1200	1223	<b>Target Exceeded</b> The CETA has provided increased support to entities implementing projects under the qualifications of the CETA. This resulted in an increased understanding of the requirements for RPL certification amongst training providers, which led to an increased number of learners being certificated by the CETA.
3.6.1 To ensure Career paths are mapped to qualifications in all sectors and sub-sectors and communicated effectively, contributing to improved relevance of training and greater mobility and progression.	Number of career guidance events.	34	18	22	<b>Target Exceeded</b> The CETA has conducted career guidance events for the promotion of qualifications and careers in the Construction Sector. The CETA has also updated its career guide and distributed it to learners during the events.

### 3.2 PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR MTEF 2016

LINKS TO STRATEGIC OBJECTIVES IN	PERFORMANCE INDICATORS	BASELINE (AUDITED / ACTUAL PERFORMANCE) 2015/2016	PLANNED TARGET 2016/2017	ACTUAL ACHIEVEMENT 2016/2017	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/2017
3.1.1	Number WSP/ATR provincial workshops conducted with stakeholders on the WSP Completion and submission.	9	9	9	<b>Target Achieved</b>
3.1.1	Number of construction associations engaged to gather accurate information on sectoral developments and challenges relating to skills planning.	3	3	8	<b>Target Exceeded</b> The CETA has engaged more associations to enhance the quality of source data submitted to the CETA by construction entities to update the Sector Skills Plan and inform the strategic and skills planning for the CETA.
3.1.1	Number of construction companies engaged to gather accurate sectoral developments and challenges relating to skills planning.	8	8	68	<b>Target Exceeded</b> The CETA embarked on a rigorous research process and engaged with a variety of construction companies, which resulted in it receiving 68 responses.



# CHIEF EXECUTIVE OFFICER'S REVIEW

3.1.1	Number of sub-sector Skills Development Plans developed and reviewed (containing a list of scarce and critical skills).	1	1	1	<b>Target Achieved</b>
3.1.1	Number of levy-paying employers that submit Workplace Skills Plans and Annual Training Reports.	2190	2000	2192	<b>Target Exceeded</b> The CETA has conducted stakeholder engagement sessions to support levy-paying entities in the compilation and submission of their WSPs and ATRs to CETA as well as the submission of mandatory grants applications.
3.1.1	Number of SDFs trained.	217	100	166	<b>Target Exceeded</b> This is due to the CETA's continued efforts to engage stakeholders in order to support and ensure submission of their WSPs and ATRs.
3.1.1	Number of union officials and members trained on how to work closely with employers; establishing WSPs and ATRs and how they work.	67	100	23	<b>Target Not Achieved</b> The CETA relies on the sector unions to engage and attend capacity building sessions for participation in skills development initiatives. The CETA has capacitated members from two unions in the Construction Sector in WSP Compilation and Submission processes.
3.1.1	Number of submissions approved for levy re-imbursment and captured for payment.	1892	1700	2078	<b>Target Exceeded</b> The CETA has conducted provincial and additional workshops in the compilation and submission of WSPs and ATRs and this has resulted in an increased number of construction entities submitting compliant WSPs and ATRs.
3.1.2	<b>Learnerships Entered</b>				
	a) Unemployed learners per year	4024 (funded)	2500 (funded)	2821 (funded)	<b>Target Exceeded</b> The CETA provided increased support to entities implementing CETA-funded projects through the JPMITs. This resulted in more entities being compliant with the requirements of the CETA and therefore more CETA-funded projects being implemented. Out of 2821 learners, six reported in this APR entered the programme in the previous reporting periods but were never reported.

		909 (unfunded)	1000 (unfunded)	832 (unfunded)	<p><b>Target Not Achieved</b></p> <p>This performance indicator is industry funded. The CETA performs a quality assurance role of this unfunded training upon receipt and registration of compliant learner information. Out of 832 learners, 112 reported in this APR entered the programme in the previous reporting periods but were never reported.</p> <p>Not measured and therefore there is no deviation for this target. This performance indicator is included as per DHET SLA Template.</p> <p><b>Target Not Achieved</b></p> <p>The CETA has provided support to industry in the registration and quality assurance processes for qualifications registered under the CETA. The CETA registered 167 learners entered in the reporting period, of which 152 entered in the previous reporting periods and were never reported. The total number of learners reported is 329.</p>
	b) Employed learners per year	0 (funded)	0 (funded)	0 (funded)	
		101 (unfunded)	250 (unfunded)	329 (unfunded)	
	<b>Learnerships Completed</b>				
	a) Unemployed learners per year	1182 (funded)	2000 (funded)	1745 (funded)	<p><b>Target Not Achieved</b></p> <p>The CETA has provided increased support to entities implementing projects under the qualifications of the CETA through the JPMITs. The remaining learners enrolled in the previous financial year are still in training and will complete in the next financial year.</p> <p><b>Target Exceeded</b></p> <p>This is due to the CETA's constant and active role in ensuring moderation and certification of learners that have completed training as well as compliance by industry and training providers.</p> <p>Not measured and therefore there is no deviation for this target. This performance indicator is included as per DHET SLA Template.</p> <p><b>Target Exceeded</b></p> <p>This is due to the CETA's constant and active role in ensuring external moderation and certification of learners that have completed training.</p>
	b) Employed learners per year	0 (funded)	0 (funded)	0 (funded)	
		173 (unfunded)	250 (unfunded)	422 (unfunded)	
	<b>Skills Programmes Entered</b>				
	a) Unemployed learners per year	1518 (funded)	1000 (funded)	1170 (funded)	<p><b>Target Exceeded</b></p> <p>The CETA provided increased support to entities implementing CETA-funded projects through the JPMITs. This resulted in more entities being compliant with the requirements of the CETA and therefore more CETA-funded projects being implemented.</p>





		687 (unfunded)	600 (unfunded)	846 (unfunded)	<b>Target Exceeded</b> The CETA has increased support and resources to assist entities with registration of learners for unfunded projects. Not Measured. Although the CETA had set no target for this indicator, the CETA achieved a total of 147.
	b) Employed learners per year	0 (funded)	0 (funded)	147 (funded)	<b>Target Not Achieved</b> This performance indicator is industry funded. The CETA performs the quality assurance role of this unfunded training upon receipt and registration of compliant learner information.
		0 (unfunded)	250 (unfunded)	115 (unfunded)	
	<b>Skills Programmes Completed</b>				
	a) Unemployed learners per year	1167 (funded)	600 (funded)	369 (funded)	<b>Target Not Achieved</b> The CETA has provided increased support to entities implementing projects under the qualifications of the CETA through the JPMTs. The remaining learners enrolled in the previous financial year are still in training and will complete in the next financial year. The CETA will conduct external moderation and certify the learners.
	b) Employed learners per year	0 (funded)	0 (funded)	0 (funded)	<b>Target Exceeded</b> The CETA has increased support and resources to assist entities with certification of learners for unfunded projects. Not measured and therefore there is no deviation against this target. This performance indicator is included as per DHET SLA Template.
		478 (unfunded)	250 (unfunded)	2654 (unfunded)	<b>Target Exceeded</b> The CETA has increased support and resources to assist entities with certification of learners for unfunded projects.
	<b>Artisans Entered</b>				
	a) Unemployed learners per year	4051 (funded)	2000 (funded)	2595 (funded)	<b>Target Exceeded</b> In support of the decade of the artisan, the CETA has provided increased support to entities implementing CETA-funded apprenticeship projects through the JPMTs. This has resulted in more entities being compliant with the requirements of the CETA and therefore more CETA-funded projects being implemented.
		0 (unfunded)	500 (unfunded)	634 (unfunded)	<b>Target Exceeded</b> The CETA has increased support and resources to assist entities with registration of learners for unfunded projects. 87 of these learners were unemployed learners funded through joint partnership projects with the Services SETA and reported as unfunded.

	b) Employed learners per year	17 (funded)	0 (funded)	426 (funded)	<p>Not measured. Although the CETA had no target, 426 learners entered due to project allocations from previous years that started in the current financial year.</p> <p><b>Target Exceeded</b> The CETA has increased support and resources to assist entities with registration of learners for unfunded projects. The CETA received and processed a higher number of applications for trade testing from the construction industry to qualify learners as artisans.</p>
		430 (unfunded)	250 (unfunded)	1026 (unfunded)	
	<b>Artisans Completed</b>				
	a) Unemployed learners per year	0 (funded)	250 (funded)	15 (funded)	<p><b>Target Not Achieved</b> Funded learners are on a three-year apprenticeship programme and will complete their final phase training in the next financial year and then access trade testing.</p>
		608 (unfunded)	250 (unfunded)	159 (unfunded)	<p><b>Target Not Achieved</b> This performance indicator is industry funded. The CETA performs the quality assurance role of this unfunded training upon receipt or compliant trade test applications from trade test centres.</p>
	b) Employed learners per year	85 (funded)	0 (funded)	17 (funded)	<p>Not measured. Although the CETA had no target, 17 learners completed due to project allocations from previous years and learners reported as completed in the financial year under review.</p>
		82 (unfunded)	125 (unfunded)	723 (unfunded)	<p><b>Target Exceeded</b> The CETA received and processed a higher number of requests for trade testing from industry that were successful and resulted in a higher number of achievements.</p>
3.1.2	Number of bursaries entered: Unemployed learners per year	653 (funded)	600 (funded)	652	<p><b>Target Exceeded</b> Over and above the bursary support to public universities and entities in the Construction Sector, the CETA has extended the bursary support to public TVET learners undertaking National Certificate Vocational qualifications in the Construction Sector.</p>
3.1.2	Number of bursaries completed: Unemployed learners per year	94 (funded)	50 (funded)	66	<p><b>Target Exceeded</b> This is due to previous funded learners having successfully completed their qualifications as a result of funding opportunities made available by the CETA. Out of the 66 learners reported, ten completed in previous reporting periods and were never reported.</p>
3.1.2	Number of internships entered: Unemployed learners per year	128 (funded)	500 (funded)	187	<p><b>Target Not Achieved</b> In the 2016/17 financial year, the CETA advertised for discretionary grants for internships; however there was a low uptake by the industry. The CETA will implement more targeted internship programmes in the next financial year.</p>



# CHIEF EXECUTIVE OFFICER'S REVIEW

3.1.2	Number of internships completed: Unemployed learners per year.	0 (funded)	100 (funded)	117	<p><b>Target Not Achieved</b> This is due to the number of interns completed being in line with those that entered in the previous year/s. The CETA has reported 117 learners in the reporting period and 19 completed their internship training in the previous reporting periods and were not reported before. 98 learners completed in the year under review.</p>
3.1.2	Number of TVET Student/Graduate Placements entered per year.	29 (funded)	100 (funded)	162	<p><b>Target Exceeded</b> The CETA has provided increased support to Public TVET Colleges implementing CETA-funded construction projects through the JPMTs. This has resulted in more TVET colleges being compliant with the requirements of the CETA and therefore more CETA-funded projects being implemented.</p>
3.1.2	Number of TVET Student/Graduate Placements completed per year.	0 (funded)	50 (funded)	46	<p><b>Target Not Achieved</b> This is due to fewer placements completed within the FY under review, in line with those that entered in the previous year. The CETA reported 46 learners who completed, of which four completed their work placement in the previous reporting periods but were not reported before.</p>
3.1.2	Number of HET students entered per year (P1, P2 / learner placement in workplaces).	111 (funded)	100 (funded)	100	<p><b>Target Achieved</b></p>
3.1.2	Number of HET Students completed per year (P1, P2 / Learner placement in workplaces).	0 (funded)	50 (funded)	22	<p><b>Target Not Achieved</b> This is due to fewer placements completed within the FY under review, in line with those that entered in the previous year. 22 learners completed in the previous reporting periods but were never reported.</p>
3.1.2	Number of Candidacy programmes entered per year.	507 (funded)	300 (funded)	392	<p><b>Target Exceeded</b> The CETA has provided increased support to entities implementing CETA-funded candidacy programmes through the JPMTs. This has resulted in more entities being compliant with the requirements of the CETA and therefore more CETA-funded projects being implemented.</p>



3.1.2	Number of Candidacy programmes completed per year.	0 (funded)	20 (funded)	35	<p><b>Target Not Achieved</b></p> <p>In line with the CETA transformation objective, the CETA has increased support to the funded candidacy entities. This has resulted in CETA-funded candidates being successfully registered as professionals with their respective professional councils and information submitted to the CETA in the year under review.</p> <p>Out of the 35 learners reported, 33 completed in the previous reporting periods but were never reported. Two learners were registered with their professional councils in the year under review. This CETA programme contributes significantly towards the achievement of transformation within the construction industry.</p>
3.1.2	Number of learners in rural areas enrolled in dedicated skills development programmes.	10367	5000	7431	<p><b>Target Exceeded</b></p> <p>The CETA's strategic objectives include rural and township development support. The largest number of learners enrolled and supported by the CETA therefore comes from townships and rural and peri-urban areas nationally.</p>
3.1.2	Number of learners enrolled for qualifications/trades aligned to SIPs per year.	10829	3000	4881	<p><b>Target Exceeded</b></p> <p>This is due to the CETA's strong emphasis and support of Artisan Development for priority skills within the sector and the alignment of priorities with the CETA SSP.</p>
3.2.1	Number of TVET college partnerships.	46	20	35	<p><b>Target Achieved</b></p>
3.2.2	Number of skills development centres supported.	13	13	13	<p><b>Target Achieved</b></p>
3.3.1	Number of SMMEs trained and/or assisted with accreditation and registration per year.	41	30	53	<p><b>Target Exceeded</b></p> <p>Target exceeded due to sustenance of the CETA's established pilot SMME project.</p>
3.3.1	Partnership projects to provide training and development support to NGOs is established.	8	3	6	<p><b>Target Exceeded</b></p> <p>This is due to the CETA's continued efforts to support non-levy-paying entities in ensuring skills development activities within the Construction Sector.</p>
3.3.1	Number of Trade Unions supported.	1	2	2	<p><b>Target Achieved</b></p>
3.3.1	Partnership projects to provide training and development support to cooperatives are established.	10	9	5	<p><b>Target Not Achieved</b></p> <p>There was a low uptake for programmes supporting cooperatives in the Construction Sector. The CETA to implement more targeted programmes for cooperatives in the Construction Sector.</p>



3.4.1	Number of MoUs with government departments and other public institutions per year.	1	10	40	<b>Target Exceeded</b> In line with the CETA Public Sector support strategy, the CETA has allocated discretionary grant funding to 40 public institutions and state agencies for the implementation of construction-related skills development projects.
3.5.1	► Unemployed	1234	200	200	<b>Target Achieved</b>
	► Employed	0	1000	1023	<b>Target Exceeded</b> The CETA has provided increased support to entities implementing projects under the qualifications of the CETA for certifications under RPL. This resulted in an increased understanding of the requirements for RPL certification amongst training providers, which led to an increased number of learners being certificated by the CETA.
3.6.1	Update career guide based on SSP.	1	1	1	<b>Target Achieved</b>
	Organise or participate in at least one exhibition per quarter per province in partnership with schools, Public TVET Colleges and HEIs.	34	18	22	<b>Target Exceeded</b> The CETA has conducted career guidance events for the promotion of qualifications and careers in the Construction Sector. The CETA has also updated its career guide and distributed the guide to learners during the events.



**MS SONJA PILUSA**  
CETA CEO



**PART D:**

# CORE BUSINESS REPORT







**Mr Thapelo Madibeng**  
CETA CORE BUSINESS  
EXECUTIVE



CETA Core Business has two distinct but interlinked departments to enable it to fulfil its mandate of facilitating and funding skills development in the Construction Sector. The two departments are the Projects Department, which focuses on the implementation, management and monitoring of CETA-funded projects; and the Core Business Department, which is vested with the responsibility of the development of qualifications, accreditation of providers, registration of practitioners, and review and development of the SSP.

***CETA Core Business performs the following functions:***

- ▶ Developing, reviewing and updating of the SSP for credible mechanism for skills planning in the Construction Sector – the SSP provides for an alignment between the CETA Strategic Plan and Annual Performance Plan
- ▶ Coordinating mechanisms such as ATR-WSP for claiming of mandatory grants from the CETA by levy-paying construction entities
- ▶ Reporting of performance information on a quarterly basis to the DHET
- ▶ Reviewing and developing qualifications for the Construction Sector
- ▶ Registration of skills programmes
- ▶ Accreditation of training providers and practitioners
- ▶ Monitoring and evaluation of CETA projects and
- ▶ Certification of learners.

**REVIEW AND DEVELOPMENT OF THE CETA SECTOR SKILLS PLAN (SSP)**

The SSP has been updated in line with the Labour Market Intelligence Framework during the 2016/17 FY. The SSP

highlights the scarce and critical skills for the sector and has developed an updated PIVOTAL skills list.

The CETA-updated SSP has been duly approved by the Minister of Higher Education and Training. In the development of the Strategic Plan and Annual Performance Plan, the CETA relies heavily on the SSP. The CETA SSP has further informed the priorities of the CETA 2016/17 discretionary grants applications.

***The scope of the SSP has been broadened to include information on the following:***

- ▶ Occupational shortages and skills gaps
- ▶ Extent and nature of supply

As part of its efforts towards improving the quality of the SSP, the CETA participated in the DHET-SETA SSP Cluster Research Forum. The main focus of these sessions was to ensure that SETAs gained awareness of labour market information intelligence for their respective sectors.

**HIGHLIGHTS OF THE CETA SSP**

The Construction Sector is one of the ten largest employers in South Africa and remains a major economic driver. Industry growth in the first quarter of 2017 when compared to the first quarter of 2016 shows that for Construction, growth (Gross Domestic Product/GDP) is at -1.3%. As the sector is largely reliant on Government spending, recent developments relating to the uncertain economic state of the country have seen a negative effect on work allocation, mostly for the large employers in the sector.

The labour force breakdown of the sector indicates that the largest proportion of employees are in elementary occupations (36%), followed by skilled agricultural, forestry, fishery, craft and related trades workers (14%).

The gender distribution of employees in the sector shows that the vast majority of the employees are male ( $\pm 88\%$ ) with marginal growth in female employees, from 9% in 2008 to 12% in 2016.

There are five key drivers of change in the sector, namely: technological advancement and innovation; the National Infrastructure Plan and its implementation through SIPs; environmental sustainability and the Green Economy; Occupational health and safety; and the impact of the new legislations and/or regulations on skills development.

### THE WORKPLACE SKILLS PLAN (WSP) AND ANNUAL TRAINING REPORT (ATR) SUBMISSION TO THE CETA

The CETA trained 166 Skills Development Facilitators (SDFs) on compilation and submission of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs).

The training was done through capacity building workshops which were conducted in all nine provinces.

**TABLE 1: CETA Stakeholder engagement WSP Compilation and Submission sessions**

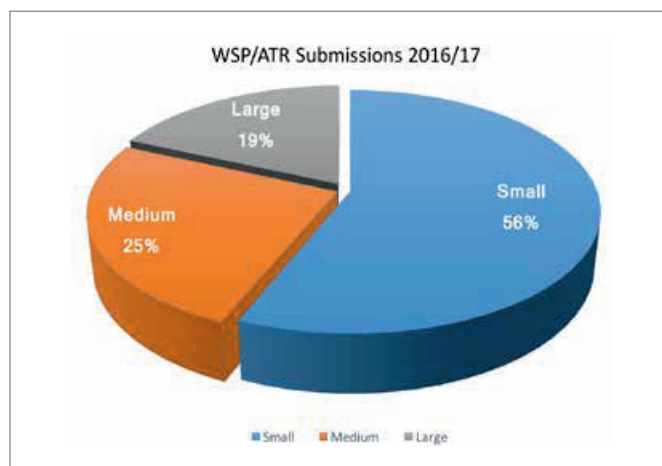
PROVINCE	DATE OF SESSION	TOTAL SDFs IN ATTENDANCE
Eastern Cape	7 & 8 March 2017	29
Free State	22 February 2017	13
Gauteng	14 February 2017	42
KwaZulu-Natal	16 February 2017	18
Limpopo	23 February 2017	6
Mpumalanga	1 March 2017	2
North West	2 March 2017	2
Northern Cape	21 February 2017	1
Western Cape	15 February 2017	18
<b>SDF sub-total for above sessions</b>		<b>131</b>
Additional support provided by Head Office	20 Jan 2017 – 31 March 2017	35
<b>Total SDFs supported</b>		<b>166</b>

### CETA 2016/17 WSP/ATR STATUS REPORT

A total of 2192 construction entities submitted their WSPs/ATRs to the CETA during the year under review.

The submissions are illustrated in the tables and graphs that follow.

**GRAPH 1: Composition of participating Companies by organisational size**



**TABLE 2: The 2016/17 WSP submissions by Province according to company size**

NUMBER OF COMPANIES THAT SUBMITTED WSPs IN 2016				
PROVINCE	SMALL	MEDIUM	LARGE	TOTAL
Eastern Cape	160	48	30	238
Free State	39	17	12	68
Gauteng	458	198	191	847
KwaZulu-Natal	209	110	70	389
Limpopo	15	8	6	29
Mpumalanga	47	30	14	91
North West	31	18	13	62
Northern Cape	17	7	5	29
Western Cape	259	117	62	438
<b>Total</b>	<b>1235</b>	<b>553</b>	<b>403</b>	<b>2191</b>

### MANDATORY GRANTS DISBURSEMENTS

The Grants Regulations require that a SETA must have a mandatory grants disbursement schedule for the payment of mandatory grants to approved entities. The CETA pays mandatory grants on a quarterly basis. *The following is the CETA Mandatory Grants Disbursement Schedule:*

- ▶ 31 September 2016
- ▶ 30 December 2016
- ▶ 31 March 2017
- ▶ 30 June 2017

The CETA has disbursed R80 476 000 in mandatory grants in the 2016/17 FY, which represents a 60% pay-out ratio.



### TRENDS IN THE SUBMISSION OF WSPS/ATRS TO THE CETA BY CONSTRUCTION ENTITIES

The CETA has experienced a consistent increase in the submission of WSPs/ATRs by construction entities despite the Grants Regulations' reduction of mandatory grants from 50% to 20%. Table 3 depicts the audited CETA WSP/ATR submission statistics over the three-year period and Graph 2 portrays the three-year trend in the submission of WSPs/ATRs to the CETA by province.

**TABLE 3: Audited CETA WSP/ATR submission statistics over the three-year period**

PROVINCE	SUBMISSION 2014/15	SUBMISSION 2015/16	SUBMISSION 2016/17
Eastern Cape	219	244	238
Free State	69	73	68
Gauteng	732	826	848
KwaZulu-Natal	319	398	389
Limpopo	24	24	29
Mpumalanga	76	92	91
North West	51	56	62
Northern Cape	32	32	29
Western Cape	384	445	438
<b>Total</b>	<b>1906</b>	<b>2190</b>	<b>2192</b>

### CETA PERFORMANCE INFORMATION REPORTING

The CETA has complied with the DHET requirements for the submission of four Quarterly Monitoring Reports (QMRs). The four QMRs were submitted and validated by the DHET and have been audited by Internal Audit. The Annual Performance Report was audited and approved.

### CAREER GUIDANCE AND EXHIBITIONS CONDUCTED BY THE CETA

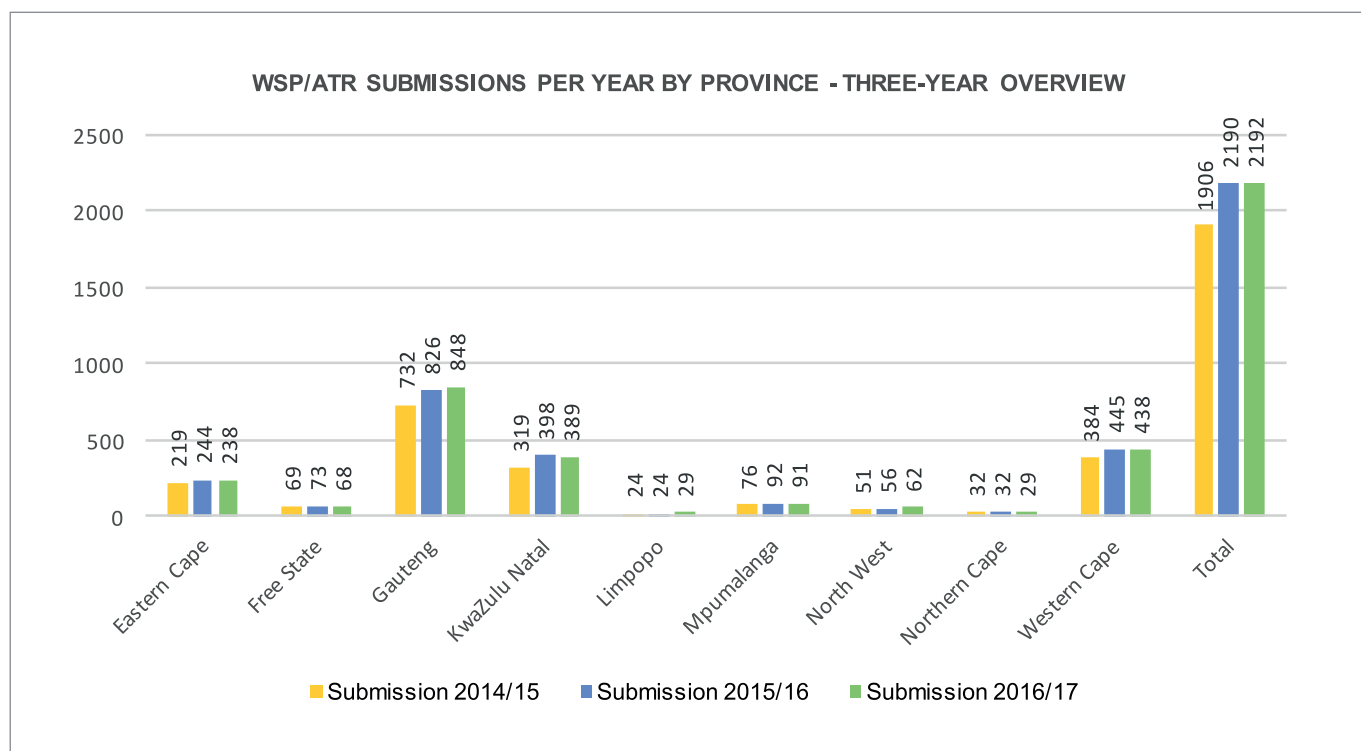
During the year under review, the CETA developed and approved a new career guide for the Construction Sector. The CETA participated in 22 exhibitions and career guidance events throughout the country.

### THE CETA RESEARCH PROGRAMME

In the year under review, the CETA has approved funding to conduct research in line with the Research Agenda approved by the CETA Accounting Authority. These research programmes include the Situational Analysis into the Skills Development Institutes, inclusive of exploring the feasibility of introducing community colleges as per the White Paper on Post-School Education and Training (PSET). The research was concluded on 30 June 2016 and a research report is available.

The CETA has also appointed a service provider to conduct an impact study or tracer studies (destination surveys) for the CETA-funded learners who have completed their programmes.

**GRAPH 2: The three-year trend in the submission of WSPs/ATRs to the CETA by province**





*Other research planned in the new financial year as per the Continuous Improvement Plan, includes:*

- ▶ Research into skills gaps in the industry; the scarcity experienced by employers when it comes to certain skills; the predicted emerging new skills which will soon require trained employees.
- ▶ A study into the cross-industry and cross-functional overlaps where the CETA could find organisations, employer bodies and other entities to partner with to share resources, research and insights for the continued improvement of its activities.
- ▶ Analysis into the contribution of TVET Colleges based on collaborations with the CETA in terms of delivery of skills development programmes.
- ▶ An in-depth assessment of training provision to measure the impact of CETA activities in the Construction Sector. The CETA is currently conducting an impact assessment study.
- ▶ Research on the implementation of Work Integrated Learning (WIL) and RPL by Universities of Technology and TVETs.

## LEARNING PATHWAYS AND QUALITY DEVELOPMENT (LPQD)

The CETA is accredited with the South African Qualifications Authority (SAQA) as per ETQA Regulations 1998, and under quality assurance delegation from the Quality Council for Trades and Occupations (QCTO) to perform Education and Training Quality Assurance (ETQA) functions in the Construction Sector until 31 March 2020 for construction NQF qualifications. Pre-NQF construction skills development providers are accredited by the QCTO.

## QUALIFICATIONS DEVELOPMENT

### STATUS OF DEVELOPMENT OF OCCUPATIONAL QCTO QUALIFICATIONS

The Development Quality Partner (DQP) is a new process of qualification development under the QCTO. The DQP has now assumed the role of reviewing all existing registered construction NQF qualifications and replacing them with new QCTO occupational qualifications and curriculum for registration on the Occupational Qualifications Framework (OQF).

### CETA ACHIEVEMENTS: DQP PROJECTS

The QCTO has approved the CETA as a DQP for the SAFCEC and FITA qualifications. The LPQD unit made a number of notable achievements during the period under review, some of which are reflected below.

## DQP – QUALIFICATIONS DEVELOPMENT: QCTO COMPLETED DQP PROJECT

### CETA-SAFCEC – Civil Engineering Qualifications

The following three qualifications were developed and completed on 30 June 2016. *The qualifications have been submitted together with the process report to QCTO for final registration on the Occupational Qualifications Framework (OQF):*

- (a) Civil Structures Construction Constructor (curriculum, assessment specifications and the qualification);
- (b) Civil Road Construction Constructor (curriculum, assessment specifications and the qualification); and
- (c) Civil Services Constructor (curriculum, assessment specifications and the qualification).

The CETA is a DQP and a nominated AQP for the above three qualifications.

## QUALIFICATION UNDER DEVELOPMENT: QCTO

### CETA-FITA – Flooring and Tiling

#### Qualification: CETA is a DQP

*The following qualification is currently undergoing development:*

*Floor Finisher – OFOF Code 642202 – including the following specialisations:*

- ▶ Carpet Installer
- ▶ Carpet Layer
- ▶ Floor Installer
- ▶ Floor Sander
- ▶ Flooring Contractor / Installer / Layer / Specialist

## NQF-REREGISTERED CONSTRUCTION QUALIFICATIONS:

### CETA-REREGISTERED QUALIFICATIONS – CURRENT SAQA NQF QUALIFICATIONS

SAQA has reregistered a total of 57 CETA qualifications until 30 June 2018. The CETA is currently reviewing some of the qualifications for registration on the Occupational Qualifications Framework. Once new occupational qualifications are registered, the current NQF ones will be replaced and phased out.



TABLE 4: CETA-REREGISTERED NQF QUALIFICATIONS

QUALIFICATION ID	QUALIFICATION TITLE	PRE-2009 NQF LEVEL	NQF LEVEL	MINIMUM CREDITS	QUALITY STATUS	QUALITY ASSURING BODY
49053	National Certificate: Supervision of Construction Processes	Level 4	Level TBA: Pre-2009 was L4	176	Reregistered	CETA
20486	National Certificate: Surveying	Level 4	Level TBA: Pre-2009 was L4	153	Reregistered	CETA
24194	National Certificate: Construction Material Manufacturing	Level 4	Level TBA: Pre-2009 was L4	130	Reregistered	CETA
66089	National Certificate: Human Settlements Development	Level 5	Level TBA: Pre-2009 was L5	130	Reregistered	CETA
49063	National Certificate: Geographical Information Sciences	Level 5	Level TBA: Pre-2009 was L5	121	Reregistered	CETA
48734	National Certificate: Architectural Technology	Level 5	Level TBA: Pre-2009 was L5	120	Reregistered	CETA
23675	National Certificate: Management of Building Construction Processes	Level 5	Level TBA: Pre-2009 was L5	204	Reregistered	CETA
65969	General Education and Training Certificate: Human Settlements Development	Level 1	NQF Level 01	120	Reregistered	CETA
49411	General Education and Training Certificate: Construction	Level 1	NQF Level 01	120	Reregistered	CETA
24296	National Certificate: Construction: Installation of Floor Coverings	Level 1	NQF Level 01	120	Reregistered	CETA
65929	National Certificate: Waterproofing	Level 2	NQF Level 02	121	Reregistered	CETA
65769	National Certificate: Glazing	Level 2	NQF Level 02	138	Reregistered	CETA
49410	National Certificate: Construction	Level 2	NQF Level 02	120	Reregistered	CETA
57162	National Certificate: Aluminium Fabrication and Installation	Level 2	NQF Level 02	153	Reregistered	CETA
24273	National Certificate: Community House Building	Level 2	NQF Level 02	124	Reregistered	CETA
20813	National Certificate: Construction Contracting	Level 2	NQF Level 02	190	Reregistered	CETA
24198	National Certificate: Construction Material Manufacturing	Level 2	NQF Level 02	120	Reregistered	CETA
49022	National Certificate: Floor Covering Installation	Level 2	NQF Level 02	141	Reregistered	CETA
65789	National Certificate: Construction Plant Operations	Level 2	NQF Level 02	120	Reregistered	CETA
49058	National Certificate: Construction Materials Testing	Level 2	NQF Level 02	120	Reregistered	CETA
48961	National Certificate: Construction: Crane Operations	Level 2	NQF Level 02	121	Reregistered	CETA
22991	National Certificate: Refractories Installation	Level 2	NQF Level 02	120	Reregistered	CETA
24133	National Certificate: Construction: Roadworks	Level 2	NQF Level 02	120	Reregistered	CETA
77063	National Certificate: Construction Health and Safety	Level 3	NQF Level 03	133	Reregistered	CETA
65409	National Certificate: Building and Civil Construction	Level 3	NQF Level 03	140	Reregistered	CETA
58247	National Certificate: Ceiling and Partitioning Installation	Level 3	NQF Level 03	129	Reregistered	CETA
24295	National Certificate: Timber Roof Erecting	Level 3	NQF Level 03	120	Reregistered	CETA
24196	National Certificate: Construction Material Manufacturing	Level 3	NQF Level 03	120	Reregistered	CETA

QUALIFICATION ID	QUALIFICATION TITLE	PRE-2009 NQF LEVEL	NQF LEVEL	MINIMUM CREDITS	QUALITY STATUS	QUALITY ASSURING BODY
65709	National Certificate: Construction: Steelwork	Level 3	NQF Level 03	120	Reregistered	CETA
49081	National Certificate: Construction: Advanced Plant Operations	Level 3	NQF Level 03	123	Reregistered	CETA
49080	National Certificate: Construction: Advanced Crane Operations	Level 3	NQF Level 03	123	Reregistered	CETA
49017	National Certificate: Construction Materials Testing	Level 3	NQF Level 03	120	Reregistered	CETA
49016	National Certificate: Construction: Concreting	Level 3	NQF Level 03	152	Reregistered	CETA
49602	National Certificate: Construction: Geotechnical	Level 3	NQF Level 03	145	Reregistered	CETA
22992	National Certificate: Refractories Masonry	Level 3	NQF Level 03	120	Reregistered	CETA
24173	National Certificate: Construction: Roadworks	Level 3	NQF Level 03	155	Reregistered	CETA
50022	National Certificate: General Draughting	Level 3	NQF Level 03	121	Reregistered	CETA
58780	Further Education and Training Certificate: Quantity Surveying	Level 4	NQF Level 04	145	Reregistered	CETA
65989	Further Education and Training Certificate: Human Settlements Development	Level 4	NQF Level 04	121	Reregistered	CETA
65892	Further Education and Training Certificate: Construction: Painting and Decorating	Level 4	NQF Level 04	120	Reregistered	CETA
65891	Further Education and Training Certificate: Construction: Plumbing	Level 4	NQF Level 04	120	Reregistered	CETA
65878	Further Education and Training Certificate: Construction: Trowel Vocations	Level 4	NQF Level 04	120	Reregistered	CETA
65877	Further Education and Training Certificate: Construction: Timber Vocations	Level 4	NQF Level 04	120	Reregistered	CETA
66071	Further Education and Training Certificate: Computer-Aided Drawing Office Practice (CAD)	Level 4	NQF Level 04	131	Reregistered	CETA
65949	Further Education and Training Certificate: Supervision of Construction Processes	Level 4	NQF Level 04	181	Reregistered	CETA
20488	National Certificate: Photogrammetry Surveying	Level 4	NQF Level 04	141	Reregistered	CETA
20487	National Certificate: Hydrographic Surveying	Level 4	NQF Level 04	145	Reregistered	CETA
48817	Further Education and Training Certification: Construction Materials Testing	Level 4	NQF Level 04	142	Reregistered	CETA
63589	National Diploma: Geographical Information Science	Level 5	NQF Level 05	240	Reregistered	CETA
23683	National Diploma: Management of Civil Engineering Construction Processes	Level 5	NQF Level 05	271	Reregistered	CETA
48636	National Diploma: Structural Steelwork Detailing	Level 5	NQF Level 05	257	Reregistered	CETA
65896	Diploma: Construction: Painting and Decorating	Level 5	NQF Level 06	240	Reregistered	CETA
65895	Diploma: Construction: Plumbing	Level 5	NQF Level 06	240	Reregistered	CETA
65879	Diploma: Construction Technology	Level 5	NQF Level 06	240	Reregistered	CETA
65897	Diploma: Construction: Trowel Vocations	Level 5	NQF Level 06	240	Reregistered	CETA
65898	Diploma: Construction: Timber Vocations	Level 5	NQF Level 06	240	Reregistered	CETA
48733	National Diploma: Architectural Technology	Level 6	NQF Level 06	240	Reregistered	CETA





## ACCREDITATION OF TRAINING PROVIDERS

The LPQD unit made a number of notable achievements during the year under review, some of which are reflected next.

### NQF ACCREDITATION

The CETA quality assurance policy requires all CETA-accredited training providers to reapply for accreditation when the accreditation lapses. The last date for previously accredited training providers to reapply was 31 March 2016.

Table 7 offers the current status of CETA-accredited training providers since 31 March 2016 per province. The statistics include private accredited training providers, Public TVET Colleges and the CETA-established SMMEs. To date, 274 providers are accredited with the CETA.

**TABLE 5: Ceta-Accredited Training Providers per Province**

PROVINCE	NUMBER
Eastern Cape	15
Free State	20
Gauteng	95
KwaZulu-Natal	41
Limpopo	39
Mpumalanga	29
Northern Cape	7
North West	14
Western Cape	14
<b>TOTAL</b>	<b>274</b>

### STATISTICAL BREAKDOWN

SMMEs – A total of 53 CETA-established SMMEs applied for CETA accreditation in the financial year 2016/17. Of these, 19 obtained accreditation as at 31 March 2017. The CETA has taken a developmental approach to support the outstanding SMMEs to obtain their accreditation with the CETA mainly in three qualifications: Construction Contracting, Construction Roadworks and Construction Supervision. Table 8 offers a breakdown of SMMEs.

**TABLE 6: CETA-Established SMMEs Accredited and not Accredited**

CETA-ESTABLISHED SMMEs ACCREDITATION STATUS REPORT AS AT 31 MARCH 2017			
NUMBER	PROVINCE WHERE THE SMME IS LOCATED	TOTAL NUMBER	ACCREDITATION STATUS
1	Gauteng	7	Accredited
2	Eastern Cape	10	In Processing
3	KwaZulu-Natal	12	Accredited
		1	
4	Limpopo	4	In Processing
		1	
5	Mpumalanga	6	In Processing
6	North West	2	In Processing
7	Western Cape	8	In Processing
<b>TOTAL CETA-ESTABLISHED SMMEs: 51*</b>			Accredited: 19
<b>*2 applications pending. TOTAL: 53</b>			In Processing: 32

### PUBLIC TVET COLLEGES

Table 9 provides a breakdown of the Public TVET Colleges accredited and not accredited.

**TABLE 7: CETA-Accredited Public TVET Colleges as at 31 March 2017**

PROVINCE	TOTAL NUMBER OF TVET COLLEGES PER PROVINCE	TOTAL NUMBER OF TVET COLLEGES ACCREDITED
Eastern Cape	8	3
Free State	4	2
Gauteng	8	3
KwaZulu-Natal	9	9
Limpopo	7	4
Mpumalanga	3	1
North West	3	1
Northern Cape	2	2
Western Cape	6	5
<b>TOTAL</b>	<b>50</b>	<b>30</b>

### NOTES:

- Public TVET Colleges that applied and were audited in the 2016/17 FY and have gaps: 8
- Public TVET Colleges with outstanding accreditation applications: 12

**TABLE 8: Public TVET Colleges Applied and Audited by the CETA but which are on remedial status**

ACCREDITATIONS ON REMEDIAL STATUS FOR PUBLIC TVET COLLEGES – IDENTIFIED GAPS AS AT 31 MARCH 2017		
PROVINCE	TOTAL NUMBER OF TVET COLLEGES PER PROVINCE	TOTAL NUMBER OF TVET COLLEGES ON QUERY STATUS
Eastern Cape	8	3
Free State	4	1
Gauteng	8	1
Limpopo	7	2
Mpumalanga	3	1
<b>TOTAL</b>	<b>33</b>	<b>8</b>

**TABLE 9: Public TVET Colleges with pending Accreditation Application to the CETA as at 31 March 2017**

PUBLIC TVET COLLEGES WITH OUTSTANDING ACCREDITATION APPLICATIONS		
PROVINCE	TOTAL NUMBER OF TVET COLLEGES PER PROVINCE	TOTAL NUMBER OF TVET COLLEGES WITH OUTSTANDING APPLICATIONS
Eastern Cape	8	2
Free State	4	1
Gauteng	8	4
Limpopo	7	1
Mpumalanga	3	1
Western Cape	6	1
North West	3	2
<b>TOTAL</b>	<b>36</b>	<b>12</b>

### STATISTICS OF CETA-ACCREDITED TRAINING PROVIDERS WITHIN THE CURRENT FINANCIAL YEAR 2016/17

A total of **240** training providers from the 274 in Table 7 have obtained accreditation from the CETA within the financial year 2016/17 (1 April 2016 to 31 March 2017).

A total of **135** freelancers (private practitioners, assessors and moderators) were registered by the CETA.

### CETA ACCREDITATION PERIODS AND EXPIRY DATES

*There were two accreditation periods issued by the CETA during the financial year 2016/17, based on the CETA licencing period as prescribed by the DHET:*

- ▶ 1 April 2016 to 31 March 2018
- ▶ 16 January 2017 to 31 March 2020

As per the CETA quality assurance policy, providers accredited by the CETA until 31 March 2018 will have to reapply six months in advance by 30 September 2017 to be reaccruited until 31 March 2020.

New accreditation requirements: Compulsory registration with the DHET as a private training provider. In the 2016/17 FY, the DHET issued Communiqué 1 of 2016, indicating that all accredited training providers must apply for registration with the DHET by 30 June 2017 and be registered by 31 March 2018. To this end, the CETA would require that all 274 accredited SDPs submit proof of their application to the DHET for registration and keep it on accreditation file.

### PRE-NQF ACCREDITATION – BUILDING TRADES

- ▶ Forty CETA training providers are accredited by NAMB for the building trades. Of these, 11 are Public TVET Colleges and 29 are private training providers.
- ▶ In terms of trade testing centres, only four centres are accredited by NAMB as at 31 March 2017.

### CETA STAKEHOLDER SUPPORT ON ACCREDITATION PROCESSES

**TABLE 10: Accreditation Stakeholder Support Roadshows conducted in collaboration with the CETA Accounting Authority**

NUMBER	PROVINCE	WORKSHOP DATE
1	Gauteng	14 February 2017
2	Western Cape	15 February 2017
3	KwaZulu-Natal	16 February 2017
4	Northern Cape	21 February 2017
5	Free State	22 February 2017
6	Limpopo	23 February 2017
7	Eastern Cape	27 February 2017
8	Mpumalanga	1 March 2017
9	North West	2 March 2017

### ADDITIONAL ACCREDITATION SUPPORT WORKSHOPS BY PROVINCE

The Accounting Authority Stakeholder Engagement Sessions identified a need for follow-up support workshops in some of the provinces. The following two follow-up accreditation sessions were held in North West and Limpopo, respectively:

- ▶ North West Provincial Node held a follow-up accreditation session on 8 March 2017 at which 34 people attended.
- ▶ Limpopo Provincial Node held an accreditation support session on 29 March 2017 at which 73 people attended.



A follow-up stakeholder support workshop is planned by the CETA in the new financial year in the Northern Cape and Eastern Cape.

**TABLE 11: Statistics on accreditation audit visits conducted as at 31 March 2017**

PROVINCE	TOTAL NUMBER OF ENTITIES VISITED	COMPLIANCE STATUS
Eastern Cape	34	11 Compliant & Accredited
Free State	34	16 Compliant & Accredited
Gauteng	212	91 Compliant & Accredited
KwaZulu-Natal	115	35 Compliant & Accredited
Limpopo	49	35 Compliant & Accredited
Mpumalanga	56	23 Compliant & Accredited
Northern Cape	16	06 Compliant & Accredited
North West	17	14 Compliant & Accredited
Western Cape	25	09 Compliant & Accredited
<b>TOTAL: 9 PROVINCES</b>	<b>558</b>	<b>240 ACCREDITED</b>

**TABLE 12: Statistics of CETA-registered assessors as at 31 March 2017**

PROVINCE	NUMBER OF ASSESSORS
Eastern Cape	02
Free State	18
Gauteng	24
KwaZulu-Natal	09
Limpopo	37
Mpumalanga	12
North West	14
Western Cape	13
Northern Cape	05
<b>TOTAL</b>	<b>134</b>

**TABLE 13: Statistics of CETA-registered moderators as at 31 March 2017**

PROVINCE	NUMBER OF MODERATORS
Eastern Cape	02
Free State	06
Gauteng	17
KwaZulu-Natal	11
Limpopo	23
Mpumalanga	14
North West	08
Northern Cape	02
Western Cape	12
<b>TOTAL</b>	<b>97</b>

## MONITORING AND EVALUATION REPORT

The CETA Skills Value Chain includes an independent monitoring and evaluation function of the CETA-funded projects as well as the conducting of external moderation for both CETA-funded and industry-funded projects. Quarterly schedules are therefore compiled and approved by the CETA during the financial year. Table 14 provides the achievements in the year under review.

**TABLE 14: M&E status report as at 31 March 2017**

1	Number of approved M&E schedules for project monitoring and external moderation	7	The CETA conducts vigorous project monitoring activities and a project implementation approach to funded projects.
2	Number of M&E visits conducted (project monitoring and external moderation)	153	The CETA conducted external moderation activities during the year under review to ensure that learners are certificated by the CETA.
3	Number of accreditation visits conducted in the financial year	558	This is due to accreditation expiry date as at 31 March 2016 and the largest number of providers' applying for re-accreditation to the CETA. Secondly, there has been increased interest in CETA accreditation. More new entities have applied for CETA accreditation during the year.





**PART E:**

# PROJECTS REPORT



## OVERVIEW OF THE PROJECTS DEPARTMENT

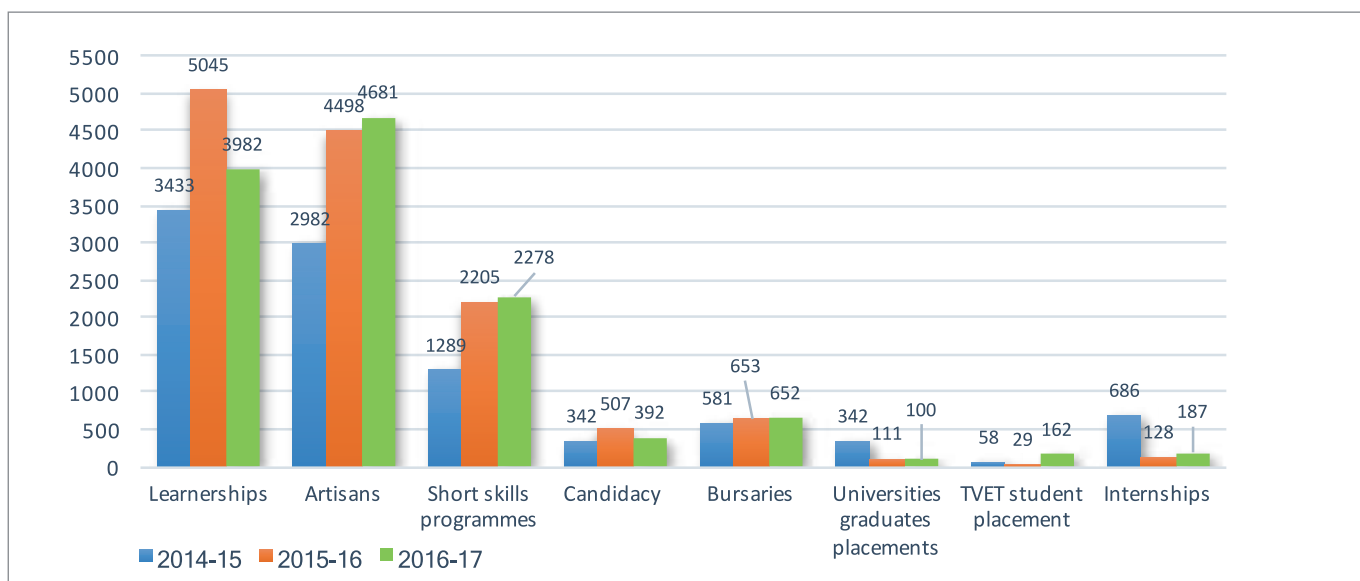
The Projects Department is responsible for the implementation of the CETA-funded projects. The CETA identified projects to fund in line with its Sector Skills Plan, Strategic Plan and Annual Performance Plan. These skills development interventions include, among others, the following: Learnerships; Apprenticeships; Short Skills Programmes; Recognition of Prior Learning; Bursaries; Candidacy; Internships; Graduate Placement; Work Integrated Learning and the establishment of Skills Development Centres. Towards this end, the CETA

had an audited commitment schedule of R1 580 767 000 as at 31 March 2017.

In the year under review, the CETA reported an achievement of 22 787 learners reached through various interventions. This achievement represents an overall increase of 19.6% from the previous financial year. Out of these learners, 12 434 were new entrants into CETA programmes and 10 353 were learners who completed their programmes during the 2016/17 FY.

Graph 1 below shows the number of learners who entered the system per learning pathway since 2014/15 up to the 2016/17 FY.

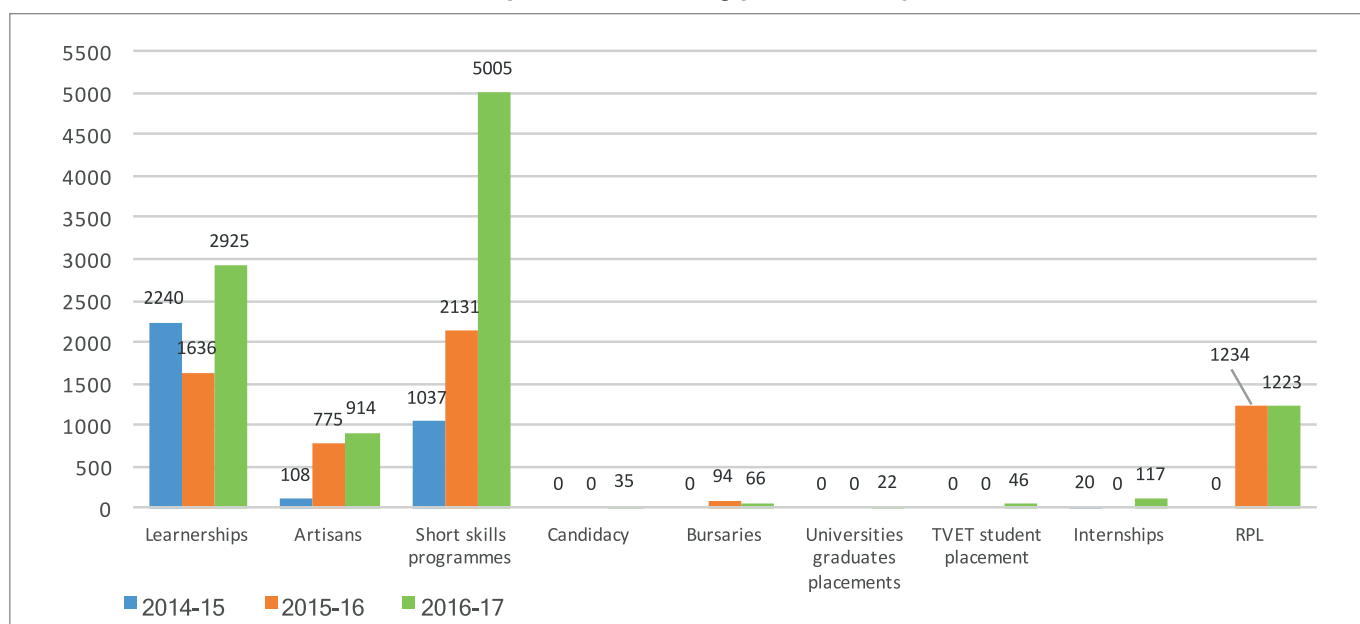
**GRAPH1: Number of learners who entered the system per financial year**



The number of learners who exited programmes or who completed training has increased by 76.3% from previous financial years, reaching the number of 10 353 this financial year, from 5 870 in 2015/16.

Graph 2 highlights the completion of training in different learning pathways since the 2014/15 FY.

**GRAPH 2: Number of learners who completed the training per financial year**



The CETA embraces a learner-centred approach in its project implementation model. This means the learners enrolled on the different learning pathways are at the centre of the delivery of the various programmes and thus their interest in skills development should be protected at all times.

This model has meant that the CETA engages in a more traditional face-to-face approach with learners and presents an immediate response to learners. Most of the learners have endorsed this approach as an effective pedagogy that fosters skills of analysis, communication and higher-order thinking. Increasingly, as learners openly engage with the CETA, a better understanding is gained of CETA processes as well as learner needs. This learner-centred approach has led to the learners being part of the CETA Joint Project Management Teams where both the CETA and Implementing Agencies engage to jointly manage the projects. As a result of the learner-centred approach, the CETA has started to introduce life skills programmes to the learners on their programmes as some of the learners also lack basic life skills.

*Furthermore, the CETA has identified the following designated groups to be targeted through their discretionary grant funding:*

- Women
- People with Disability
- Youth
- Military Veterans
- Rural Populations

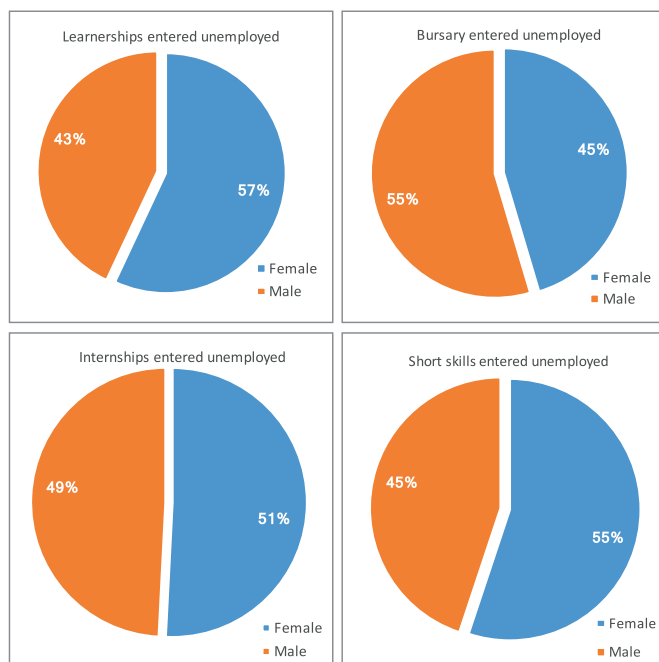
Towards this end, the CETA has allocated specific funding for the designated groups as well as having specific provisions in its Discretionary Grant Agreements for the specific group.

## WOMEN

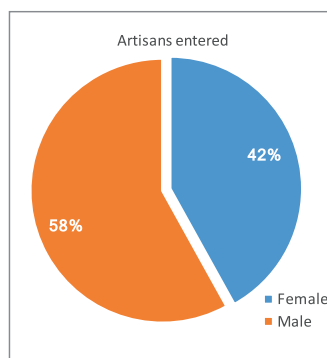
With regard to women, CETA requires that a minimum of 40% of the learners participating on the project must be female. With women being one of our targeted designated group, the CETA has gone beyond this target. The average percentage of participating women among all unemployed learners who entered the learnerships, short skills, internships and bursary programmes is 55.1%.

This participation percentage, which is over 40% across the board, is 57.0% for learnerships, 55.1% for short skills, 50.8% for internships and 45.4% for bursaries. It is also important to indicate that 41.9% of women entered the artisanship programme in the 2015/16 FY (Graph 3).

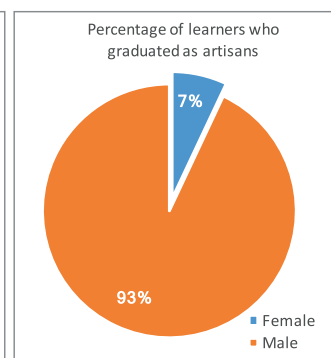
**GRAPH 3: Percentage of unemployed learners who entered the different programmes per gender**



**GRAPH 4: Percentage of learners who entered artisanship programme per gender**



**GRAPH 5: Percentage of learners who graduated as artisan per gender**



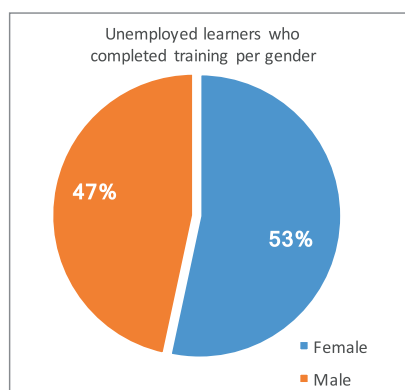
An apprenticeship takes three years to complete and the majority of the learners are still in training.

Overall, across CETA learning pathways, the percentage of women who entered programmes and graduated with certificates is higher (53.4%) than that for men. This achievement is sub-divided as 56.3% for learnerships, 54.5% for bursaries, 53.0% for internships and 50.2% for short skills programmes. Regarding artisan completion, the percentage of female learners exiting the programme after trade testing and granted a certificate is very low (7.0%) when compared to their male counterpart (Graph 5).





**GRAPH 6: Percentage of unemployed learners who completed the different programmes (learnership, short skills, internship and bursary) per gender**



### PEOPLE WITH DISABILITY

The CETA requires that for all recruited learners, the target of 2% of people with disabilities is achieved in all implemented projects. In the financial year under review, out of the total number of unemployed learners who entered programmes in learnerships, short skills, internships and bursaries, 14.5% of learners are learners with disabilities. The percentage of those learners who completed their training in the above programmes is 7.0%, which is a relatively high rate given the complexity of the construction programmes and based on the number that started the programmes.

Each entity is required to include 2% of people with disabilities among the learners who enter the programmes. The bulk of learners with disabilities who entered the programmes in the financial year 2016/17 are from Disabled People South Africa (DPSA) and DEAFSA.

### THE YOUTH

Although there is no maximum age limit in our requirements for training in various learning programmes, a CETA priority is the youth. The majority of unemployed learners who entered the programmes of learnerships, short skills, bursaries, internships and apprenticeships are younger than 35 years. The funding for the youth has been particularly targeted during the financial year under review in internship and bursaries, in which 100% and 98.6% of the youth, respectively, was funded to enter these two programmes. The participation of the youth was also high in learnerships (80.0%), short skills programmes (77.6%) and apprenticeships (71.7%). It is important to note that 87% of learners who were in the different candidacy programmes in the financial year 2016/17 were in the youth category. This shows the important contribution the CETA is providing to the youth to make sure they become professionals in their own space early on in their lives.

When it comes to completion of the training, the percentage of the youth exiting the programme is very low (37.4%). This

calls for the same intervention needed as indicated earlier for women who enter the artisanship programme. More support and mentorship will ensure that the youth entering artisanship programmes are supported, mentored and well prepared for trade testing so that high numbers get certificated.

### MILITARY VETERANS

As part of its contribution towards addressing the skills of the military veterans, the CETA supported a total of 1233 beneficiaries. This was done through partnership with Mamuhle in learnerships and bursaries and with Iphupo, where 500 learners attended short skills programmes. These learners will receive their certificates in May 2017. SANMVA was also allocated funding through a joint project with the Services SETA, in which 733 military veterans are the beneficiaries of discretionary grants funding.

### RURAL POPULATIONS

Rural areas come as a main priority of the CETA to ensure that skills development is taking place in underserved and remote areas where most services are not provided and that those areas are reached. Out of 776 projects on the commitment of CETA, 230 are implemented in rural areas. To ensure that training is taking place in underserved and remote areas, including townships, a rural allowance is provided to training providers, in addition to the normal funding allocated to training so that learners are reached and benefit from the same training as the learners living in urban areas.

### SMME SUPPORT

As part of its contribution towards the transformation of the Construction Sector, the CETA embarked on a process of establishing 53 new SMMEs through a support programme.

The objective of the project is the establishment, including the relevant training, of 53 Small, Medium and Micro-sized Enterprises (SMMEs) across the country. The year-long project entails business registration, training in new venture creation learnership, training in assessment and moderation, accreditation support, and support towards business procurement. Each SMME consists of three people from disadvantaged communities and designated groups.

**TABLE 15: They are allocated in various provinces as follows:**

PROVINCE	NUMBER SUPPORTED
Eastern Cape	10 entities
Gauteng	7 entities
KwaZulu-Natal	14 entities
Limpopo	5 entities
Mpumalanga	6 entities
North West	2 entities
Western Cape	9 entities

***The project has seven steps to be accomplished:***

- Step 1: Recruitment of participants.
- Step 2: Company registration.
- Step 3: Training in new venture creation as well in assessment and moderation.
- Step 4: Work placements of learners in different workplaces for experiential learning.
- Step 5: Accreditation of the companies.
- Step 6: Assist the companies to get at least one job opportunity and/or contract with public institutions or other potential clients.
- Step 7: Performance monitoring by the CETA and close-out.

The project is complete and, currently, 19 out of the 53 SMMEs have their accreditation approved as at 31 March 2017 and are ready to embark on training provision in construction contracting, supervision of construction processes and road construction works. The remaining entities will be supported to have their accreditation finalised and approved in the 2017/18 FY.

In order to ensure the sustainability of the CETA-established SMMEs, the CETA has allocated discretionary grants funding to 16 SMMEs through its 2017/18 discretionary grants application windows which was open from 24 October to 15 December 2016. These entities' applications for discretionary grants were successful and are now in the process of implementing learnerships of 25 learners each in different programmes that they are accredited in. This allocation is the first step in their journey to become independent companies that can provide training services and be sustainable in the long run.

### **ESTABLISHMENT OF CETA SKILLS DEVELOPMENT CENTRES**

The White Paper on Post School Education and Training refers to the establishment of Community Colleges to provide open access programmes, flexible study options and ranges for employable skills, particularly in rural and township communities. The CETA is in the process of establishing 13 Skills Development Centres linked to various Public TVET Colleges across the country, which can later be changed into Community Colleges.

The Skills Development Centres is a concept that was developed by the CETA as a direct response to the call of the Minister of Higher Education and Training to take skills development into the most remote rural and under-resourced communities of our country.

**TABLE 16: CETA SKILLS DEVELOPMENT CENTRES**

NO.	TVET COLLEGE CENTRE IS ALLOCATED TO	PHYSICAL LOCATION OF THE CENTRE	MUNICIPALITY
1.	Gert Sibande TVET College	Bethal	Govan Mbeki
2.	West Coast TVET College	Vredendal	Matsikama
3.	uMgungundlovu TVET College	Muden	Umvoti
4.	Esayidi TVET College	Ixopo	Ubuhlebezwe
5.	Northern Cape Rural TVET College	Springbok	Namaqua
6.	Mthashana TVET College	Babanango	uMzinyathi
7.	Mnambithi TVET College	Bergville	uKhahlamba
8.	Mthashana TVET College	Phongola	Phongola
9.	University of Venda	Venda	Vhembe
10.	Umfoloji TVET College	Eskhawini	Umhlathuze
11.	Boland TVET College	Bredasdorp	Cape Agulhas
12.	Mthashana TVET College	Ingwavuma	uMkhanyakude
13.	Northern Cape Rural TVET College	De Aar	Pixley ka Seme

***The following skills development centres are complete and operational:***

- ▶ University of Venda
- ▶ Eskhawini – Umfolozi
- ▶ Ingwavuma – Lady of Ingwavuma
- ▶ Anene Booysen – CETA / Anene Booysen
- ▶ Bethal – CETA / Gert Sibande
- ▶ Mudén – CETA / uMgungundlovu
- ▶ Vredendal – CETA / West Coast



Six skills centres are still in the process of securing land, for some, and appointing construction contractors and finalising the construction of the buildings, for others. It is estimated that all centres will be operational in the next financial year. *These centres are:*

- Ixopo – Esayidi TVET College
- Babanango – Mthashana TVET College
- De Aar – Northern Cape Rural TVET College
- Phongola – Mthashana TVET College
- Bergville – Mnambithi TVET College
- Springbok – Northern Cape Rural TVET College

## SUPPORT TO OTHER ENTITIES/INSTITUTIONS

During the financial year 2015/16, the CETA did not allocate discretionary grants funding through the normal call for proposals but continued to fund learners who attend the multi-year programme training of apprenticeship, candidacy and bursaries. The commitment to that effect was R150 910 527.00, with R81 206 000.00 for projects implementing in the second year. Projects in the third year amounted to R68 404 327.00 and in the fourth year R1 300 000.00.

This continuous funding was allocated to public entities as well as to institutions of higher learning. The continuous support for the latter was also in projects such as programme support in making sure that junior lecturers continue to develop. This is the case for Wits University, the University of Venda and the University of KwaZulu-Natal.

## MONITORING OF PROJECTS

During the financial year 2016/17, the CETA secured the services of subject matter experts to conduct the monitoring of CETA-funded projects throughout the country. The aim is to have a well-informed implementation of these projects to inform its policies and strategic plan for better planning. The subject matter

experts conducting the monitoring cover all the CETA-funded learning pathways, which are learnership, apprenticeship, short skills programmes, candidacy, bursaries, TVET and graduate placements, work integrated learning and RPL.

The ultimate goal is to monitor and analyse the implementation of projects as per the implementation plan; provide ongoing capacity building of CETA-funded entities where required to make sure that implementation of projects is done as per the plan and CETA requirements; report on the progress and effectiveness of the implementation of projects; identify the gaps and weaknesses in the implementation and propose solutions which will make sure that the implementation of projects is a success.

## IMPACT ASSESSMENT

The CETA has allocated discretionary grant funding since the 2012/13 FY to the value of R1.2 billion, targeting 54 000 learners as at 31 March 2016. In addition to the usual learning pathways highlighted above, the funding has also been allocated for the establishment of skills development centres, the development and establishment of SMME's, to assist the different Technical Vocational Education and Training (TVET) colleges to refurbish or to construct construction department buildings.

The CETA has embarked on an impact assessment study which will provide an overview of what the discretionary grants that have been allocated from five years ago have achieved by way of certificate or statement of results; by occupation after training per province, by gender and per learning pathway; and by environmental development that took place in and around communities where these trainings took place.

The study that commenced in March 2017 and will by end of October 2017 will give us insight on what has been achieved, what impact the discretionary grants have made on learners and on their communities as well as on the country as a whole in terms of employment and poverty alleviation.





**PART F:**

# **CORPORATE SERVICES REPORT**



Corporate Services is an integral part of the support structures of the organisation. It is the axil on which the various departments in the organisation rely to carry out their various functions and roles. The Corporate Services Department of the organisation is strategically positioned to enable the organisation to achieve its mandate. Without a strong-functioning Corporate Services Department to support the organisation to carry out its mandate and mission, the organisation would collapse.

*The role of corporate services is to manage and oversee the following functions in the organisation:*

- ▶ Human Resources Management
- ▶ Communication and Public Relations
- ▶ Administration and Travel
- ▶ Registry and Logistics
- ▶ Information and Communication Technology

## HUMAN RESOURCES MANAGEMENT

The CETA – over and above its Head Office – has a national footprint through its nine provincial nodes. In response to the Minister of Higher Education and Training's call for SETAs to be accessible and collaborate with Public TVET Colleges, all provincial nodes of the CETA are either located at a Public TVET

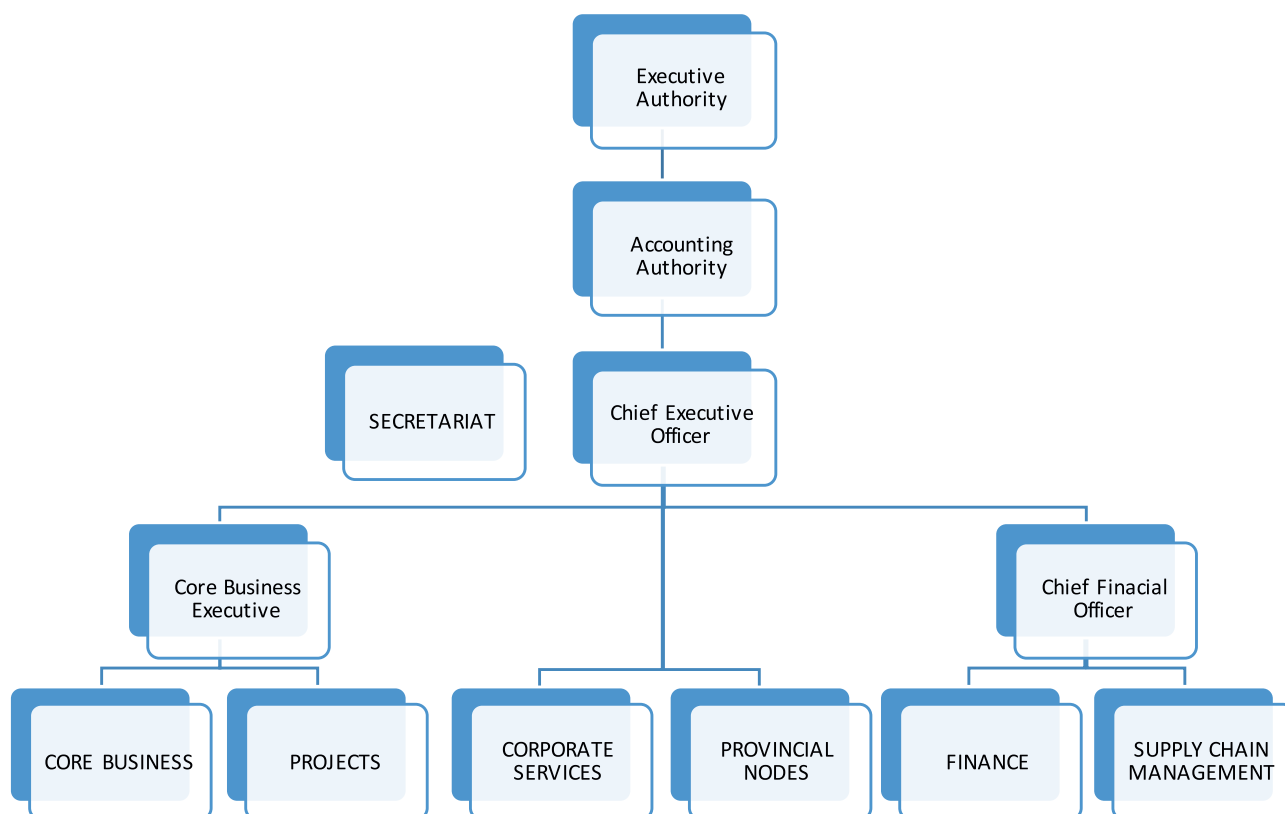
College or accommodated in another public entity. Out of the nine provincial nodes, six are located in Public TVET Colleges, two share housing with another SETA and one shares housing with another SETA within the Department of Roads and Public Works.

**TABLE 17: The CETA provincial nodes**

PROVINCE	ENTITY
Gauteng	Tshwane South TVET College
North West	Taletso TVET College
Limpopo	Capricorn TVET College
Mpumalanga	Services SETA
Free State	Motheo TVET College
Northern Cape	Department of Road Public Works/CIDB
Eastern Cape	East Cape Midlands College
Western Cape	False Bay TVET College
KwaZulu-Natal	Services SETA

The CETA's approved organogram provided for a staff complement of 150 to enable it to adequately deliver on its mandate.

## THE CETA ORGANOGRAM IS REFLECTED BELOW:





## MANAGEMENT



**Back left to right:** Mr Innocent Ngenzi (Projects Manager), Mr Jabulani Jiyane (Corporate Services Manager), Ms Zviko Murahwi (ICT Manager), Mr Simphiwe Nene (Finance Manager).

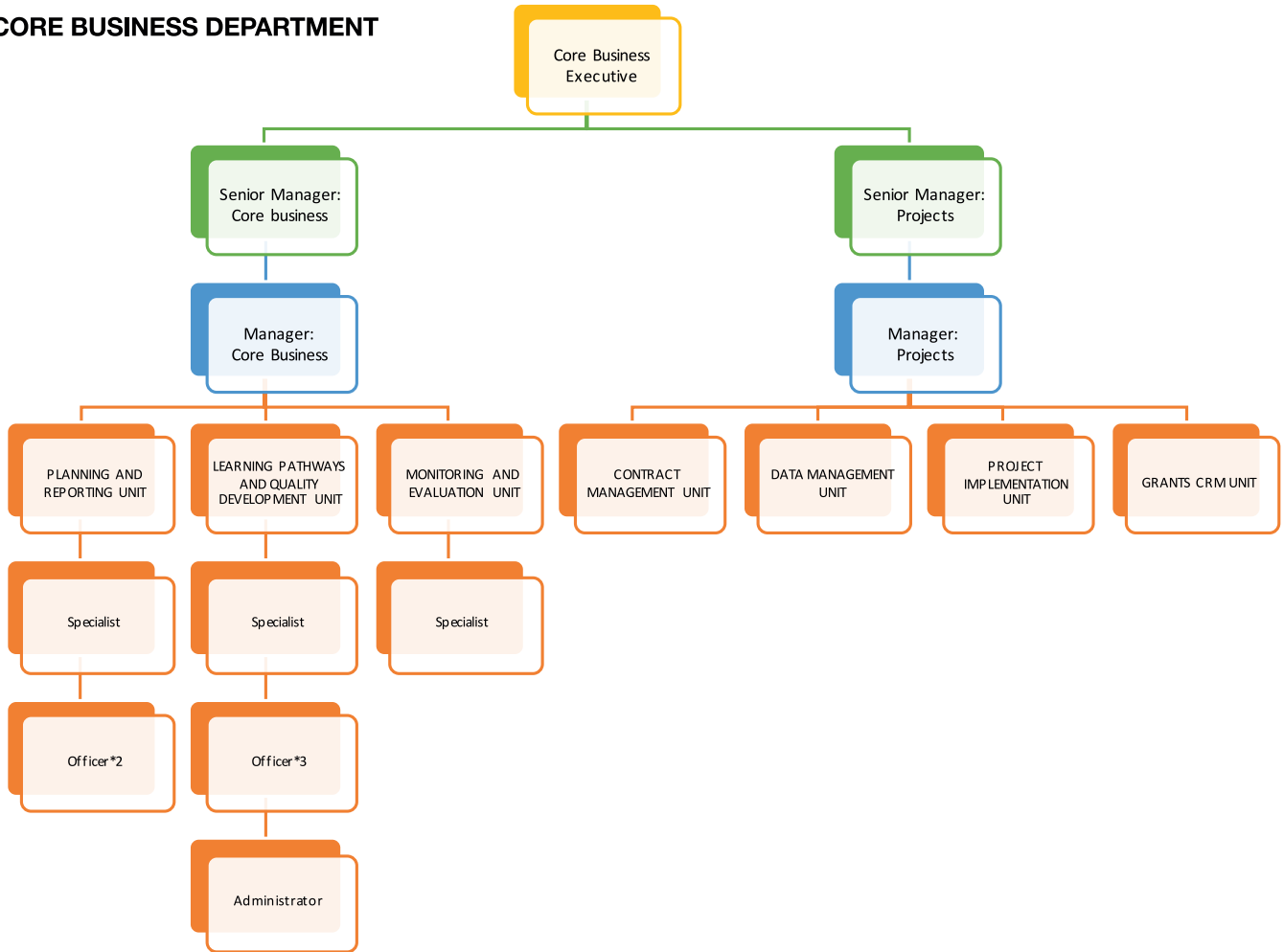
**Front left to right:** Mr Robert Semanya (Senior Manager Projects), Ms Velile Ndlovu (Chief Financial Officer), Ms Sonja Pilusa (Chief Executive Officer), Mr Thapelo Madibeng (Core Business Executive).

**Insert:** Ms Tumiso Mphuthi (Supply Chain Management Manager).





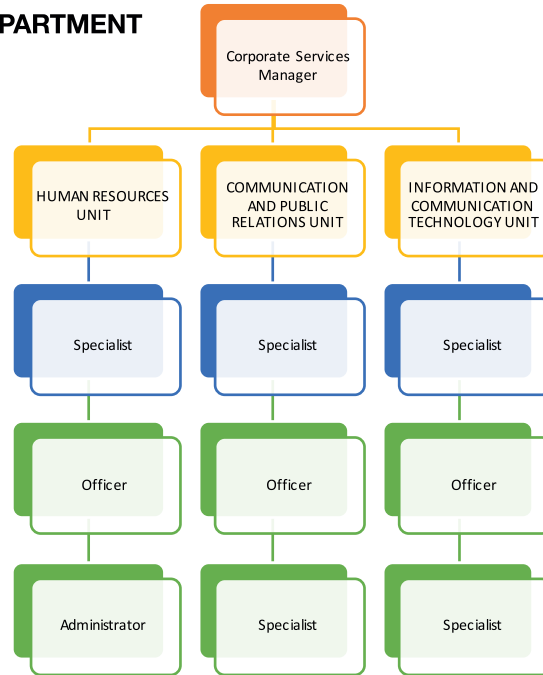
## CORE BUSINESS DEPARTMENT



## CORE BUSINESS DEPARTMENT



## CORPORATE SERVICES DEPARTMENT

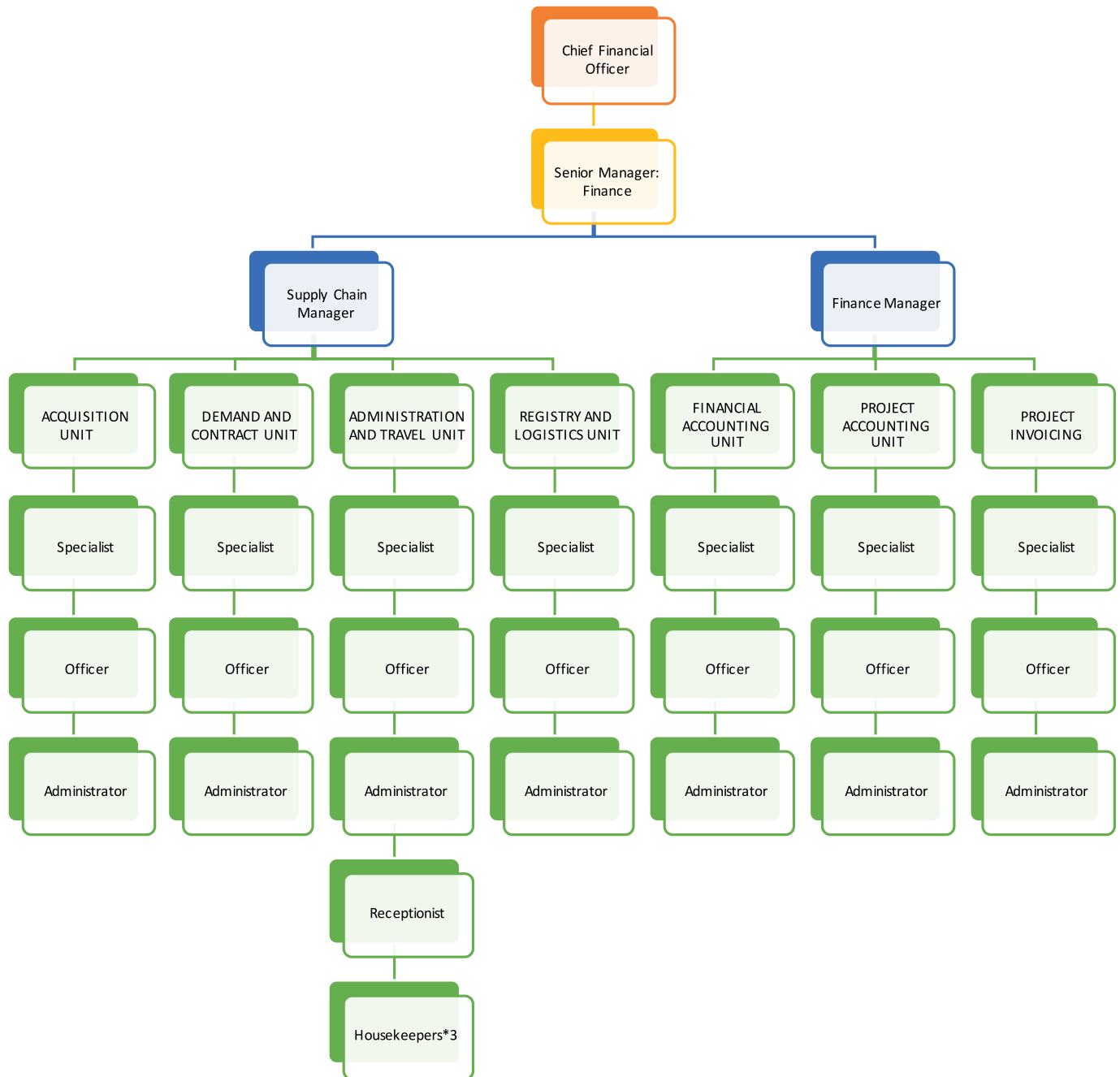


## CORPORATE SERVICES DEPARTMENT



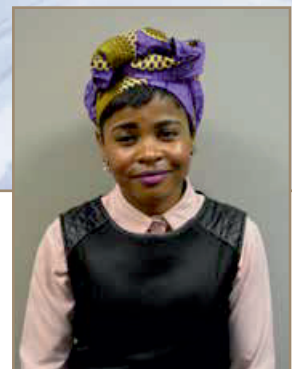


## FINANCE DEPARTMENT





## FINANCE DEPARTMENT



## PROVINCIAL NODES

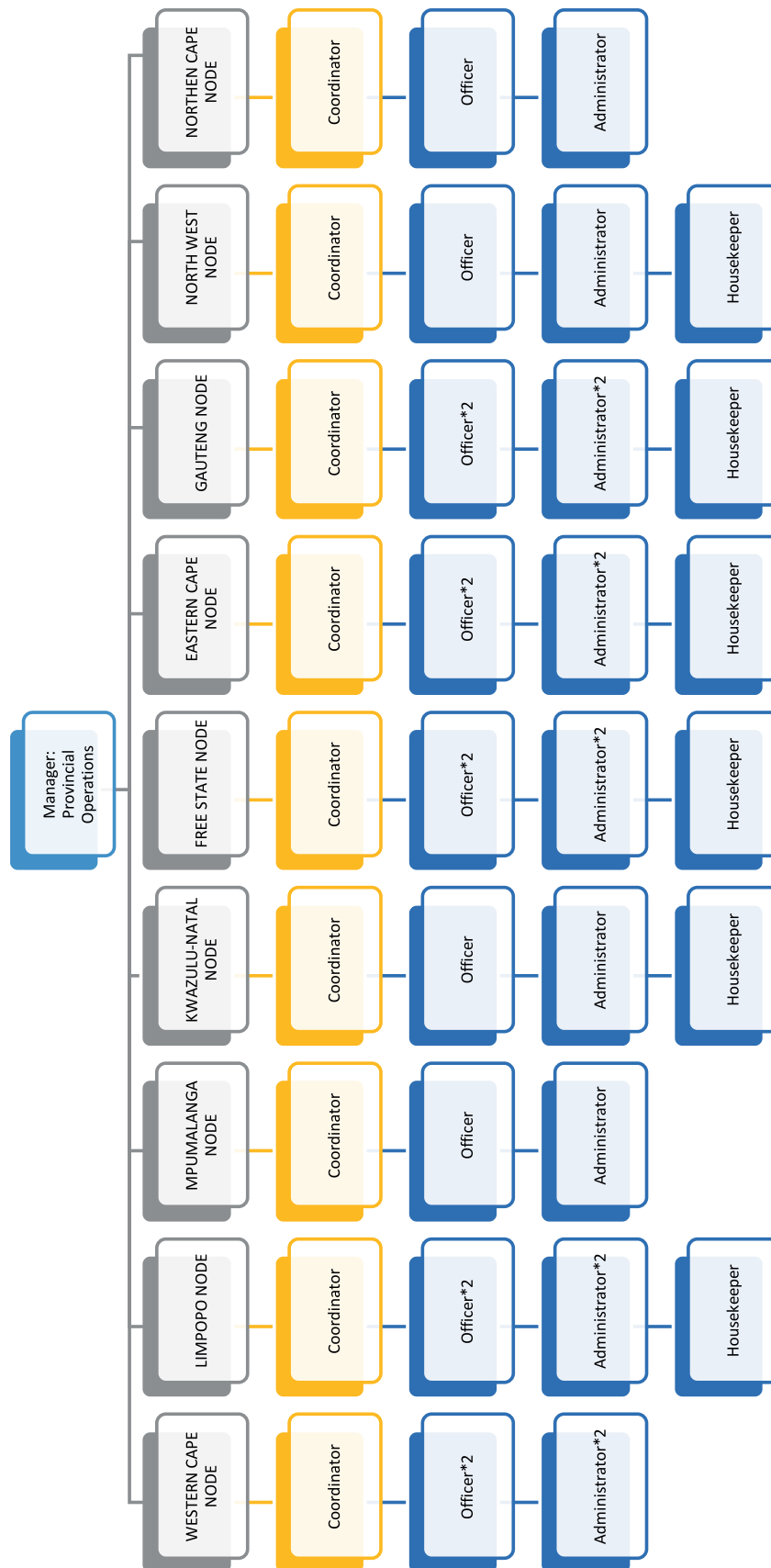


TABLE 20:

STAFF ESTABLISHMENT										
PROFILE	AFRICAN		INDIAN		WHITE		COLOURED		TOTAL	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Executives	1	2	0	0	0	0	0	0	1	2
Senior Managers	1	0	0	0	0	0	0	0	1	0
Managers	2	1	0	0	0	0	0	0	2	1
Coordinators	5	4	0	0	0	0	0	0	5	4
Specialists	4	12	0	2	0	0	0	0	4	14
Officers	16	17	1	0	0	0	0	1	17	18
Administrators	7	13	0	0	0	1	1	2	8	16
Other	1	14	0	0	0	0	0	0	1	14
<b>TOTAL</b>	<b>36</b>	<b>63</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>39</b>	<b>69</b>

TABLE 21:

RESIGNATIONS										
PROFILE	AFRICAN		COLOURED		INDIAN		WHITE		TOTAL	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Provincial Coordinator	–	–	–	–	–	–	–	–	–	–
Committee Secretary	–	–	–	–	–	–	–	–	–	–
Officers	1	2	–	1	–	–	–	–	1	3
Administrator	1	–	–	–	–	–	–	–	1	–
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>3</b>

## TRAINING AND DEVELOPMENT

In the year under review, the CETA intensified its Training and Development programme through bursaries, capacity building workshops, regulatory training and interdepartmental staff development activities.

TABLE 22:

BURSARIES										
PROFILE	AFRICAN		COLOURED		INDIAN		WHITE		TOTAL	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Executive	–	–	–	–	–	–	–	–	–	–
Manager	–	–	–	–	–	–	–	–	–	–
Specialist	2	6	–	–	–	1	–	–	2	7
Officer	3	3	–	–	–	–	–	–	3	3
Administrator	2	5	–	1	–	–	–	–	2	6
<b>TOTAL</b>	<b>7</b>	<b>14</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>8</b>	<b>16</b>





**TABLE 18: SALARIES OF SENIOR MANAGEMENT**

POSITION	SALARY	BONUS	TOTAL COST
Chief Executive Officer	2,472,000.00	797,000.00	3,269,000.00
Core Business Executive	1,634,000.00	529,000.00	2,163,000.00
Senior Manager	1,370,000.00	439,000.00	1,809,000.00
Chief Financial Officer	1,739,000.00	566,000.00	2,305,000.00
	7,215,000.00	2,331,000.00	9,546,000.00

The organisation embarked on a rigorous recruitment process in line with its organogram. While it had advertised, conducted interviews and in some cases re-advertised for all its vacancies, the CETA could not find suitably qualified persons to fill all its vacancies. It, however, continues with its recruitment process and will have all funded vacancies filled in the next financial year.

**TABLE 24: In the year under review, the following 39 new appointments were made:**

NO.	POSITION
1.	HOUSEKEEPER: HEAD OFFICE
2.	ADMINISTRATOR: SCM
3.	SENIOR MANAGER: PROJECTS
4.	COMMITTEE SECRETARY
5.	OFFICER: SCM
6.	SPECIALIST: PROJECT IMPLEMENTATION
7.	OFFICER: LPQD
8.	OFFICER: SPR
9.	SPECIALIST: INVOICING
10.	OFFICER: EASTERN CAPE
11.	OFFICER: CONTRACTS MANAGEMENT
12.	PROVINCIAL COORDINATOR: KZN
13.	PROVINCIAL COORDINATOR: NORTH WEST
14.	OFFICER: INVOICING
15.	OFFICER: FINANCIAL ACCOUNTING
16.	ADMINISTRATOR: SCM
17.	OFFICER: PROJECT IMPLEMENTATION
18.	ADMINISTRATOR: PROJECT ACCOUNTING
19.	HOUSEKEEPER: GAUTENG
20.	OFFICER: NORTH WEST
21.	ADMINISTRATOR: KZN
22.	ADMINISTRATOR: ADMIN AND TRAVEL
23.	OFFICER: GRANTS CRM
24.	ADMINISTRATOR: PROJECT IMPLEMENTATION
25.	ADMINISTRATOR: HR
26.	PROVINCIAL OFFICER: KZN
27.	OFFICER: PROJECT ACCOUNTING
28.	DATA CAPTURER
29.	OFFICER: PROJECT IMPLEMENTATION

**TABLE 19: PROMOTIONS**

1.	SPECIALIST: ADMINISTRATION & TRAVEL
2.	OFFICER: ADMINISTRATION & TRAVEL
3.	ADMINISTRATOR: INVOICING
4.	OFFICER: MONITORING AND EVALUATION
5.	OFFICER: MONITORING AND EVALUATION
6.	CLERK: REGISTRY & LOGISTICS
7.	PROVINCIAL ADMINISTRATOR
8.	PROVINCIAL ADMINISTRATOR
9.	PROVINCIAL ADMINISTRATOR
10.	PROVINCIAL OFFICER

## COMMUNICATIONS AND PUBLIC RELATIONS UNIT

The Communication and Public Relations Unit plays a critical role within and outside the organisation. The main role of the unit is to disseminate information about the CETA and its functions to its stakeholders, brand management and relationship management.

*Throughout the year under review, the CETA's Communication and Public Relations Unit – strongly supported by the Provincial Nodes and Core Business Department – undertook various communications and public relations activities, which included the following:*

- ▶ Opening of the CETA / West Coast TVET College Skills Development Centre
- ▶ Opening of the Anene Booysen Skills Development Centre
- ▶ Opening of the CETA / Gert Sibande Skills Development Centre
- ▶ Graduation of Middleburg and Cradock Learners
- ▶ Participated in the South African Forum of Civil Engineering Contractors (SAFCEC) Conference
- ▶ Participated in the Master Builders Association Conference
- ▶ Participated in the Women in Construction Awards
- ▶ Participated in the South African Construction Awards where CETA won the Best Training Initiative

## CAREER GUIDANCE

During the year under review, the CETA's Core Business Department developed a new career guide for the Construction

Sector. The CETA through its provincial nodes participated in 14 career guidance events, reaching 5 351 learners throughout the country. The number of exhibitions is indicated in Table 5 below.

**TABLE 20: List of Career Exhibitions Conducted**

PROVINCE	CAREER GUIDANCE EVENT
Eastern Cape	TVET Open Month – Ikhala TVET College
	East Cape Midlands College Career Fair
	National Artisan Development Strategy Roadshow
	Graduation Ceremony for Middleburg and Cradock Learners
Free State	Career Exhibition Day: Masilonyana Local Municipality
Gauteng	National Artisan Development Conference
	CETA & SSETA joint project launch: Don Bosco Education Project
	Clean Heat Graduation Ceremony
	NSA National Skills Conference 2017
KwaZulu-Natal	MBSA Conference
Limpopo	Opening of Waterberg TVET College
	Waterberg Youth Career Expo
	Launch TVET Month – Vhembe (Mavhoi Campus) Career Exhibition
	DHET Imbizo & Launch of the Vhembe College Campus in Shingwedzi
Mpumalanga	Community Outreach / Workseeker session / exhibition
	Mandela Day Career Development Festival
	Joint SSETA & CETA Driekoppies Skills Expo
	Opening of Bethal Skills Development Centre
Northern Cape	Northern Cape Department of Education Career Expo
	2017 Apply Now / Khetha Career Guidance Campaign
Western Cape	Opening of CETA / West Coast TVET College Skills Development Centre
	Opening of Anene Booysen Skills Development Centre

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) UNIT

The CETA considers ICT to be critically important in the delivery of the overall business strategy of the organisation. ICT also plays a critical role in facilitating delivery of services to and communicating with internal and external stakeholders.

During the 2016/17 FY, ICT continued to play a major role in driving the CETA agenda forward and a number of projects were undertaken to fulfil this role. The CETA Management strengthened this position and recruited two new staff members to strengthen the ICT Unit – a Specialist and an Officer. During this year's Strategy Planning Session, Management further undertook to increase the staff complement of the ICT Unit

and created two new positions, ICT Manager and Specialist: Applications Software Systems; and Office: Applications Software Systems. This was a move aimed at strengthening systems within the CETA. Recommendations have also been made to pursue recruitment of an Administrator for the Unit.

## ICT PERFORMANCE DELIVERABLES DURING THE YEAR UNDER REVIEW

At the start of the 2016/17 FY, CETA offices relocated from 563 Old Pretoria Main Road to 183 Kerk Street. ICT successfully migrated the ICT infrastructure – including connectivity (data and voice) networks – from the old to the new offices.

*Guided by the revised 2015–2018 ICT Strategic Plan, a number of projects and infrastructure and systems enhancement activities were successfully undertaken as follows:*

- ▶ MPLS VPN Network Services to support the organisation's voice and data networks were successfully rebuilt to use the EOH Network Services Cloud following expiry of the contract with ECN on 31 March 2016.
- ▶ As part of the MPLS VN Network reconstruction project, connectivity bandwidth for the organisation's main internet breakout at the Head Office was upgraded from 6 MB to 15 MB and connectivity bandwidth for the Provincial Offices was upgraded from 258 KB to 2 MB. All these upgrades will ensure a faster and more responsive communications network for the CETA.
- ▶ All out-of-warranty and out-of-life PCs (desktops and laptops) in CETA offices (Head Office and Provincial) were replaced with new ones to increase staff productivity. Some of the decommissioned PCs still in good working condition will be used to construct stakeholder walk-in help centres in all offices.
- ▶ Video conferencing facilities were procured. Whilst cutting down on travel costs, these will go a long way to ensure regular face-to-face communication between staff at the Head Office and at Provincial Offices.
- ▶ Mobility was adopted to ensure key staff remain in touch even when travelling, as signalled by the recent acquisition of powerful and secure phones for Head Office Management, key staff at the Head Office and Provincial Coordinators.
- ▶ A new Financial Management System – Dynamics AX – was constructed with the assistance of Deloitte.
- ▶ A new Learner Information and Skills Development Management System – The Indicium – was constructed
- ▶ Continuous strengthening of systems of corporate governance of ICT by reviewing existing policies and building new ones. As part of this, a comprehensive ICT security strategy was put in place to guide programmes and activities to secure the CETA ICT Environment and Information Resources.



## ADMINISTRATION AND TRAVEL UNIT

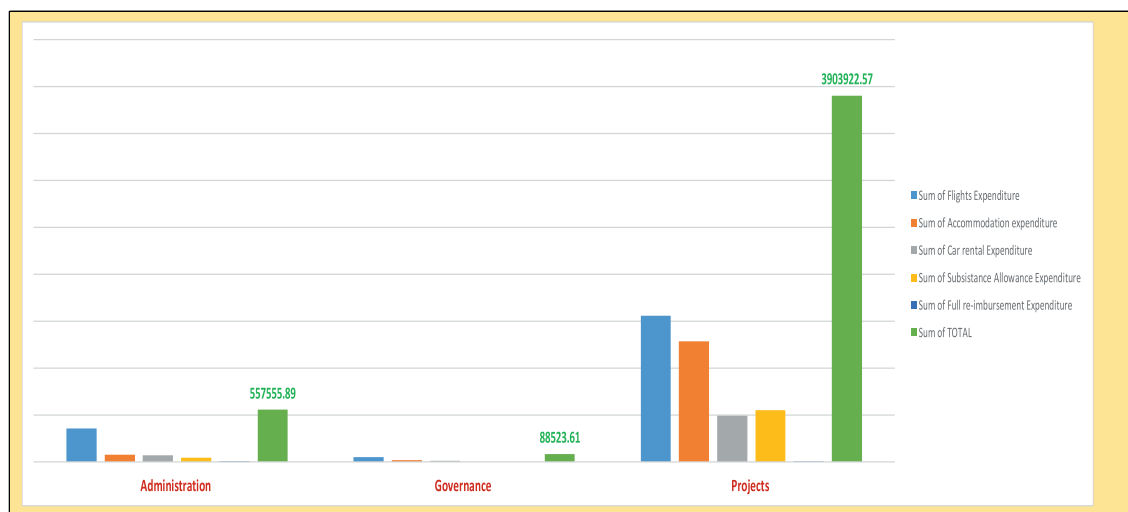
The Travel and Administration Unit provides support services to the operations of the CETA – in particular to the Core Business Departments. In implementing this support, the function of the Unit is to ensure cost-effective reservations, simultaneously ensuring that the efficiency of the operations of the organisation is not compromised.

In line with the above, the CETA vigorously implements the cost containment measures as per the Treasury Regulations.

### GRAPH 7: Total travel expenditure Administration, Governance & Projects

**Total Travel Expenditure**  
**Financial Year 2016/ 2017**  
**R 4 550 002.07**

Row Labels	Sum of Flights Expenditure	Sum of Accommodation expenditure	Sum of Car rental Expenditure	Sum of Subsistence Allowance Expenditure	Sum of Full re-imbursement Expenditure	Sum of TOTAL
Administration	R 356,427.24	R 77,769.63	R 70,475.82	R 47,585.00	R 5,298.20	R 557,555.89
Governance	R 56,403.69	R 18,680.00	R 13,439.92	R 0.00	R 0.00	R 88,523.61
Projects	R 1,559,779.69	R 1,284,236.93	R 495,868.12	R 555,398.14	R 8,639.69	R 3,903,922.57
<b>Grand Total</b>	<b>R 1,972,610.62</b>	<b>R 1,380,686.56</b>	<b>R 579,783.86</b>	<b>R 602,983.14</b>	<b>R 13,937.89</b>	<b>R 4,550,002.07</b>



**The total overall Travel Expenditure for Projects in the Financial year 2016/2017 was R 3 903 922.57**  
**Followed by Admin travel costs R 557 555.89**  
**AND Governance travel costs R 88 523.61**





## PART G:



# FINANCE REPORT







**Ms Velile Ndlovu**  
CETA CHIEF FINANCIAL  
OFFICER



## 1. GENERAL OVERVIEW

The CETA remains committed to sound management of funds in terms of the PFMA, Treasury Regulations and SDLA in order to maintain a clean audit opinion. The CETA continues to implement its policies and procedure to ensure that financial statements presented are accurate, valid and complete.

### Internal controls

Internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally acceptable accounting practice, as well as policies and procedures established by the Accounting Authority and independent oversight by the Audit and Risk committees. The system contains self-monitoring mechanisms and actions are taken to correct deficiencies as they are identified.

## 2. FINANCIAL PERFORMANCE

### Revenue

The total revenue for the year ended 31 March 2017 amounted to R730 million (R937 million in 2015/16). Interest received on investments increased by 57%, from R79 million to R124 million as a result of an increase in the bank balance. All funds are currently invested with the Corporation for Public Deposits (CPD).

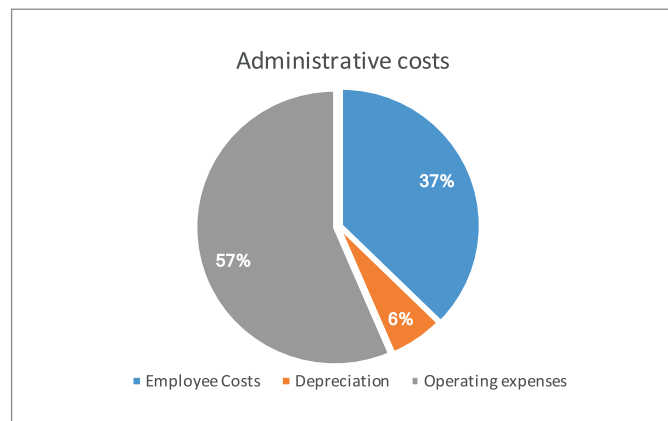
### Expenditure

Total expenditure for the year ended 2016/17 amounted to R474 million (R631 million in 2015/16). Total expenditure is made up of mandatory grants expenditure, discretionary grants expenditure and administrative expenditure.

Administrative expenditure increased from R60 million in 2015/16 to R64 million in 2016/17 due to the number of vacancies that were filled in the current year. The CETA kept its administrative expenditure below the regulated threshold of 10.5%.

## GRAPH 8: Major Cost Drivers

The CETA major cost driver is the cost of employment as human resources are required for the execution of the mandate. The CETA uses the Provincial office model for easier access of our stakeholders in the provinces.



## 3. FINANCIAL POSITION

Total Assets increased by 18%, from R1.737 billion in the 2015/16 FY to R2.046 billion in the 2016/17 FY. The increase is attributable to capital assets purchased during the financial year and increase in cash and cash equivalents due to delays in disbursements as a result of internal controls in place to ensure that all payments made are valid. All funds are currently invested with CPD.

### Liabilities

The CETA's liabilities are made up of mandatory grant payables not made due to a lack of bank accounts and accruals relating to project payments not yet paid at year end. Total liabilities are R191 million for the 2016/17 FY, reflecting an increase of 31% from R145 million.

### Reserves

The 16% increase in total reserves, from R1.599 billion in 2015/16 to R1.855 billion in 2016/17 was as a result of an increase in interest from investments.

### Commitments

The CETA has a commitment balance of R1.581 billion. This amount has been committed to fund scarce and critical skills in the Construction Sector.

## 4. SUPPLY CHAIN MANAGEMENT

A supply chain management policy framework is fully implemented in line with the Preferential Procurement Framework Act and Supply Chain Management Regulations. Procurement committees are appointed annually to ensure that procurement practices are adhered to by the CETA.

### Irregular expenditure and fruitless and wasteful expenditure

The CETA did not incur any irregular and fruitless and wasteful expenditure.



## PART H:

# AUDIT COMMITTEE REPORT





# AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017. The CETA has achieved a clean audit, according to the Auditor General's report and the Audit Committee is pleased to see the fruits of the assurance that internal controls are in place and effective.

**TABLE 20: AUDIT COMMITTEE MEMBERS AND ATTENDANCE**

The Audit Committee consists of the members listed below and are required to meet four times per annum as per its approved terms of reference. During the current year, four meetings were held.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mogadime J (Chairperson)	4
Rankoe MD	3
Danisa M	4
Mutwanamba N	4
Fihlani Z	1

## AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from section 38(10) (1) of the PFMA and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## THE EFFECTIVENESS OF INTERNAL CONTROL

*The Audit Committee is satisfied that:*

- ▶ The risk management process is in place and that the CETA's major risks are properly managed.
- ▶ The internal control systems are effective.
- ▶ The Internal Auditors are operating objectively and independently.
- ▶ Matters requiring management attention are being addressed.

## EVALUATION OF FINANCIAL STATEMENTS

*The Audit Committee has:*

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

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

## INTERNAL AUDIT

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the organisation and its audits.

## AUDITOR GENERAL OF SOUTH AFRICA

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



**MS JABU MOGADIME**

*Chairperson: Audit Committee*



**PART I:**

# REPORT OF THE AUDITOR-GENERAL



# REPORT OF THE AUDITOR-GENERAL

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON CONSTRUCTION EDUCATION AND TRAINING AUTHORITY

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

1. I have audited the financial statements of the Construction Education and Training Authority set out on pages 74 to 104, which comprise the statement of financial performance, the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, and statement of cash flows and the statement of comparison of budget information with actual information 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 Construction Education and Training Authority as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Management Finance Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and the Skills Development Act, 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 the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with 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.

#### Emphasis of matter

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

#### Restatement of corresponding figures

7. As disclosed in note 18 to the financial statements, the corresponding figures for 31 March 2016 have been restated

as a result of an error in the financial statements of the CETA at, and for the year ended, 31 March 2017.

#### Responsibilities of the accounting authority

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the requirements of the Public Management Finance Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and the Skills Development Act, 1998 (Act No 97 of 1998) (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.
9. In preparing the financial statements, the accounting authority is responsible for assessing the Construction Education and Training Authority'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 accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

### REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

#### Introduction and scope

12. 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.

13. 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.

14. 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 2 – Core Business	20 – 23
Programme 3 – Skills Development Provisioning	24 – 34

15. 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.

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2 – Core Business
- Programme 3 – Skills Development Provisioning

## OTHER MATTER

### Achievement of planned targets

17. Refer to the annual performance report on page(s) 20 to 23; 24 to 34 for information on the achievement of planned targets for the year and explanations provided for the 15 under and 35 overachievement of a significant 79 of targets. This information should be considered in the

context of the conclusions expressed on the usefulness and reliability of the reported performance information in paragraph 16 of this report.

## 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. No material non-compliance was identified with specific requirements of applicable legislation.

## OTHER INFORMATION

20. The CETA accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the director's report and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on 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 material misstatement of this other information, I am required to report that fact.

## INTERNAL CONTROL DEFICIENCIES

23. 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.



## OTHER REPORTS

24. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
25. An independent firm was appointed to conduct an investigation on allegations of misconduct in the awarding of a quotation to a service provider. The investigation was completed on 15 December 2016, and none of the allegations made could be confirmed.

*Auditor-General*

Pretoria  
31 July 2017



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

*Auditing to build public confidence*



## PART J:

# ANNUAL FINANCIAL STATEMENTS





# CONTENTS

Statement of Financial Performance.....	<i>page 74</i>
Statement of Financial Position.....	<i>page 75</i>
Statement of Changes in Net Assets.....	<i>page 76</i>
Statement Cash Flows.....	<i>page 77</i>
Statement of Comparisons of Budget and Actual Amounts.....	<i>page 78</i>
Accounting Policies.....	<i>page 79</i>
Notes to the Annual Financial Statements.....	<i>page 86</i>
Remuneration to Key Management and Accounting Authority Disclosure.....	<i>page 104</i>

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

The Audited Annual Financial Statements for the year ended 31 March 2017 have been approved by the Accounting Authority on 31 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 the CETA's behalf by:



**S PILUSA**  
*Chief Executive Officer*



**R CELE**  
*Accounting Authority Chairperson*

# STATEMENT OF FINANCIAL PERFORMANCE

	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>Revenue</b>			
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Levies	2	582 247	835 298
Fines, Penalties and Forfeits	3	21 598	22 661
<b>Total revenue from non-exchange transactions</b>		<b>603 845</b>	<b>857 959</b>
<b>Revenue from exchange transactions</b>			
Other Income	4	2 046	-
Interest received - CPD	5	123 987	78 572
<b>Total revenue from exchange transactions</b>		<b>126 033</b>	<b>78 572</b>
<b>Total revenue</b>		<b>729 878</b>	<b>936 531</b>
<b>Expenditure</b>			
Administration Expenses	6	-64 463	-59 617
Employer Grant and Project Expenses	7	-409 741	-571 268
<b>Total expenditure</b>		<b>-474 204</b>	<b>-630 884</b>
<b>Operating surplus</b>		<b>255 673</b>	<b>305 647</b>
<b>Surplus for the year</b>	1	<b>255 673</b>	<b>305 647</b>



# STATEMENT OF FINANCIAL POSITION

	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	8	2 025 205	1 718 985
Receivables from non-exchange transactions	9,1	7 542	7 840
Receivables from exchange transactions	9,2	2 738	1 755
Consumables	10	296	473
		<b>2 035 782</b>	<b>1 729 052</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11	9 945	7 174
Intangible Assets	12	151	623
		<b>10 095</b>	<b>7 797</b>
<b>Total Assets</b>		<b>2 045 877</b>	<b>1 736 849</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from non-exchange transactions	13,1	18 996	19 489
Payables from exchange transactions	13,2	46 335	37 702
Deferred Income	14	-	1 120
Provisions	15	125 657	86 377
		<b>190 989</b>	<b>144 687</b>
<b>Total Liabilities</b>		<b>190 989</b>	<b>144 687</b>
		<b>1 854 888</b>	<b>1 592 162</b>
<b>Funds and Reserves</b>			
Administration reserve		10 095	7 797
Employer Grant reserve		617	485
Discretionary reserve		1 844 176	1 583 880
<b>Total Net Assets</b>		<b>1 854 888</b>	<b>1 592 162</b>

## STATEMENT OF CHANGES IN NET ASSETS

	NOTE	Administration Reserve R '000	Employer Grant Reserve R '000	Discretionary Grant Reserve R '000	Total Reserves R '000	Unappropriated Surplus R '000
<b>Balance at 31 March 2015</b>		<b>8 322</b>	<b>295</b>	<b>1 268 173</b>	<b>1 276 790</b>	
<b>Adjustments to opening balance</b>						
– Prior year error		1 330	-	7 960	9 290	-
– Write-off of Project Creditors		-	-	435	435	-
<b>Balance at 01 April 2015</b>		<b>9 652</b>	<b>295</b>	<b>1 276 569</b>	<b>1 286 516</b>	<b>-</b>
Changes in net asset surplus for the year		-	-	-	-	305 647
Allocation of unappropriated surplus	1	49 481	62 728	193 438	305 647	-305 647
Excess reserves transferred (to)/from		-51 336	-62 538	113 874		
Total Changes		-525	190	315 707	315 372	-
<b>Balance at 31 March 2016 (Restated)</b>		<b>7 797</b>	<b>485</b>	<b>1 583 880</b>	<b>1 592 162</b>	
<b>Adjustments to opening balance</b>						
– Prior year adjustments	18	116	-	6 937	7 053	-
<b>Balance at 01 April 2016</b>		<b>7 913</b>	<b>485</b>	<b>1 590 817</b>	<b>1 599 215</b>	<b>-</b>
Changes in net asset surplus for the year		-	-	-	-	255 673
Allocation of unappropriated surplus	1	13 648	72 264	169 761	255 673	-255 673
Excess reserves transferred (to)/from		-11 466	-72 132	83 597		
Total Changes		2 298	132	260 295	262 726	-
<b>Balance at 31 March 2017</b>		<b>10 095</b>	<b>617</b>	<b>1 844 176</b>	<b>1 854 888</b>	

# STATEMENT OF CASH FLOWS

	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>Cash flow from operating activities</b>			
<b>Receipts</b>			
Grants		603 336	858 498
Interest and Other Income		126 033	78 572
		<b>729 369</b>	<b>937 070</b>
<b>Payments</b>			
Employee costs		-24 056	-28 328
Payments to suppliers and stakeholders		-392 463	-569 043
		<b>-416 520</b>	<b>-597 371</b>
<b>Net cash flow from operating activities</b>	16	<b>312 849</b>	<b>339 698</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	11	-6 496	-2 215
Net cash flows from loss/sale of property, plant and equipment		144	328
Purchase of other intangible assets	12	-277	-383
<b>Net cash flows from investing activities</b>		<b>-6 629</b>	<b>-2 270</b>
<b>Cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>306 220</b>	<b>337 428</b>
Cash and cash equivalents at the beginning of the year		1 718 985	1 381 557
<b>Cash and cash equivalents at the end of the year</b>	8	<b>2 025 205</b>	<b>1 718 985</b>



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Final Budget at March 2017 R '000	Actual amounts at March 2017 R '000	Difference R '000
NOTE			
<b>Statement of Financial Performance</b>			
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Other Income	-	2 046	2 046
Interest received - CPD	68 433	123 987	55 553
<b>Total revenue from exchange transactions</b>	<b>68 433</b>	<b>126 033</b>	<b>57 599</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Levies	613 922	582 247	-31 675
Fines, Penalties and Forfeits	30 942	21 598	-9 344
<b>Total revenue from non-exchange transactions</b>	<b>644 864</b>	<b>603 845</b>	<b>-41 019</b>
<b>Total Revenue</b>	<b>713 298</b>	<b>729 878</b>	<b>16 580</b>
<b>Expenditure</b>			
Administration Expenses	-83 019	-64 463	18 556
Employer Grant and Project Expenses	-2 231 885	-409 741	1 822 144
<b>Total expenses</b>	<b>-2 314 904</b>	<b>-474 204</b>	<b>1 840 700</b>
<b>Surplus</b>	<b>-1 601 607</b>	<b>255 673</b>	<b>1 857 280</b>

# ACCOUNTING POLICIES

## 1. PRESENTATION OF FINANCIAL STATEMENTS

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

These Financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand. Comparative figures are disclosed.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 read with Directive 5. Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these Financial Statements, are disclosed below.

### 1.1 Going concern assumption

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

## 2. REVENUE FROM NON-EXCHANGE TRANSACTIONS

### 2.1 Skills Development 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.

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 CETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collect the levies on behalf of the Department. Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005.

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

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 CETA and these

benefits can be measured reliably. This occurs when the Department makes an allocation to the CETA as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

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

### 2.2 Interest and penalties

Interest and penalties are economic benefits or service potential received or receivable by CETA, as

determined by legislation, as a consequence of the breach of laws or regulations and is recognised on an accrual basis.

### 2.3 Conditional Grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the CETA has complied with any of the conditions embodied in the agreement. To the extent that the conditions have not been met, a liability is recognised.

### 2.4 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the financial statements of the CETA as a liability until the related eligible special project expenses are incurred. The liability is reduced by any project expenditure incurred and recognised as revenue. Property, plant and equipment acquired for NSF Special Projects are capitalised in the financial statements of the CETA, as the CETA controls such assets for the duration of the project. Such assets may however only be disposed of in terms of agreement and specific written instructions by the NSF.

### 2.5 Inter-SETA Transfers

Revenue is adjusted for transfers of employers between SETAs that arise due to incorrect allocation to a SETA on registration for skills development levy or changes to their business that result in a need to change SETAs. Such adjustments are disclosed separately as inter-SETA transfers. The amount of the inter-SETA transfers

is calculated according to the most recent Standard Operating Procedure as issued by the Department of Higher Education and Training.

## 2.6 Discretionary grants

The funding for discretionary grants and projects stems from the 49.5% of the total levies paid by the employers, levy grants that are not claimed by employers, the surplus of administration levies not utilised, investment income, and other income generated by the CETA.

CETA may out of any surplus monies determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut - off period. The grant payable and the related expenditure are recognised when the application has been approved, implementation has taken place and the conditions have been met, creating an obligation to pay.

## 3. 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 CETA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The only exchange revenue received by the CETA is the interest earned on the investment when the conditions are met.

### 3.1 Investment income

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

## 4. PROJECT EXPENDITURE

*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 CETA 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 the invoice is received and approved.

Receivable is recognised net of a provision for irrecoverable

amounts for incentive and other payments made to the extent of expenses not yet incurred in terms of the contract.

At the end of the financial period any unspent or uncommitted funds must be transferred to the National Skills Fund Authority with an allowance of 5% of the uncommitted funds that will be carried over to the next financial year, except where a request to carry forward the uncommitted funds has been lodged as per the Grant Regulations requirements. The unspent funds are determined by taking the surplus as stated in the Statement of Financial Performance for the financial period under review less the commitments for training of learners in programmes funded from discretionary funds.

### 4.1 Mandatory grants

The grants payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the prescribed cut off period as the payment then becomes probable. The grant is equivalent of 20% of the total levies paid by the employer during the corresponding financial period for the skills implementation grant respectively.

### 4.2 Administrative expenditure

The funding for administrative expenditure is derived from 10.5% of the total levies paid by the employers. Administration expenses consist of the operational expenditure incurred by the CETA in delivering its mandate.

## 5 PROPERTY, PLANT AND EQUIPMENT RECOGNITION

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

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost of the item can be measured reliably.

### Initial Measurement

Property, plant and equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and any 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.

Property, plant and equipment which has a cost price less than R 2 000 are expensed and not capitalised. Where an asset is acquired through a non-exchange transaction, its cost is its fair



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

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

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Major spare parts of equipment which are expected to be used for more than one period are included in property, plant and equipment.

### Subsequent measurement

Building machinery, furniture and fixtures, motor vehicle, office equipment, computer equipment and computer network are carried at cost less accumulated depreciation and any impairment losses except for land and buildings which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### Revaluation

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

### Depreciation

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

residual value. The depreciation of assets commences on the date that the asset is available for use, even if it is not yet in use.

Depreciation is calculated and provided for on an annual basis. If the residual value of an asset is at least equal to its carrying amount, depreciation amount is zero. Depreciation of an asset ceases at the date that the asset is derecognised. Any gains or losses arising from de-recognition of an asset is included in profit or loss when the item is derecognised. Useful lives are reviewed on an annual basis.

### Depreciation rates

*The depreciation methods and average useful lives of property, plant and equipment have been assessed as follows:*

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Furniture and fixtures	Straight line	4-16 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	4-16 years
Computer equipment	Straight line	3 -9 years
Computer software	Straight line	2-9 years

### Residual values

Residual values of other assets are determined by considering the second hand values of similar items which are already at the age the asset is expected to be at the end of its useful life. This would be applicable especially to vehicles.

CETA reviews the residual values on an annual basis. The review revealed that the residual values used in the current or prior periods were still valid. No significant variances were identified.

### De-recognition

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal (including disposal through a non-exchange transaction) or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition of an item of property, plant and equipment shall be included in surplus or deficit when the item is derecognised.

## 6 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it either separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so or arises from binding arrangements (including rights from

contracts), regardless of whether those rights are transferable or separable from the CETA or from other rights and obligations.

### Recognition

The recognition of an item as an intangible asset requires an entity to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. 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 CETA; and the cost or fair value of the asset can be measured reliably.

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

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

### Initial Measurement

An intangible asset is initially measured at its cost and where an intangible asset is acquired at no cost or for a nominal cost, the cost is measured at its fair value as at the acquisition date.

Intangible assets which has a cost price less than R 2 000 are expensed and not capitalised.

### Subsequent measurement

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

### Amortisation

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. Internally generated goodwill is not recognised as an intangible asset. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values. The useful lives are detailed in the note for Property Plant and Equipment.

### Derecognition

Intangible assets are derecognised when no future economic benefits or service potential are expected from its use or disposal. The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

## 7 RELATED PARTIES

Members of the Accounting Authority and employees are required to disclose their interest in any contracts that CETA is entering into with an outside party. Inter-SETA transactions

and balances arise due to the movement of employers from one SETA to another. Transactions with related parties are supposed to occur under terms and conditions that are no less favourable than those available under similar arm's length dealings.

## 8 FINANCIAL INSTRUMENTS

Financial instruments are broadly defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

Financial assets and financial liabilities are initially recognised at fair value. Where an entity subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an entity can however designate such an instrument to be measured at fair value.

An entity cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for an entity's statement of financial position and performance, as well as the nature and extent of the risks that an entity is exposed to as a result of its financial instruments. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

The effective interest method is a method of calculating the amortised cost of a financial asset or a Financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the CETA shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

A financial asset is cash, residual interest of another entity, a contractual right to receive cash or another financial asset from another entity exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the CETA.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the CETA.

### Classification

*The CETA 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
Receivables from non-exchange transactions	Financial assets measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.
Receivables from exchange transactions	Financial assets measured at initial recognition value, and are subsequently measured at amortised cost using the effective interest rate method.
Cash and cash equivalents	Financial assets which comprise of cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known changes in value.

*The CETA 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
Provisions	Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost.
Payables from exchange transactions	Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost.
Payables from non-exchange transactions	Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost.

### Offsetting

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

## 9 LEASES

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance based on the straight-line method. 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 take place. The CETA does not hold any finance leases.

## 10 CONSUMABLES

Consumables are recognised as an asset on the date of acquisition and are measured at the cost on the acquisition date. Consumables are valued at the lower of cost or net replacement value. Consumables are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the entity and they can be measured reliably.

## 11 RESERVES

*Reserves are sub-classified in the Statement of financial position between the following funds and reserves:*

- Administration reserve
- Employer grant reserve
- Discretionary reserve

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, Act No 97 of 1998 as amended. *Member employer company levy payments are set aside in terms of the Skills Development Act, Act No 97 of 1998, as amended and the regulations issued in terms of the Act, for the purpose of:*

	2016 %	2015 %
Administration costs of the CETA	10.50	10.50
Discretionary Grant	49.50	49.50
Mandatory Grant	20	20
National Skills Fund	20	20
	<b>100</b>	<b>100</b>

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



Interest and penalties received from South African Revenue Services as well as interest received on Investments are utilised for discretionary grants and projects. Other income received are utilised in accordance with the original source of the income.

Surplus funds in the administration reserve and unallocated funds in the employer grant reserve are moved to the discretionary fund reserve. Reserves are created based on the accrual basis of accounting.

Contributions from Public Service	Split
Administration	1/3
Discretionary Grants	2/3

## 12 EMPLOYEE BENEFITS

### Defined contribution plans

The CETA provides for retirement benefits for all its permanent employees through a defined contribution scheme that is subject to the Pension Funds Act, 1956 as amended. Contributions are at a rate of 15% of pensionable emoluments of which members contribute 7.5%. The CETA's contribution to the defined contribution plans are charged to the Statement of Financial Performance in the year to which they relate and there is no further liability for the CETA. The CETA pays for the medical aid of the staff members and there is no obligation to the CETA over and above medical aid contributions.

## 13 PROVISIONS, ACCRUALS AND CONTINGENCIES

Provisions are recognised when CETA has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Provisions are recognised when the CETA has a present legal or constructive obligation as a result of past events, and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Long-term provisions are discounted to net present value.

### 13.1 Provision for levies exempt companies

Exempt companies' provision includes employers who continued paying skills development levies even though they are exempt in terms of Skills Development Act.

### 13.2 Provision for employee entitlements

The cost of other 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 last day of the financial year. Leave provision are

included under payables from exchange transactions in the statement of financial position based on the current salary rates and latest approved increases. Provision for bonus is also included.

## 14 PROVISIONS FOR GRANTS

### 14.1 Mandatory

A provision is recognised for grant payments due once the specific criteria set out in the regulations to the Skills Development Act, 97 of 1998, as amended has been complied with by member companies and it is probable that the CETA will approve the payment. The measurement of the obligation involves an estimate, based on the established pattern of past practice of approval for each type of grant.

### 14.2 Discretionary

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as commitment in the notes to the financial statements.

## 15 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity. Contingent assets and contingent liabilities are not recognised.

## 16 BORROWING COSTS

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

## 17 COMPARATIVE FIGURES

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

## 18 IRREGULAR, 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, Act No 97 of 1998 as amended,

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law.

Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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

All irregular, fruitless and wasteful expenditure is charged against income in the period to which it relates and disclosed in the period it was first discovered.

## 19 TAXATION

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

## 20 VALUE ADDED TAXATION (VAT)

The Revenue Laws Amendment Act, (Act No.45 of 2003) commenced on 22 December 2003. Previously the definition of enterprise placed Sectorial Education and Training Authorities (SETA) in Schedule 3A within the scope of VAT. The Amendment Act, however has amended this definition of enterprise and effectively places the public entity outside the scope of VAT; effective 1 April 2005.

## 21 SUBSEQUENT EVENTS

Subsequent events are all events that occur between the reporting date and the date on which the financial statements are authorised for tabling in parliament. Adjusting events are all the events that confirm the financial performance and position of the SETA at yearend and if material the financial statements are adjusted accordingly.

## 22 ERRORS

*Material prior period errors are corrected retrospectively in the first set of financial statements authorised for issue after their discovery by:*

- (a) Restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets for the earliest prior period presented.

## 23 BUDGET

The approved budget covers the fiscal period from 1 April 2016 to 31 March 2017. The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts. There are no entity or timing differences on the budget to actual information.

## NOTES TO THE FINANCIAL STATEMENTS

# 1 ALLOCATION OF UNAPPROPRIATED SURPLUS

2016 Restated	2017	Administration	Employer Grant Reserve	Discretionary Grant Reserve		
Total per Statement of Financial Performance R '000	Total per Statement of Financial Performance R '000	Administration reserve R '000	Mandatory skills grant R '000	Total R '000	Discretionary grants R '000	Total R '000
<b>Revenue</b>						
Skills development levy: income						-
Admin levy income (10.5%)	109 098	78 111	-	-	-	-
Grant levy income (69.5%)	726 200	-	143 535	143 535	360 600	360 600
Skills development levy: penalties and interest	22 661	-	-	-	21 598	21 598
Interest received - CPD	78 572	-	-	-	123 987	123 987
Other income	-	-	-	-	2 046	2 046
<b>Total</b>	<b>936 531</b>	<b>78 111</b>	<b>143 535</b>	<b>143 535</b>	<b>508 231</b>	<b>508 231</b>
<b>Expenses</b>						
Administration expenses	-59 617	-64 463	-	-	-	-
Employer grants and project expenses	-571 268	-	-71 271	-71 271	-338 471	-338 471
<b>Total</b>	<b>-630 884</b>	<b>-64 463</b>	<b>-71 271</b>	<b>-71 271</b>	<b>-338 471</b>	<b>-338 471</b>
	<b>305 647</b>	<b>13 648</b>	<b>72 264</b>	<b>72 264</b>	<b>169 761</b>	<b>169 761</b>





	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>2 LEVIES</b>			
<b>Levy income: Administration</b>			
Levies in cash		78 313	109 091
Levies received from SARS		75 474	107 181
Government levies received		2 825	1 910
Inter-seta transfers in		14	-
Levies provision		-201	7
		<b>78 111</b>	<b>109 098</b>
<b>Levy income: Employer Grants</b>			
Levies in cash		142 552	307 104
Levies received from SARS		142 525	307 104
Inter-seta transfers in		27	-
Levies provision		983	1 701
		<b>143 535</b>	<b>308 805</b>
<b>Levy income: Discretionary Grants</b>			
Levies in cash		362 748	418 843
Levies received from SARS		357 030	415 023
Government levies received		5 651	3 819
Inter-seta transfers in		68	-
Levies provision		-2 148	-1 448
		<b>360 600</b>	<b>417 395</b>
<b>Total</b>		<b>582 247</b>	<b>835 298</b>
<b>3 FINES, PENALTIES AND FORFEITS</b>			
Skills Development Levy: Interest		9 436	10 008
Skills Development Levy: Penalties		12 163	12 653
		<b>21 598</b>	<b>22 661</b>
<b>4 OTHER INCOME</b>			
Other income comprises of:			
Income from Recoveries by Attorneys		2 045	-
Profit on Write-Off of Asset		1	-
		<b>2 046</b>	<b>-</b>
<b>5 INTEREST RECEIVED - CPD</b>			
Reserve Bank (CPD)		123 987	78 572
		<b>123 987</b>	<b>78 572</b>

	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>6 ADMINISTRATION EXPENSES</b>			
<b>6.1 Employee cost</b>			
Basic Salaries		10 921	16 215
Net Bonuses		2 845	1 818
PAYE		5 629	6 145
UIF		135	179
Pension		1 066	3 468
Medical Aid		1 559	-
Bond Subsidy		280	-
Other		1 621	503
		<b>24 056</b>	<b>28 328</b>
<b>Defined Contribution Plan</b>			
The CETA's contribution to the defined contribution plan are charged to the Statement of Financial Performance in the year to which they relate and there is no further liability for the CETA.			
<b>Fringe Benefits</b>			
In the new financial year, the CETA introduced new fringe benefits for its employees namely the Bond Subsidy and contribution towards Medical Aid.			
Included in other operating expenses are Garnishee orders, Leave pay, Compensation fund, employee wellness, union fees, recruitment fees, bursaries etc.			
<b>6.2 Depreciation and amortisation</b>			
Depreciation		3 261	2 213
Amortisation		749	429
		<b>4 009</b>	<b>2 642</b>
<b>6.3 Operating Expenses</b>			
QCTO		3 008	1 928
Board and Board Committees		2 505	1 276
Travel, Subsistence and Accommodation		569	534
Communication, PR and Marketing		4 961	2 278
Audit Related Costs		3 716	2 718
Consulting and Outsourcing		1 406	1 443
Cost of Occupancy		7 417	2 422
Legal Costs		4 428	10 917
Other Operational Expenses		8 387	5 131
		<b>36 398</b>	<b>28 646</b>
<b>Total</b>		<b>64 463</b>	<b>59 617</b>

	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>7 EMPLOYER GRANT AND PROJECT EXPENSES</b>			
Mandatory Grants		80 476	246 077
– Expensed		80 628	248 094
– Movement in provision		-152	-2 017
Discretionary Grants		329 265	325 191
– Core expenditure		239 165	289 195
– Admin expenditure		<b>90 101</b>	<b>35 996</b>
– Employee cost		37 596	16 637
– Project Administration costs		52 504	19 359
		<b>409 741</b>	<b>571 268</b>
<b>8 CASH AND CASH EQUIVALENTS</b>			
Cash on hand		3	4
Bank balance		2 025 202	1 718 982
		<b>2 025 205</b>	<b>1 718 985</b>
<b>9 RECEIVABLES</b>			
<b>9.1 Receivables from non-exchange transactions</b>			
SARS Employer receivables - current year		199	1 121
SARS Employer receivables - prior years		7 343	6 719
		<b>7 542</b>	<b>7 840</b>
<b>9.2 Receivables from exchange transactions</b>			
9.2.1 Sundry debtors		618	592
Provision for bad debts		-96	-
		<b>523</b>	<b>592</b>
9.2.2 Staff debtors		163	153
9.2.3 Project debtors		2 052	1 009
<b>Total Receivables from exchange transactions</b>		<b>2 738</b>	<b>1 755</b>
Project debtors relate to cases successfully concluded in favour of the CETA during the financial year. The interest effect on the amount is immaterial as the amount equals the cost.			
<b>10 CONSUMABLES</b>			
Opening balance		473	212
Movement		-177	261
Closing balance		<b>296</b>	<b>473</b>



## 11 PROPERTY, PLANT AND EQUIPMENT

	2017			2016 (Restated)		
	Cost	Accumulated depreciation and impairment	Carrying amount	Cost	Accumulated depreciation and impairment	Carrying amount
Furniture and fittings	3 707	-1 161	2 546	2 338	-1 787	551
Motor vehicles	5 401	-2 487	2 914	5 401	-1 407	3 994
Office equipment	3 838	-1 852	1 985	2 314	-1 230	1 084
Computer equipment	4 755	-2 256	2 499	3 188	-1 643	1 545
<b>Total</b>	<b>17 700</b>	<b>-7 756</b>	<b>9 945</b>	<b>13 241</b>	<b>-6 067</b>	<b>7 174</b>

### Reconciliation of Property, Plant and Equipment - 2017

	Opening balance	Additions	Disposals	Write-off	Depreciation	Total
Furniture and fittings	551	2 979	-364	-	-619	2 546
Motor vehicles	3 994	-	-	-	-1 080	2 914
Office equipment	1 084	1 656	-47	-	-707	1 985
Computer equipment	1 545	1 862	-30	-24	-854	2 499
<b>Total</b>	<b>7 174</b>	<b>6 496</b>	<b>-441</b>	<b>-24</b>	<b>-3 261</b>	<b>9 945</b>

### Reconciliation of Property, Plant and Equipment - 2016

	Opening balance	Additions	Disposals	Write-off	Depreciation	Total
Furniture and fittings	728	-	-	-5	-173	551
Motor vehicles	5 015	464	-	-433	-1 052	3 994
Office equipment	1 536	164	-	-24	-593	1 084
Computer equipment	373	1 587	-	-17	-398	1 545
<b>Total</b>	<b>7 653</b>	<b>2 215</b>	<b>-</b>	<b>-478</b>	<b>-2 215</b>	<b>7 174</b>

## 12 INTANGIBLE ASSETS

	2017			2016 (Restated)		
	Cost	Accumulated depreciation and impairment	Carrying amount	Cost	Accumulated depreciation and impairment	Carrying amount
Computer software	1 707	-1 556	151	1 430	-808	623
<b>Total</b>	<b>1 707</b>	<b>-1 556</b>	<b>151</b>	<b>1 430</b>	<b>-808</b>	<b>623</b>

### Reconciliation of Intangible Assets - 2017

	Opening balance	Additions	Amortization	Total
Computer software	623	277	-749	151
<b>Total</b>	<b>623</b>	<b>277</b>	<b>-749</b>	<b>151</b>

### Reconciliation of Intangible Assets - 2016

	Opening balance	Additions	Amortization	Total
Computer software	669	383	-429	623
<b>Total</b>	<b>669</b>	<b>383</b>	<b>-429</b>	<b>623</b>

Remaining average useful lives:	Years
Furniture and fittings	2
Motor vehicles	3
Office equipment	2
Computer equipment	2
Computer software	1

	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>13 PAYABLES</b>			
<b>13.1 Payables from non-exchange transactions</b>			
Levy creditors		11 937	13 065
SARS payables		822	587
Skills development mandatory grants		6 238	5 836
		<b>18 996</b>	<b>19 489</b>
<b>13.2 Payables from exchange transactions</b>			
Trade payables - Projects		7 682	8 197
Trade payables - Administration		3 877	1 911
Accrued expenses - Administration		2 874	2 226
Accrued expenses - Projects		29 974	24 242
Lease liability		581	477
NSF Lay-off scheme		37	37
Other creditors		1 311	612
		<b>46 335</b>	<b>37 702</b>

	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>14 DEFERRED INCOME</b>			
Opening balance		1 120	-
Amount received		-	3 756
Amount paid		-1 120	-2 636
		<b>-</b>	<b>1 120</b>

Deferred income was made up of external funds received for the payment of an RPL program falling within the CETA's scope.

## 15 PROVISIONS

### 15.1 Employer refund

Opening balance	17 395	17 655
Transfers to discretionary grants	-3 564	-4 263
Current year	3 528	3 203
Change in provision	1 402	799
Closing balance	<b>18 761</b>	<b>17 395</b>

The provision for employer refund R18 761' (2016: R17 395') relates to levies incorrectly contributed by employers. Paid by SARS/DHET to the CETA despite being exempted from contributing the Skills Development Levy due to a legislation which came into effect on 1 August 2005. There has since been a Skills Development Circular no.09/2013 which states that SETAs should provide for no longer than five years as stipulated in terms section 190(4).

### 15.2 Other Mandatory Grant provisions

Opening balance	4 251	6 345
Change in provision	-1 085	-2 094
Closing balance	<b>3 166</b>	<b>4 251</b>

### 15.3 Other provisions

Opening balance	-	9 170
Change in estimate	747	-9 170
Closing balance	<b>747</b>	<b>-</b>

### 15.4 Discretionary grants

Opening balance	63 745	52 856
Utilised	-25 542	-15 970
Change in provision	63 254	26 860
Closing balance	<b>101 457</b>	<b>63 745</b>

### 15.5 Leave Pay

Opening balance	985	851
Additions	112	101
Utilised	-14	-133
Change in provision	443	167
Closing balance	<b>1 526</b>	<b>985</b>

<b>Total</b>	<b>125 657</b>	<b>86 377</b>
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	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>16.CASH GENERATED FROM OPERATIONS</b>			
Surplus		255 673	305 647
<b>Adjusted for:</b>			
Depreciation and amortisation		4 009	2 642
Depreciation adjustment on disposed asset		-	2
Loss on write-off of asset		-	105
Profit on write-off of asset		-1	-
Loss Disposal of assets		323	-
Write-off of Assets		-	20
Disposal of assets		-	25
Prior year Adjustments	18	7 053	9 290
Write-off of project creditors		-	435
<b>Changes in working capital:</b>			
Consumables		177	-261
Receivables from exchange transactions		-984	551
Receivables from non-exchange transactions		298	249
Movement in provisions		39 280	-500
Deferred Income		-1 120	1 120
Payables from exchange transactions		8 634	21 181
Payables from non-exchange transactions		-492	-808
		<b>312 849</b>	<b>339 698</b>

## 17 COMMITMENTS

### 17.1 Discretionary Grants

Programmes	Restated Balance b/fwd R '000	Prior year adjustments R '000	Restated Balance 31/03/2016 R '000	Adjustments R '000	Allocations R '000	2016/17 Utilized R '000	Balance c/fwd R '000
Addition of a Construction Development Wing in the incubation centre	1 000	-	1 000	-	-	-	1 000
Apprenticeships	351 070	-3 864	347 207	78 196	59 500	-99 989	384 914
Associate lecturer positions (Transport planning /GIS/CAD for planning)	626	638	1 264	2 880	-	-2 669	1 475
Bursaries	57 049	-907	56 141	1 429	17 640	-18 809	56 401
Candidacy	118 319	-4 283	114 037	1 440	7 560	-15 353	107 683
Development of Academic Programme	2 121	-1 212	909	-	-	-163	747
DQP Status	6 845	205	7 049	-	-	-	7 049
Entrepreneurship and Mentorship	720	-	720	-	-	-	720
Equity Development Post	2 580	346	2 926	-	-	-	2 926
Establishment and Development of Cooperatives	15 847	191	16 038	-	-	-3 253	12 785
Establishment of a Construction Laboratory and Workshop	8 920	-	8 920	-	-	-	8 920
Establishment of a cooperative	500	-	500	-	-	-	500
Establishment or Enhancement of Construction Departments in Public FET Colleges	2 867	100	2 967	-	-	-471	2 497
Internships	51 143	758	51 902	-3 384	3 240	-1 170	50 588
Learnerships	336 342	-3 058	333 284	6 429	125 280	-64 912	400 080
Placement of learners in workplaces	56 391	377	56 768	-3 600	7 380	-4 575	55 973
Programme Development	129	-	129	-	-	-	129
Recognition Of Prior Learning	24 757	-536	24 221	-704	-	-1 313	22 205
Short Skills Programmes	113 798	1 847	115 645	4 391	-	-18 425	101 611
Skills Development Centre	32 562	-4 410	28 152	66 369	24 246	-6 058	112 710
Trade Testing	11 108	42	11 150	-	-	-539	10 611
Training of FET college staff in assessment and moderation	300	-	300	-	-	-	300
Various Projects	1 690	86	1 776	-	-	-	1 776
Workplace Integrated learning	-	-	-	-	5 040	-	5 040
<b>Total Discretionary Grant Core Expenditure</b>	<b>1 196 686</b>	<b>-13 679</b>	<b>1 183 007</b>	<b>153 673</b>	<b>249 886</b>	<b>-237 923</b>	<b>1 348 642</b>

## 17 COMMITMENTS (continued)

The opening balances of commitments were restated due to the effect of prior year errors on the figures and reallocation of utilised amounts.

Excluded from the current year commitment figure is R1,331,215.00 relating to payment of old projects.

**Offer letters issues by 31 March 2017 and accepted by entities after 31 March 2017:**

Programmes	Total R '000
Apprenticeship	73 000
Bursaries	19 560
Candidacy	9 600
HET students graduate placement	360
Internship	4 500
Learnerships	77 040
Short Skills	27 905
TVET student graduate placements	8 100
Work integrated learning	12 060
	<b>232 125</b>

	NOTE	MARCH 2016/17 R '000	RESTATE MARCH 2015/16 R '000
<b>17.2 Operating leases</b>			
Total of minimum lease payments under none cancellable leases			
- within one year		2 419	2 240
- within two years		-	2 419
		<b>2 419</b>	<b>4 659</b>

The operating lease commitments have been straight lined over the period of the lease to take into account any escalation clauses contained therein. The operating lease relates to business premises used for office accommodation.



	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>17 COMMITMENTS (continued)</b>			
<b>17.3 Administration Commitments</b>			
MOORE STEPHENS B&W		-	10
ADT KUSELA		-	45
GALIX NETWORKING (PTY) LTD		97	195
ACCTECH SYSTEMS		465	1 000
DELOITTE & TOUCHE		3 077	-
EOH MTHOMBO		1 046	-
TIPP FOCUS CONSULTING		580	-
STEINER HYGIENE (PTY) LTD		8	-
BUSINESS CONNEXION		496	-
AFRICAN DAWN RISK SOLUTIONS		59	-
NGUBANE & CO (JHB) INC		1 349	-
PROSPEROSA CONSULTING		138	-
CTRACK MZANSI (DIGICORE MANAGEMENT SERVICES (PTY)LTD		57	-
FIDELITY SECURITY SERVICES		531	-
THE VUVUZELA HOTLINE		49	-
CASPER COMBRINK ELECTRONICS T/A SECURITY INTEGRATED SYSTEMS		157	-
KEY MOVES		68	-
JASCO POWER		258	-
BLUE DOVE PROJECTS AND SERVICES		21 059	-
OYANA BUSINESS SERVICES		4 998	-
CREATIVE CONSULTING		175	-
		<b>34 668</b>	<b>1 250</b>

## 18 PRIOR YEAR ERRORS

- a** During the financial year, it was noted that some administrative and discretionary expenditure were over stated in the prior year and some re-allocations needed to be made. Therefore opening balances needed to be adjusted.
- b** During the year, it was noted that some discretionary grant expenditure did not belong to the current financial year. Therefore opening balances needed to be adjusted.
- c** A reclassification of administration expenditure to discretionary grant administration expenditure was fully implemented in the current financial year. The prior year also needed to be adjusted accordingly.
- d** A reallocation of prior year amounts for mandatory grant expenditure was done during the year.

	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>Impact on account balances:</b>			
<b>a</b> Increase administration reserves		-	-116
Increase in Accounts Payable		-	-39
Decrease in Accruals		-	154
Increase discretionary grant reserves		-	-6 937
Decrease in Accounts Payable		-	844
Decrease Accruals		-	3 408
Decrease in Provision		-	2 684
<b>b</b> Increase in Apprenticeship Expense		-	3 107
Increase in Bursary Expense		-	398
Increase in Internship Expense		-	156
Increase in Learnership Expense		-	4 568
Increase in Short Skills Program Expense		-	918
Increase in Workplacement Expense		-	248
Increase in Accruals		-	-9 394
Decrease discretionary grant reserves		-	9 394
<b>c</b> Decrease in Administration Expenditure		-	-8 736
Increase in Discretionary Grant Administration Expenditure		-	8 736
Increase in Administration Reserves		-	-8 736
Decrease in Discretionary Grant Reserves		-	8 736
<b>d</b> Increase in Mandatory Expenditure		-	138
Decrease in Project Expenditure		-	-42
Increase in Levy creditors		-	-51
Increase in Discretionary Grant Reserves		-	-46

	NOTE	MARCH 2016/17 R '000	RESTATED MARCH 2015/16 R '000
<b>19 CHANGE IN ACCOUNTING ESTIMATES</b>			
During the financial year, the expected useful lives of all assets that were bought before 1 April 2013, were all reviewed as follows:			
<b>Class of Asset</b>	<b>Useful life extention</b>		
Furniture and fittings	2		
Office equipment	2		
Computer equipment	2		
<b>Movements are as follows:</b>			
Increase in Depreciation (Office equipment)		25	-
Increase in Accumulated Depreciation (Office equipment)		-25	-
Increase in Depreciation (Furniture and fittings)		79	-
Increase in Accumulated Depreciation (Furniture and fittings)		-79	-

## 20 RELATED PARTIES

### Transactions with entities under common control

By virtue of the CETA being a National Public Entity related to entities and departments in the National sphere of government, it is considered related to Telkom, Eskom, South African Airways, other Seta's and 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 common control to the department, these amounts were disclosed as below.

	2017 R '000		2016 (Restated) R '000	
	Transaction Amount	Amount receivable/ (payables)	Transaction Amount	Amount receivable/ (payables)
MERSETA	109	-	-	-
	109	-	-	-

**Note:** Relating to Inter SETA transfers that the amount of the transaction, where applicable, includes interest and penalties transferred to or from the SETA.

## 21 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

There were no Irregular, fruitless and wasteful expenditure incurred during the financial year.



## 22 FINANCIAL INSTRUMENTS

In the course of CETA operations, it is exposed to interest rate, credit, liquidity and market risk. CETA has developed a comprehensive risk strategy in terms of Treasury Regulation 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.

Financial instruments have not been discounted as they will all be settled or recovered within 6 months. Effect of discounting was considered and found not to be material.

### Interest rate risk

CETA manages its interest rate risk by effectively investing surplus the Corporation for Public Deposits (CPD) as per Treasury Regulation 31.3.3.

Credit risk 2017		Floating rate	Non-interest bearing		
Assets	Amount	Effective interest rate	Amount	Weighted average period until maturity in years	Total
Cash and cash equivalents	2 025 205	7,3%	-		2 025 205
Receivables from non-exchange transactions	-		7 542		7 542
Receivables from exchange transactions	-		2 738		2 738
<b>Total financial assets</b>	<b>2 025 205</b>		<b>10 280</b>		<b>2 035 486</b>

Credit risk 2016		Floating rate	Non-interest bearing		
Assets	Amount	Effective interest rate	Amount	Weighted average period until maturity in years	Total
Cash and cash equivalents	1 718 985	6,0%	-		1 718 985
Receivables from non-exchange transactions	-		7 840		7 840
Receivables from exchange transactions	-		1 755		1 755
<b>Total financial assets</b>	<b>1 718 985</b>		<b>9 594</b>		<b>1 728 579</b>

Financial assets, which potentially subject CETA to the risk of non-performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

CETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury Regulation 28. CETA's exposure is continuous.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. CETA does not have any material exposure to any individual or counter-party. CETA's concentration of credit risk is limited to the industry (Financial).

Credit risk with respect to levy paying employers is limited due to the nature of the income received. CETA does not have any material exposure to any individual or counter-party. CETA's concentration of credit risk is limited to the industry (Construction related industries) in which CETA operates. No events occurred in the industry (Construction and related industries) during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debts.

## 22 FINANCIAL INSTRUMENTS (continued)

### Liquidity risk

CETA manages liquidity risk through proper management of working capital, capital expenditure (and actual versus forecasted cash flows and its cash management policy). Adequate reserves and liquid resources are maintained.

2017	Carrying Amount	Contractual Cash Flows	6 months or less
Payables from non-exchange transactions	18 996	18 996	18 996
Payables from exchange transactions	46 335	46 335	46 335
	<b>65 332</b>		

2016	Carrying Amount	Contractual Cash Flows	6 months or less
Payables from non-exchange transactions	19 489	19 489	19 489
Payables from exchange transactions	37 702	37 702	37 702
	<b>57 190</b>		

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

### Market risk

CETA 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 CETA is aware of.

### Fair values

CETA's financial instruments consist mainly of cash and cash equivalents, accounts and other receivables and account and other payables. No financial instruments were carried at an amount in excess of its fair value. Fair values could be reliably measured for all financial instruments.

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

#### Cash and cash equivalent

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

#### Accounts receivable

The carrying amount of accounts receivable is net of allowance for any doubtful debt, estimated by the Accounting Authority based on prior experience. The carrying amount of these assets approximates their fair value. The effect of discounting is considered and found to be immaterial.

#### Investments

The fair value of publicly traded investments is based on quoted market prices for those investments.

#### Accounts payables

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

#### Borrowings

The fair value of interest-bearing borrowings is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (only if applicable)The effect of discounting was considered and found to be immaterial.

## 23 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 CETA and may have an impact on future financial statements.

Related Party Disclosures	GRAP 20	Not yet effective
Service Concession Arrangements: Grantor	GRAP 32	Not yet effective
Separate Financial Statements	GRAP 34	Not yet effective
Consolidated Financial Statements	GRAP 35	Not yet effective
Disclosure of Interests in Other Entities	GRAP 38	Not yet effective
Statutory Receivables	GRAP 108	Not yet effective
Accounting by Principals and Agents	GRAP 109	Not yet effective
Living and Non-living Resources	GRAP 110	Not yet effective

## 24 CONTINGENCIES

### Contingent Assets

a Litigations	Description	R '000
Ms R Malatji	Employee related recoveries	22
African Haze Trading 8 CC t/a Tshamaano Construction	Recoveries claim by CETA for monies paid to the entity	466
Busi Ntuli Communications	Recoveries claim by CETA for monies paid to the entity	100
Izingwazi Contractors	Recoveries claim by CETA for monies paid to the entity	273
Kwambanjwa Carpentry & Construction Services CC	Recoveries claim by CETA for monies paid to the entity	171
Lekamva Academy - Case No: 11965/2013	Recoveries claim by CETA for monies paid to the entity	11 381
Lot Noko Moloko CC	Recoveries claim by CETA for monies paid to the entity	198
Masakhane Projects Managers	Recoveries claim by CETA for monies paid to the entity	312
Matodzi and Thibo Construction and Projects CC	Recoveries claim by CETA for monies paid to the entity	698
Moseme Road Construction	Recoveries claim by CETA for monies paid to the entity	1 446
Mvudi Park 16 Trading	Recoveries claim by CETA for monies paid to the entity	688
Ndlwana Business Enterprises	Recoveries claim by CETA for monies paid to the entity	109
PA Letsoalo Construction Enterprises	Recoveries claim by CETA for monies paid to the entity	442
Sele matsela Empowerment Projects CC	Recoveries claim by CETA for monies paid to the entity	1 446
Thabang Property Development	Recoveries claim by CETA for monies paid to the entity	1 040
Tshedza Consulting Engineers & Desto (Pty) Ltd	Recoveries claim by CETA for monies paid to the entity	2 101
Vharanani Properties CC	Recoveries claim by CETA for monies paid to the entity	767
Zenzulwazi Plumbing & Construction Services CC	Recoveries claim by CETA for monies paid to the entity	111
		<b>21 771</b>



## 24 CONTINGENCIES (continued)

### Contingent Liabilities

b Retention of surplus funds	R '000
In terms of the Grant Regulation 3(11), SETAs are expected to have spent or committed (through actual contractual obligations) at least 95% of discretionary funds available to use as at 31 march of each year. The possible liability is calculated as follows:	
Discretionary grant reserves	1 844 176
Less: Commitments	-1 580 766
Less: Allowable 5%	-92 209
	<b>171 200</b>

## 25 GOING CONCERN

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

## 26 EVENTS AFTER THE REPORTING PERIOD

Management is not aware of any matters or circumstances that arose from the end of the date of this reporting financial year which would require adjustments to or disclosure in the financial statements.

## 27 PRESENTATION OF BUDGET INFORMATION

### Basis of preparation:

The budget was prepared on an accrual basis and presented hereto on a comparable basis since expenditure in the budget is comparable to the income statement.

### Analysis of variances:

#### Revenue

Levy Income is less than the budgeted amount. Levies received from employers have been below the budgeted amounts in most months of the financial year. Other income such as Interest from CPD assisted the total income for the year.

#### Employer grant expenses

The Employer grant expenditure were lower than the budgeted amount despite the payout ratio of 60%, this due to the lower levy income received and SARS reversals.

#### Project expenses

The movement in discretionary grant expenditure is influenced by stricter controls and a performance based payment model.

#### Administration expenditure

Admin expenditure were more than the budgeted amount during the year, due to payments of once-off expenditure that the budget distributed evenly throughout the year. The admin expenditure dropped below the budgeted amount by year-end as the once-off payments have been settled and reallocation of expenditure were done.

## 28 SEGMENT REPORTING

The CETA has identified the core operations of the CETA as reportable segments based on services rendered. Programme 1: is for Ensuring compliance with relevant laws and regulations governing the CETA, Ensuring good corporate governance, Ensuring good corporate management and Risk Management. Programme 2: represents Core Business which is responsible for Management of projects cost effectively, timely and productively, Ensure effective skills planning and reporting for the Construction Sector, Registration of qualifications and ensuring quality delivery of skills development programmes and Sound monitoring and evaluation of CETA skills development programmes. Programme 3: is Skills Development Provisioning and is responsible for Increasing access to Occupationally-Directed Programmes in the Construction Sector, Building project-based partnerships with TVET Colleges, SMMEs, NGOs, Cooperatives and worker initiatives, Enhancement of public sector capacity for improved service delivery, Facilitate and support learners with RPL programmes in the Construction Sector, Building career and vocational guidance. The assets and liabilities of the CETA cannot be separated into the segments disclosed, and hence are not disclosed under segment reporting.

		PROGRAMME 1	PROGRAMME 3	PROGRAMME 2	MARCH 2016/17 TOTAL R '000
	NOTE	R '000	R '000	R '000	
<b>Revenue</b>					
<b>Revenue from non-exchange transactions</b>					
<b>Transfer revenue</b>					
Levies	2	78 111	143 535	360 600	582 247
Fines, Penalties and Forfeits	3	-	-	21 598	21 598
<b>Total revenue from non-exchange transactions</b>		<b>78 111</b>	<b>143 535</b>	<b>382 199</b>	<b>603 845</b>
<b>Revenue from exchange transactions</b>	4	<b>-</b>	<b>-</b>	<b>2 046</b>	<b>2 046</b>
Interest received - investment	5	-	-	123 987	123 987
<b>Total revenue from exchange transactions</b>		<b>-</b>	<b>-</b>	<b>126 033</b>	<b>126 033</b>
<b>Total revenue</b>		<b>78 111</b>	<b>143 535</b>	<b>508 231</b>	<b>729 878</b>
<b>Expenditure</b>					
Administration Expenses	6	-64 463	-	-	-64 463
Employer Grant and Project Expenses	7	-	-80 476	-329 265	-409 741
<b>Total expenditure</b>		<b>-64 463</b>	<b>-80 476</b>	<b>-329 265</b>	<b>-474 204</b>
<b>Operating surplus</b>		<b>13 648</b>	<b>63 059</b>	<b>178 966</b>	<b>255 673</b>
<b>Surplus for the year</b>	1	<b>13 648</b>	<b>63 059</b>	<b>178 966</b>	<b>255 673</b>

# REMUNERATION TO KEY MANAGEMENT AND ACCOUNTING AUTHORITY DISCLOSURE

## CETA-SALARIES

### Paid to Key Management

The key management personnel (as defined by Related Party Disclosures) of the CETA are: the members of the accounting authority and the members of senior management.

	Total Cost to Company R '000	Bonus R '000	Total R '000
Executive Management	7 216	2 332	9 548
Total number			4

## CETA-MEETING ALLOWANCES

### Paid/Payable to Board Members

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.

Member Names	Accounting Authority R '000	Executive Committee R '000	Core Business Committee R '000	Audit Committee R '000	Finance Committee R '000	Governance & Strategy Committee R '000	Remuneration Committee R '000	Other Meeting Allowance R '000	Total Meetings R '000
Mr R Cele	86	165	-	-	-	-	-	354	605
Mr W Mfebe	50	140	7	-	-	21	-	141	359
Mr J Mpe	52	-	24	-	-	-	-	95	171
Mr L Shai	53	133	-	-	65	-	-	113	364
Mr B Dlamini	53	-	-	-	-	-	39	30	123
Mr T Matosa	25	95	-	-	51	-	-	21	193
Ms S Molefe	33	-	-	-	-	-	39	53	125
Mr B Ngcobo	53	-	-	-	-	18	-	137	208
Ms L Mohlamme	-	-	-	-	16	-	-	-	16
Ms J Mogadime	-	-	-	28	-	-	-	13	40
Mr Z Fihlani	-	-	-	15	-	-	-	14	29
Mr R Mnisi	25	-	-	-	-	-	-	3	27
Mr Rankoe	-	-	-	15	-	-	-	4	19
	431	534	31	58	132	39	79	977	2 280





[illegible]





