



# ANNUAL REPORT

## 2015 | 2016



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## 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>CBO</b>	Community Based Organisations
<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>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>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>JPMT</b>	Joint Project Management Team
<b>KPI</b>	Key Performance Indicator
<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>MTEF</b>	Medium Term Expenditure Framework
<b>NAMB</b>	National Artisan Moderating Body
<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 Creations
<b>OFO</b>	Organizing Framework for Occupations
<b>PABX</b>	Private Automated Branch Exchange

<b>PFMA</b>	Public Finance Management 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>SSETA</b>	Services Sector Education and Training Authority
<b>SMME</b>	Small, Medium and Micro Enterprise
<b>SSP</b>	Sector Skills Plan
<b>SP</b>	Strategic Plan
<b>TVET</b>	Technical and Vocational Education and Training
<b>WSP</b>	Workplace Skills Plan



## **VISION**

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

## **MISSION**

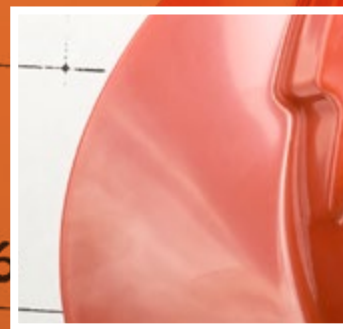
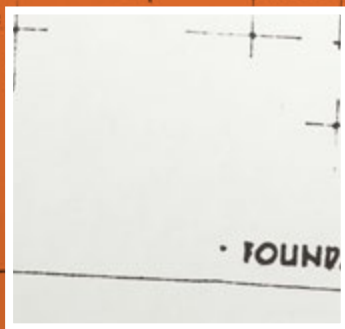
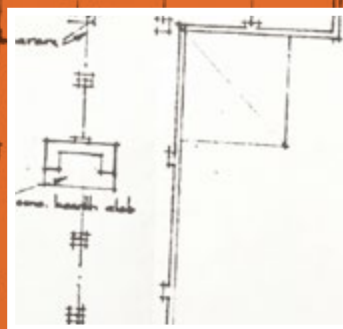
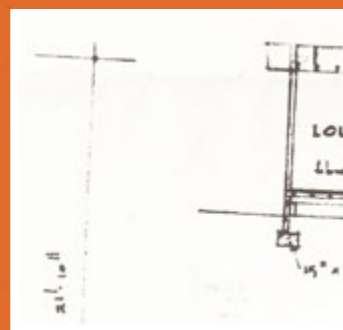
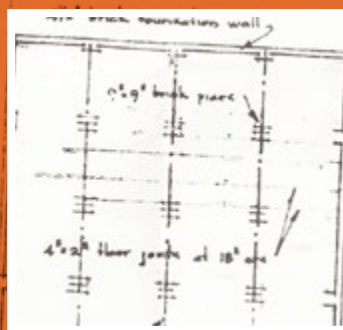
To create a solid skills base as a foundation for infrastructural development and economic empowerment

## **VALUES**

- Responsiveness
- Respect
- Integrity
- Professionalism

# Part A:

## General Information



## PART A: GENERAL INFORMATION

CETA GENERAL INFORMATION	
Registered name of the public entity	Construction Education and Training Authority
ISBN number	978-1-77018-804-4
RP number	RP162/2916
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.co.za

EXTERNAL AUDITORS 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





Dr Bonginkosi Nzimande

Minister of Higher Education and Training

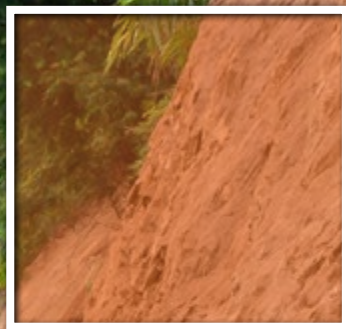
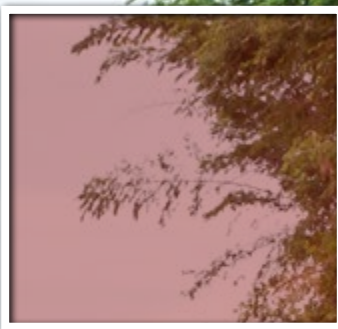
Submission of the Annual Report to the Executive Authority

To the Minister of Higher Education and Training, Dr. Bonginkosi Nzimande, I have the honour of submitting to you in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999), the Annual Report of Construction Education and Training Authority (CETA) for the period 01 April 2015 to 31 March 2016.

A handwritten signature in black ink, consisting of a stylized 'R' and 'C' followed by a horizontal line.

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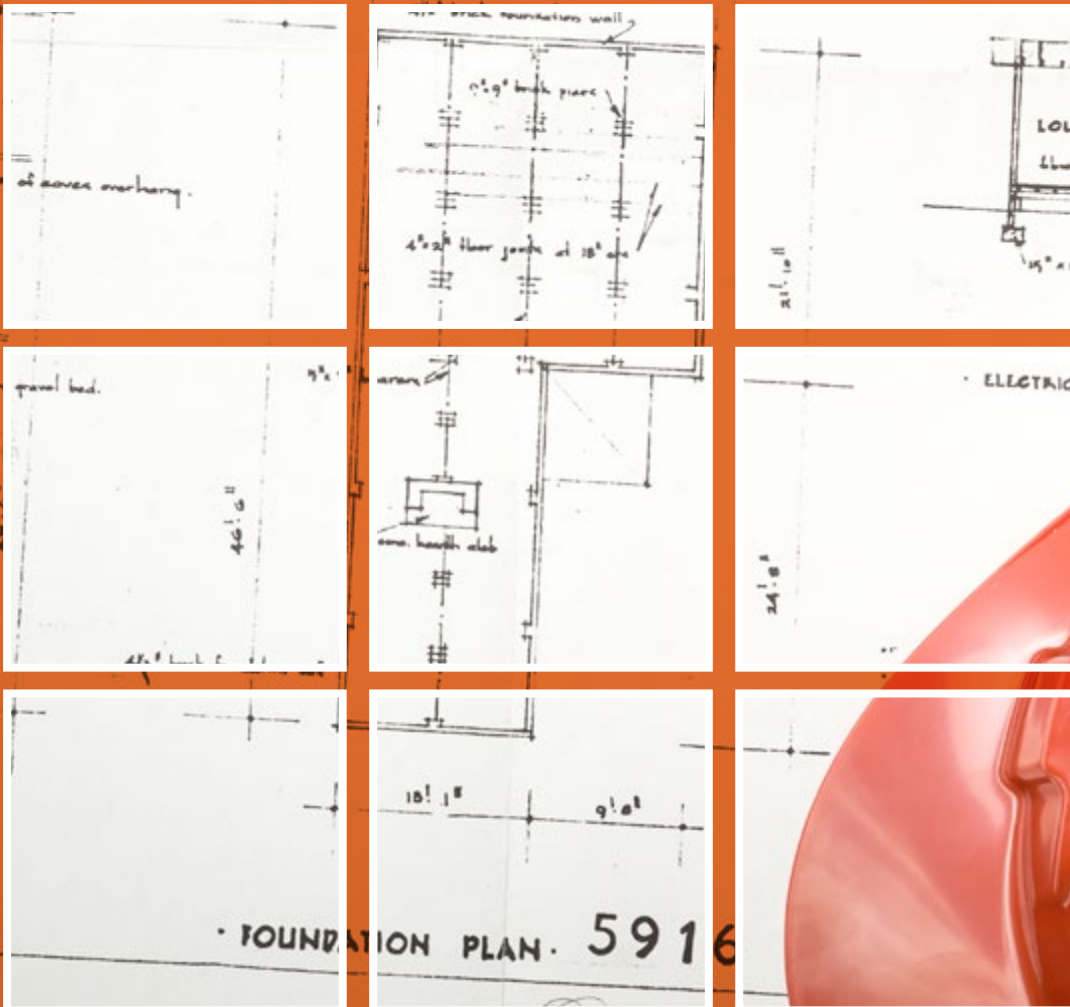
**Mr Raymond Cele**  
*CETA Chairperson*





# Part B

## Accounting Authority's Review



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



**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 2016. 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 obtained a clean audit 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 achievement of the clean audit by the CETA is by no means a small feat, given the history of the organisation. This is the final culmination of the rigorous process of a clean administration which has its origins during the Administration period.

Whilst the achievement of a clean audit outcome is admirable and commendable, the CETA is cognisant of the fact that the clean audit would be meaningless if the mandate of the organisation is not achieved. It is therefore with great pleasure that we are able to also report having achieved 19 046 learners for the year 2015/16. 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. The above will mean that the CETA pays careful attention to the areas of continuous improvement – as identified by the management report of the Auditor General (AG).

### 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 SETAs' 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 2018.

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

The following are the sub-sectors that the CETA serves:

- Building Construction
- Built Environment Professionals
- Materials Manufacturing
- Roads and Civil Construction

## THE CETA IS THEREFORE RESPONSIBLE FOR

Based on the extended National Skills Development Strategy (NSDS) III, its own Sector Skills Plan (SSP) and 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
- The 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
- The disbursements of mandatory grants based on the submission of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) by companies in its sector qualifying registered companies.

## FINANCIAL OVERVIEW

The total revenue for the year ended 31 March 2016 amounted to R937 million which is 46% higher than R640 million in 2014/15. Levy income increased by 13% from R551 million for the 2014/15 year to R835 million for the 2015/16 as a result of increase in levy paying companies. Interest received on investments increased by 30% from R61 million to R79 million as a result of increase in the bank balance. All funds are currently invested with CPD and the average interest rates are quoted at 5.5%.

Total expenditure for the year ended 2015/16 amounted to R621 million increasing by 51% from R412 million in 2014/15 year. Total expenditure is made up of mandatory grants expenditure, Discretionary grants expenditure and Administrative expenditure. Mandatory grant expenditure increased from R91 million to R246 million. This is attributable to increase in submissions by the companies. Discretionary grants expenditure increased by 17% from R263 million in 2014/15 to R307 million in 2015/16 year. The increase is attributed to payments made to projects implemented in the current year.

Administration expenditure increased from R58 million in 2014/15 to R68 million in 2015/16. CETA kept its administrative expenditure below the regulated threshold of 10.5%.

The 25% increase in total reserves from R1 277 million in 2014/15 to R1 602 million in 2015/16 was as a results of 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 Public Finance Management Act. 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 Fanuel Motsepe	Ministerial Appointee	Active Member
Mr Webster Mfebe	Organised Employer	Active Member
Ms Martha Sedumedi	Organised Employer	Active Member
Mr Mark Mfikoe	Organised Employer	Active Member
Ms 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

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 workplace as training spaces to allow both employed and unemployed people to gain 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, to shaping a sector that is an inclusive and attractive training ground for South African youth.



**Mr Raymond Cele**  
*CETA Chairperson*

## ACCOUNTING AUTHORITY



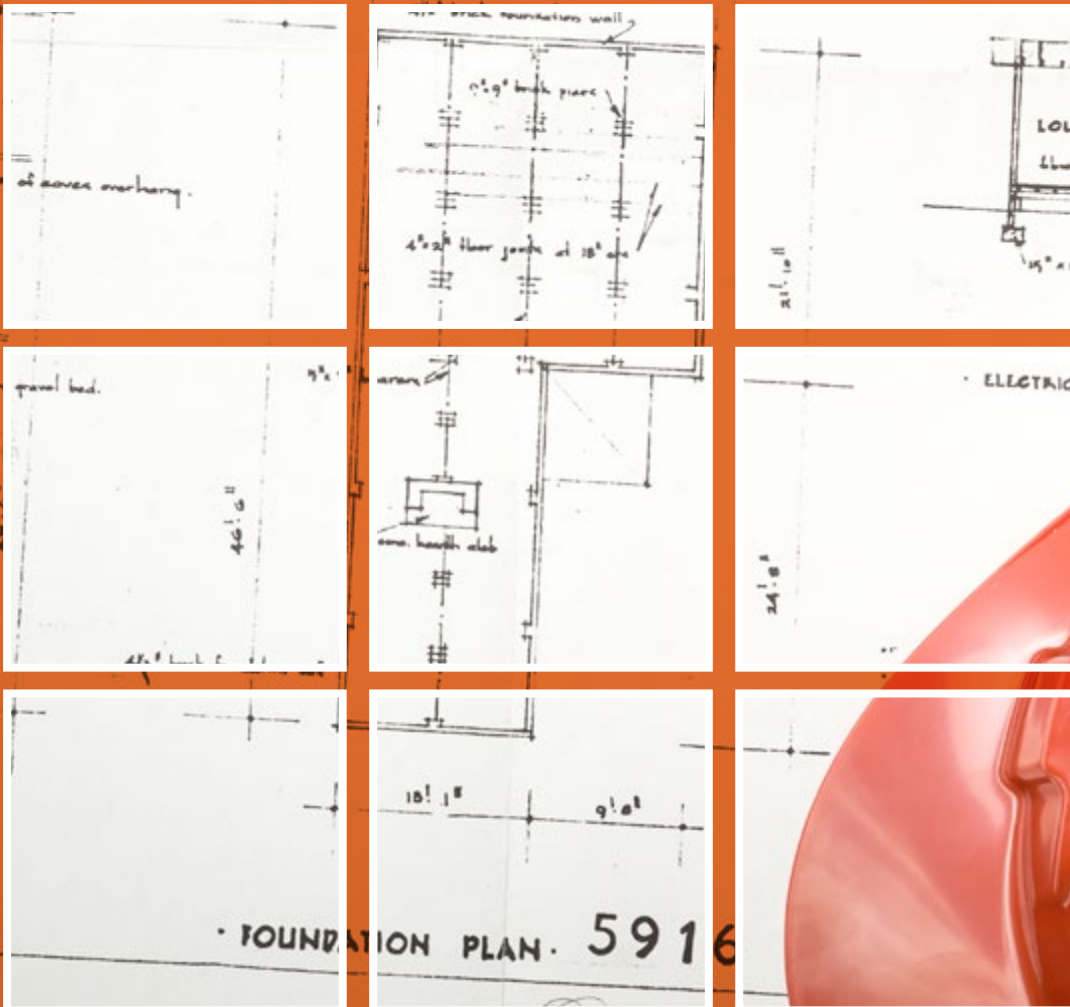






# Part C

## Chief Executive Officer's Review



## Chief Executive Officer's Review



**Sonja Pilusa – CETA CEO**

It is our pleasure to present the Annual Report of the Construction Education and Training Authority (CETA) for the year 2015/16.

The CETA has for the first time since its establishment received a clean audit opinion from the Auditor General. This clean audit is an attestation of the clean administration that the organisation ran for the past financial year, as well as a testimony of the commitment and dedication of the Accounting Authority, management and staff of the organisation to its mandate. It is a benchmark that the organisation has set itself for the remainder of its existence.

Further to the above-mentioned clean audit achievement of the CETA, the organisation had a 100% decrease in irregular expenditure from the year 2014/15 when it reported irregular expenditure of R637 000 – which in the main – was a legacy of issues prior to Administration to R0 in 2015/16. The CETA also maintained its R0 in fruitless and wasteful expenditure which it had for the past financial year.

The overall audit report of the CETA clearly demonstrates that the internal controls are in place, adequate and effective. This the culmination of the aggressive processes that the CETA put in place over the last few years in achieving a clean administration.

Not only did the CETA achieve this clean audit, but also delivered very strongly on its mandate which is evidenced by its achievements in the number of learners reported. The CETA reported **19 046** learners for the year under review and had a commitment schedule of **R1 206 037 978** of which **R828 050 382** went directly to public sector support for skills development. Out of the public sector support **R297 888 500** directly supported Public TVET Colleges.

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 2016:

- Programme 1: Establishing a credible mechanism for skills planning
- Programme 2: Increasing access to occupationally directed programmes in the construction sector
- Programme 6: Increase uptake of training and employment in construction by young people



## **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 learnerships programmes particularly in Community House Building and registered learners use the construction of the Skills Development Centres as part of workplace learning.

Out of the thirteen Skills Development Centres, five have been fully established whilst two were still under construction at year end. It is anticipated that the remainder shall be completed by the end of the next financial year.

## **TRANSFORMATION OF THE CONSTRUCTION SECTOR**

As part of its contribution towards the transformation of the sector, the CETA embarked on a process of establishing 53 new entities through its SMME support programme. These entities are comprised in the main of young people from disadvantaged communities and designated groups.

In addition to this the CETA also supported the development of a candidacy programme aimed at assisting young graduates to attain professional registration with their various professional bodies. Historically, the road toward professional registration has always been a huge challenge to graduates in the built environment who come from disadvantaged communities. This intervention by the CETA ensured that more graduates from disadvantaged backgrounds was able to register as professionals and thereby enhancing their career prospects.

Another flagship project in this regard is the support for academic professional development and support in the built environment. This programme is aimed at fostering the next generation of academics in the built environment and well as developing new qualifications.

## **PRE-DETERMINED OBJECTIVES ANALYSIS**

The CETA's Annual Performance Plan (APP) for 2015/16 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 National Skills Development Strategy (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 2015/16 financial year marks the fifth year of the third phase of the National Skills Development Strategy (NSDS III), which brought changes in terms of national skills priorities, as well as a more distinct emphasis on the need for SETAs to measure and report on the qualitative impact of their skills development investments.

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 DHET, which are not part of this analysis, but which will be reflected in the Annual Report of the CETA.

### PROGRAMME 1: Establishing a credible mechanism for skills planning

The purpose of establishing a credible mechanism for skills planning in the construction sector is to gather statistics and other relevant information on labour market activities in relation to construction skills needs and the development of education and training interventions. CETA is best placed to document and communicate recent and emerging trends, as well as to develop solid baseline indicators to assist in achieving national goals in relation to the country's skills needs and guiding investment in education and training provision.

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To plan reliably and accurately so as to provide relevant education and training for employment, entrepreneurship and economic development	2000 levy paying members submitting creditable data (through WSPs and ATR) for the development of SSP over the next 3 years on an annual basis by 2017.	Number of sub-sector engagements to gather accurate sectoral developments and challenges relating to skills planning	9	9	9	<b>Target Achieved</b>
		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>
		Number of levy paying employers that submit Workplace Skills Plans and Annual Training Reports	1906	1950	2190	<b>Target Exceeded</b> This is primarily due to the workshops the CETA conducted in all nine provinces and support provided to the stakeholders in the construction sector which resulted in increased submission of WSPs and ATRs by levy-paying companies

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
		Number of engagements with sector employers to increase awareness and legislative benefits of WSP/ ATR submission	9	9	9	<b>Target Achieved</b>
<b>To plan reliably and accurately so as to provide relevant education and training for employment, entrepreneurship and economic development</b>	2000 levy paying members submitting creditable data (through WSPs and ATR) for the development of SSP over the next 3 years on an annual basis by 2017.	Number of SDFs trained on CETAs Core business; capacitated on training committees	221	100	217	<b>Target Exceeded</b> This was due to increased interest from SDFs and participation from entities in the sector to attend the CETAs sessions. The WSP/ ATR sessions form the basis of information sharing for stakeholders when going about planning for training
		Number of union officials and members trained on how to work closely with employers; a WSPs and ATR and how they work.	62	240	67	<b>Target Not Achieved</b> This was not achieved due to lower number of sessions held with union representatives. The CETAs has planned targeted capacity building programmes of trade unions in the new financial year
		Number of submissions approved for levy re-imbursement and captured for payment	1640	1658	1892	<b>Target Exceeded</b> This target was exceeded due to increased Level of compliance by levy-paying companies as a direct result of the training conducted by the CETAs

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
		Number of Planning and Reporting staff trained on current research methodologies	2	4	5	<b>Target Achieved</b>
		Number of departments that comply to corporate management and operation	3 Core Business, Finance, Corporate Services	3 Core Business, Finance, Corporate Services	3 Core Business, Finance, Corporate Services	<b>Target Achieved</b>
<b>To plan reliably and accurately so as to provide relevant education and training for employment, entrepreneurship and economic development</b>	2000 levy paying members submitting data (through WSPs and ATR) for the development of SSP over the next 3 years on an annual basis by 2017.	Number of vacancies filled	25	29	21	<b>Target Not Achieved</b> Although the CETA embarked on a rigorous recruitment process, not all the vacancies were filled in the financial year under review as some of the candidates declined the offers. Recruitment is underway to fill remaining vacancies in 2016-17 financial year
		Number of staff trained or enrolled in further studies/received continuous development	30	117	83	<b>Target Not Achieved</b> This is due to the CETA not having employed the targeted figure of 117 staff during the financial year under review. The CETA only managed to reach a total of 87 staff complement. Out of this, a total of 83 staff members attended policy, SOP and WSP/ATR workshops with others funded for bursaries

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To plan reliably and accurately so as to provide relevant education and training for employment, entrepreneurship and economic development	2000 levy paying members submitting creditable data (through WSPs and ATR) for the development of SSP over the next 3 years on an annual basis by 2017.	Number of employees leaving the CETA	10	8	14	<b>Target Not Achieved</b> This is due to an additional number of 6 staff terminated during the year over and above 7 resignations and 1 retirement.
		Performance management: Number of employees with approved performance plans	89	117	87	<b>Target Not Achieved</b> There were 87 staff members at the time performance appraisals were conducted. The reason for the non-achievement of this target is due to the fact that some employees left the employment of the CETA during the year and not all vacancies were filled during the financial year under review.
		Set up and operate help desk to manage stakeholder queries	1	1	1	<b>Target Achieved</b>
		Number of functional governance structures (i.e. audit committee, core business committee etc.,)	7	7	7	<b>Target Achieved</b>
		Number of attendance rate of scheduled AA meetings	4	4	4	<b>Target Achieved</b>



Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
		Number of attendance rate of AA subcommittee meetings	4	4	4	<b>Target Achieved</b>
		Minimum notice of AGM advertised in media	30 Days	30 Days	30 Days	<b>Target Achieved</b>

The purpose of increasing access to occupationally directed programmes in the Construction Sector is for CETA to contribute towards the continuous upgrade of skills in the workforce. It will ensure a measurable increase in the intermediate skills pool in the construction sector, especially in artisan, engineers and related occupations, attributable to increased capacity at education and training institutions and increased workplace experiential learning opportunities.

Construction Education and Training Authority  
**Annual Report 2015/2016**

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
			-	2000 (Funded)	-	<b>Target Not Achieved</b> This was due to no allocations done during the financial year under review. The CETA has disbursed Mandatory Grants to entities. The CETA will conduct monitoring in the next year of how mandatory grants are used to training employees in the construction sector
		Employed learners per year	78	500 (Unfunded)	101	<b>Target Not Achieved</b> This was due to the CETA's reliance on industry for implementation of this target through funds allocated via mandatory grants to approved entities. The CETA had targeted interventions for non-funded with 2 big entities in the sector which resulted in 101 entered. It should be noted that 19 of these learners entered in the previous financial year/s but were never reported.

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of Learnerships completed:				
		Unemployed learners per year	770	3000 (Funded)	1182	<b>Target Not Achieved</b> Target not achieved due to limitation of learners entered as per previous explanation under number of funded learners entered. It is anticipated that these completions will be reflected in the 2016/17 Financial Year
			417	250 (Unfunded)	281	<b>Target Exceeded</b> This is due to the CETAs active role in ensuring moderation and certification of learners that have completed training. It should be noted that 52 of these learners completed in the previous financial year but were never reported
		Employed learners per year	460	1000 (Funded)	-	<b>Target Not Achieved</b> This is due to no learners entered in the previous year, resulting in no completions reported under the financial year under review
			593	250 (Unfunded)	173	<b>Target Not Achieved</b> Reliance is placed on employers to implement this target, where possible challenges will exist in terms of employers allocating time for or releasing employees to attend training

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
Number of Skills programs entered:						
		Unemployed learners per year	1006	1200 (Funded)	1518	<b>Target Exceeded</b> This is due to a higher number of projects implemented under this indicator. It should be noted that 230 of these learners were entered in the previous financial year/s.
			97	500 (Unfunded)	687	<b>Target Exceeded</b> This is due to increased projects funded by industry for unemployed learners being implemented through engagements with industry. It should be noted that 23 of these learners were entered in the previous financial year/s



Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of Skills programs entered:	119	4000 (Funded)	-	<b>Target Not Achieved</b> The reliance is on employers to implement learning programmes through mandatory grants for approved entities
			67	500 (Unfunded)	-	<b>Target Not Achieved</b> The CETA has no control over the unfunded targets as these are dependent on industry funding and reporting the training to the CETA
		Unemployed learners	-	600 (Funded)	1167	<b>Target Exceeded</b> This was due to increased efforts by the CETA to ensure certification of learners who entered
			1015	250 (Unfunded)	486	<b>Target Exceeded</b> This was due to increased efforts by the CETA to ensure certification of learners who entered
		Employed learners	-	2000 (Funded)	-	<b>Target Not Achieved</b> Target not achieved as no requests for certifications received during the financial year under review
			22	250 (Unfunded)	478	<b>Target Exceeded</b> This was due to increased efforts by the CETA to ensure certification of learners who entered. It should be noted that 3 of these were certified in the previous year and not reported

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of Artisans entered:				
		Unemployed learners	2982	6000 (Funded)	4051	<b>Target Not Achieved</b> The target was not met due to fewer projects implemented during the financial year under review and no new allocations were made. The CETA managed to achieve 68% for unemployed funded. It should be noted that although some of these learners entered the programme in the previous financial years, the CETA has committed to funding them over a period of 3 years until completion.

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
			-	500 (Unfunded)	-	<b>Target Not Achieved</b> This is due to the CETA relying on employers to implement this target through approved mandatory grants
		Employed learners	-	2000 (Funded)	17	<b>Target Not Achieved</b> Target not met for funded as the CETA did not make new allocations during the financial year under review
			-	250 (Unfunded)	430	<b>Target Exceeded</b> Target exceeded due to an increased focus by the CETA on assisting trade test centres with processing applications to NAMB for certification
		Number of Artisans completed				
		Unemployed Learners 108 (funded)		3000 (Funded)	-	<b>Target Not Achieved</b> This is due to the fact that apprenticeship programmes take 3 years to complete – CETA expects to report completions from 2017 for learners entered in 2013 based on those learners that undertake their trade testing
			0 (unfunded)	250 (Unfunded)	608	<b>Target Exceeded</b> This is due to a larger number of trade test applications processed through the CETA in collaboration with trade test centres to NAMB for certification

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of Artisans completed Employed learners	0 (funded)	1000 (Funded)	85	<b>Target Not Achieved</b> This is due the fact that the CETA has no control over the employed targets as this is mostly dependent on industry funding and reporting of the training to the CETA
			0 (unfunded)	125 (Unfunded)	82	<b>Target Not Achieved</b> This is due to no learners entered in the previous financial year and no trade test requests received for processing by the CETA under this indicator
		Number of bursaries entered:				
		Unemployed learners per year	581	650 (Funded)	653	<b>Target achieved</b> It should be noted that although some of these learners entered the programme in the previous financial years, the CETA has committed to funding them over a period of 3 years until completion.

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
		Number of bursaries completed: Unemployed learners per year	-	195 (Funded)	94	<b>Target Not Achieved</b> Target not achieved as these are still being funded as entered by CETA for the 3-4 year period. The CETA expects to start reporting the majority of the learners entered for the current cohort of bursars in the 2016/17 financial year. It should be noted that 29 of these learners completed in the previous year and were never reported.
<b>To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them</b>	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of internships entered: Unemployed learners per year	686	1500 (Funded)	128	<b>Target Not Achieved</b> This is due to the CETA having not made any new allocations. It should be noted that 8 of the learners reported were industry-funded. 96 of the learners reported entered in the previous financial year. Continued engagements with industry will take place for the next financial year. The CETA WIL programme includes internships and candidacy (507 achieved) – total WIL supported is 635



Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
Number of internships completed:						
		Unemployed learners per year	20	450 (Funded)	–	<b>Target Not Achieved</b> This was due to a lower intake of learners entered for the year under review
		Number of TVET Student/Graduate Placements entered per year	58	3500 (Funded)	29	<b>Target Not Achieved</b> Although the CETA made allocations, we could only place 29 learners. This is primarily due to the low intake of NCV learners by industry. However, the CETA has supported TVET learners through occupational programmes such as learnerships, internships and artisans to the total number of 3010
		Number of TVET Student/Graduate Placements completed per year	–	1500 (Funded)	–	<b>Target Not Achieved</b> This is as a result of the above target having a low intake in terms of learners entered

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of University Student/Graduate Placements entered per year	342	1100 (Funded)	111	<b>Target Not Achieved</b> Target not achieved as the CETA did not make new allocations for this indicator
		Number of University Student/Graduate Placements completed per year	–	330 (Funded)	–	<b>Target Not Achieved</b> The target not achieved due to low intake of learners under this indicator. The previous year's numbers reported are expected to be reported in the 16/17 financial year
		Number of Candidacy programmes entered per year	342	1000 (Funded)	507	<b>Target Not Achieved</b> The CETA did not meet this target as fewer projects were implemented during the financial year under review resulting in the target not being achieved. CETA will seek to engage allocated employers in the 16/17 financial year to ensure implementation of this indicator. The CETA supports the learners over a 3 year period and thus reports them for the period of which the programme is active

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
		Number of Candidacy programmes completed per year	-	300 (Funded)	-	<b>Target Not Achieved</b> This is due to the programme being a multi-year one and completion to be reported from the 16/17 financial year. 24 Candidates have completed their candidacy programme in 2015-16 and are pending registration with their respective built environment council
<b>To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them</b>	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of learners in rural areas enrolled in dedicated skills development programmes	5977	19300	<b>10367</b>	<b>Target Not Achieved</b> The CETA allocated projects in excess of its planned overall targets, however, only 10213 learners have started in the current financial year: <ul style="list-style-type: none"> <li>• Learnerships entered (U) – 3298</li> <li>• Internships entered – 98</li> <li>• Bursary entered – 156</li> <li>• Skills Programmes entered – 1430</li> <li>• Artisan entered – 4123</li> <li>• Learnerships entered (W) – 4</li> <li>• Candidacy entered – 1</li> <li>• RPL -1234</li> <li>• TVET placement entered – 20</li> <li>• HET student placement – 3</li> </ul>

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
<b>To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them</b>	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of skills development centres established and operational	<p><b>14 Skills Development Centres</b> have been identified and commissioned in line with the PFMA requirements.</p> <p>The sites identified are:</p> <ul style="list-style-type: none"> <li>• Springbok – Namaqua District Municipality</li> </ul>	<p><b>9</b> Bredasdorp – Boland TVET College</p> <p>West Coast TVET College</p> <p>De Aar – Northern Cape Rural TVET College</p> <p>Springbok – Namaqua District Municipality</p>	<p><b>13</b> in total</p>	<p><b>Target Achieved</b></p> <p><b>5 Completed:</b></p> <p>Ingwavuma</p> <p>Univen</p> <p>Eskhawini (umfolozi)</p> <p>Anene booysens (Cape Agulhus)</p> <p>Vredendal (West Coast)</p> <p><b>2 Under Construction:</b></p> <p>Bethal</p> <p>Muden</p>
<b>To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them</b>	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of skills development centres established and operational	<ul style="list-style-type: none"> <li>• Venda- University of Venda</li> <li>• Vredendal – West Coast TVET College</li> <li>• Ingwavuma- Our Lady of Ingwavuma School</li> <li>• Bredasdorp- Boland TVET College</li> <li>• Bethal- Gert Sibande TVET College</li> <li>• De Aar- Northern Cape Rural TVET College</li> </ul>	<p>Ingwavuma – Our Lady of Ingwavuma School</p> <p>Bethal – Gert Sibande TVET College</p> <p>Babanango – Mtashana TVET College</p> <p>Ixopo – Esayidi TVET College</p> <p>Bergville – Mhambiti TVET College</p>		<p><b>6 under Planning Phase</b></p> <ul style="list-style-type: none"> <li>• Ixopo</li> <li>• Bergville</li> <li>• Babanango</li> <li>• Phongola</li> <li>• Namaqwa</li> <li>• De Aar</li> </ul> <p><b>Out of the above, 3 Skills Development Centres are Operational:</b></p> <ul style="list-style-type: none"> <li>• Ingwavuma</li> <li>• Univen</li> <li>• Eskhawini</li> </ul>

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
			<ul style="list-style-type: none"> <li>• Pongola – Mthashana TVET College</li> <li>• Babanango – Mthashana TVET College</li> <li>• Ixopo- Esayidi TVET College</li> <li>• Muden – uMgungundlovu TVET College</li> <li>• Eskhaweni – Umfolozi TVET College</li> <li>• Bergville- Mnambithi TVET College</li> <li>• Beaufort West Municipality</li> </ul>			



Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of learners enrolled for qualifications/ trades aligned to SIPs per year	9488	9650	10829	<b>Target Exceeded</b> This is due to a slight increase in total number of learners entered under various skills development programmes <ul style="list-style-type: none"> <li>• Learnerships entered (U) – 4933</li> <li>• Internship entered – 128</li> <li>• Bursary entered – 653</li> <li>• Artisan entered – 4498</li> <li>• Learnership entered (W) – 101</li> <li>• Candidacy Entered – 406</li> <li>• HET Student Placement – 110</li> </ul>
		Number of occupational qualifications developed by DQPs per year	3	4	4	<b>Target Achieved</b>
		Standard Operating Procedures developed and implemented in the PMU	–	1	1	<b>Target Achieved</b>
		Number of projects complying with prescribed SOPs	–	80	102	<b>Target Exceeded</b> This is due to strict measures implemented in invoicing and payments to compliant entities
		Acquisition/ development of project management tool	–	1	1	<b>Target Achieved</b>

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To accurately determine requisite middle Level skill needs and evolve strategies to ensure increased access to occupationally-directed training related to them	13375 employed and unemployed learners enrolled and certificated in middle Level skills are able to access and be placed in occupationally related fields by 2017	Number of projects loaded onto project management tracking tool	-	80	775	<b>Target Exceeded</b> This is due to total number for approved discretionary grants projects recorded on commitment schedule since inception
		Number of projects where M&E visits conducted	41	40	240	<b>Target Exceeded</b> This is due to its vigorous project monitoring activities and project implementation approach
		Number of projects where external moderation conducted	41	40	142	<b>Target Exceeded</b> The is due to its vigorous project monitoring activities and project implementation approach
		Number of projects performing according to schedule	110	40	102	<b>Target Exceeded</b> This is due to monitoring and management of entities to ensure timeous project implementation
		Number of reports submitted within due date	4	4	5	<b>Target Achieved</b>
	Submit quarterly reports on "assessment Quality Partner (AQP) function to QCTO					

### PROGRAMME 3: TVET (formerly known as FET colleges) Partnerships

CETA's mandate is 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.

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To build greater and project-based partnerships with TVET Colleges	47 Strategic partnerships secured with TVET Colleges by 2017	Number of TVET colleges with CETA accreditation per year	39	42	46	<b>Target Exceeded</b> This is due to the CETAs continued efforts with TVET Colleges to ensure ongoing skills development partnerships are maintained with the colleges
		Number of learners enrolled in skills development programmes and placed through TVETs per year	696	7720	3124	<b>Target Not Achieved</b> This was due to lower number of learners entered on programmes in partnership with TVET Colleges. 3124 represents the total number of learners enrolled via Public TVET Colleges for construction funded and non-funded programmes supported by the CETA as per breakdown below: <ul style="list-style-type: none"> <li>• Learnership Entered (U) – 1011</li> <li>• Internship entered – 9</li> <li>• Bursary entered – 140</li> <li>• Skills programmes entered – 369</li> <li>• Artisan entered – 436</li> <li>• Learnership entered (W) – 9</li> <li>• TVET placement – 29</li> <li>• RPL – 1031</li> </ul>

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
		Number of TVETs facilitated with the training of human resources	–	–	–	<b>No Deviation</b>
<b>To build greater and project-based partnerships with TVET Colleges</b>	47 Strategic partnerships secured with TVET Colleges by 2017	Number of TVETs assisted with infrastructure development per year	9	–	–	<b>No Deviation</b>
		Number of partnerships	8	6	18	<b>Target Exceeded</b> This is due to the CETA ensuring continued growth of partnerships with public sector institutions and the Ministers call for SETAs to partner with TVET colleges.

#### PROGRAMME 4: SMMEs, NPOs, Cooperatives and Worker Initiatives

CETA's role in building an inclusive economy, financial and non-financial business support to small and micro-sized enterprises as part of the democratic government's programme is crucial. CETA will support the development of SMMEs, NPOs and cooperatives in ensuring the economical sustainability of small enterprises through the discretionary grant awards.

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To increase the pool of SMMEs, NPOs, cooperatives and worker initiatives in the construction sector	25 SMMEs, NPOs, cooperatives and worker initiatives developed by 2017.	Number of SMMEs trained and/or assisted with accreditation and registration per year	134	25	41	<b>Target Exceeded</b> This is due to the CETAs implementation of the SMME project to ensure comprehensive support of entrepreneurs across all 9 provinces
		Number of NPOs and/or NGOs trained and/or assisted with accreditation and registration per year	10	8	8	<b>Target Achieved</b>
		Number of co-operatives trained per year	–	5	10	<b>Target Exceeded</b> This is due to the CETAs active role in assisting small entities to register their organisations and support via skills development programmes to ensure their successful operations within the construction sector



# **PROGRAMME 5: Enhancement of public sector capacity for improved service delivery**

CETA's contribution to capacitate public sector service delivery stems from government goals contained in IPAP2 and the NDP:

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
To cooperate and collaborate with relevant government departments and other public institutions to improve service delivery through skills development	MoUs entered with relevant government departments and other public institutions to improve service delivery through skills development by 2018	Number of MoUs entered into with government departments and other public institutions per year	1	1	1	Target Achieved

**PROGRAMME 6: Increase uptake of training and employment in construction by young people**

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
<b>To ensure that younger and older people with lower Level language and numeracy skills are capacitated to undertake higher Level theoretical and practical training in construction and become employment</b>	Develop a strategy, including RPL and Adult education and training, Partnerships with Stakeholders in the youth sector to put in place training for training and work experience for young people	Number of trained on skill programmes:				
		Unemployed	1103	1100	2205	<b>Target Exceeded</b> due to the allocations made to the various skills development initiatives
		Employed	186	4400	-	<b>Target Not Achieved</b> The CETA has no control over the unfunded targets as these dependent on industry funding and reporting of training to the CETA
		Number of learners of trained RPLed				
		Unemployed	1218		1234	<b>No deviation.</b> The CETA was able to certify a total of 1234 learners that underwent the RPL process in the 2015/16 financial year
		Employed	-		-	<b>No deviation</b>
		Implement strategy and implement project base on RPL policy	5	5	5	<b>Target Achieved</b>

**PROGRAMME 7: Building career and vocational guidance**

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
<b>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</b>	Creation of guidance to direct young people to programmes for which they have an aptitude, and which will provide training in areas needed in the economy.	Update career guide based on SSP	1		1	The CETA was able to update the career guide in line with the SSP
		Organizing or participate in at least two exhibition per quarter per province in partnership with Schools, public TVET colleges and HEIs	19		34	The CETA managed to ensure participation in 34 exhibitions during the financial year 2015/16

**PROGRAMME 8: Encouraging better use of construction workplaces for skills development**

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
<b>Ensure sector projects are put in place to address specific sector skills gaps</b>	To ensure that training for employed workers responds to critical skills; leads to improved productivity and economic growth and; enable the workforce to adapt to changes in the labour market.	Review guideline and criteria for the development Workplace Skills Plan	1		No target	<b>No Deviation</b> The guide and criteria for development of WSP's was reviewed and updated
		Train SDF during the 2013/14 financial year	221		217	<b>No Deviation</b> The CETA received increased interest from SDF's to attend the WSP/ATR sessions with 217 SDFs attending. The WSP/ATR sessions form the basis of information sharing for stakeholders when going about planning for training.
		Train up to 1100 young community SDF's Develop monitoring and evaluation tool Develop and implement special project based on sector skills gaps	The tool for monitoring and evaluation of WSP's and ATR's in place and utilised		No target	<b>No Deviation</b> The CETA ensured that a tool for monitoring and evaluation of WSP's and ATR's is in place for use



**PROGRAMME 9: Manage projects effectively, timely and productively**

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
<b>Manage projects cost effectively, timely and productively</b>	To ensure that CETA projects are managed in a manner which leads to the achievement of targets and objectives	<p>PMU to develop Project strategy and to activate project management module in the MIS</p> <p>The project strategy to incorporate process to review project application forms, funding guidelines, project implementation plans and management templates</p> <p>Conceptualise special projects to achieve special deliverables</p> <p>Implement and monitor special projects to achieve special deliverables</p>	No target		No target	No Deviation

**PROGRAMME 10: Corporate management and operations**

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
<b>Ensure Exemplary corporate governance, oversight and compliance</b>	To comply with corporate governance principles, governing legislations and internal policies	Revised delegation of Authority and Approvals Framework Revised policies and procedures Updated compliance register Declaration of interest register Constitution	No target		No target	<b>No Deviation</b> All Governance documents were revised and updated for the 2015/16 financial year

**PROGRAMME 11: Ensuring Sound Corporate management**

Strategic Objective	Strategic Target (MTEF)	KPIs	Baseline (Audited/ Actual) 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016
<b>Ensure that the CETA is managed efficiently and effectively</b>	Revised organisational strategic plan and program responding thereto	Review strategic plan an program Review and monitor skills needs	No Target		No Target	No Deviation
	Skills audit and placement plan	Review and monitor employee wellness plan				
	Revised employee wellness plan	Review and monitor a staff retention strategy				
	Revised Staff retention strategy	Conduct performance management consistently				
	Revised performance management System	Management to develop review and monitor communication stakeholder relationship management strategy				
	Revised communication and stakeholder relationship management strategy					



**Ms Sonja Pilusa**  
CETA CEO

# Part D

## Core Business Report





## Core Business Report



### Thapelo Madibeng – Core Business Executive

CETA Core Business has two distinct and interlinked departments to enable it to deliver on its mandate of facilitating and funding skills development in the construction sector.

The CETA Core Business performs the following functions:

Development, review and update of the Sector Skills Plan (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.

- Disbursement of mandatory grants to qualifying levy-paying construction entities.
- Reporting of performance information on a quarterly basis to DHET
- Review and develop qualifications for the construction sector
- Registration of Skills Programmes
- Accreditation of providers and registration
- Monitoring and evaluation of CETA projects
- Certification of learners

### REVIEW AND DEVELOPMENT OF SECTOR SKILLS PLAN (SSP)

The CETA updated the Sector Skills Plan (SSP) during the financial year 2015/16. The SSP highlights the scarce and critical skills for the sector inclusive of the PIVOTAL skills list. The updated SSP was timeously submitted to the Department of Higher Education and Training (DHET) and has duly been approved by the department.

The SSP was one of the foundations on which the CETA's Strategic and Annual Performance Plans were developed.

The CETA participated in the DHET-HSRC SSP policy development and review discussions which was aimed at SETAs improving the quality of their respective SSP submissions. The main focus for these sessions was to ensure that SETAs gain awareness on labour market intelligence for their respective sectors.

## WORKPLACE SKILLS PLANS (WSPs) AND ANNUAL TRAINING REPORT (ATRs)

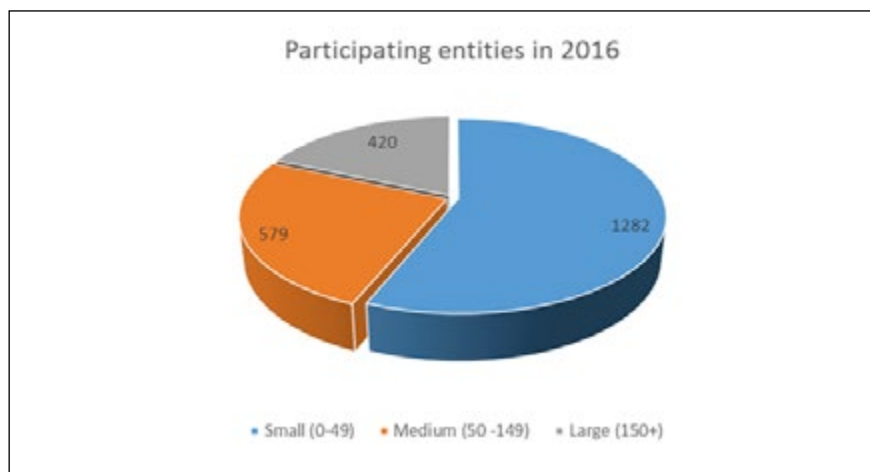
The CETA trained **217** Skills Development Facilitators (SDFs) in the compilation and submission of their WSPs and ATRs. The training was done through capacity building workshops which were conducted in all nine (9) provinces.

TABLE 1: WSP/ATR WORKSHOPS

PROVINCE	TOTAL STAKEHOLDERS IN ATTENDANCE
KwaZulu-Natal	20
Free-State	6
Eastern Cape	23
Northern Cape	10
Western Cape	29
Limpopo	13
Gauteng	73
North West	21
Mpumalanga	22

The above-cited workshops resulted in **2 281** companies submitting their WSPs and ATRs to the CETA. The table below illustrates the composition of the participating companies.

GRAPH 1: COMPOSITION OF PARTICIPATING COMPANIES



The tool for monitoring and evaluation of WSP and ATR is in place and deployed through the MIS system. The review mechanism includes quarterly meetings with the MIS supplier.

The CETA anticipated to disburse **R99 535 325** in mandatory grants in 2015/16 financial year which represents a 64% pay-out ratio. This projection also represented 8.4% increase from the previous financial year (2014/15) at **R83 675 502**.

## **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.

As part of its career guide distribution mechanism the CETA participated in a total of 34 exhibitions and career guidance events throughout the country.

## **THE CETA/DHET RESEARCH PROGRAMME**

In the year under review, the CETA approved funding to conduct research into skills development institutes inclusive of exploring the feasibility of introducing Community Colleges as per the White on Post School Education and Training (PSET).

The aim of the study was to provide a national picture for the provisioning of education and training by institutions which currently are the DHET registration framework. This research is still ongoing and expected to be concluded in the next financial year.

## **LEARNING PATHWAYS AND QUALITY DEVELOPMENT**

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 2018 for both construction NQF and trades qualifications registered on the NQF.

## **DEVELOPMENT OF OCCUPATIONAL QUALIFICATIONS**

The Development Quality Partner is a new process of qualification development under the QCTO. Previously, NQF qualifications were developed by Standards Generating Bodies which has since been phased out by SAQA. DQPs has now assumed the role of reviewing all existing registered NQF qualifications and replace them with new QCTO occupational qualifications and curriculum. All the currently registered construction qualifications, unit standards and learnerships therefore needs to be replaced with new QCTO occupational qualifications. Please note that any entity can apply directly to the QCTO to become a DQP.

In order to kick start this process, the CETA Accounting Authority has approved a budget of R7 319 255.00 for four DQP Projects funded through the discretionary grants to the following sector technical experts to obtain the DQP status from the QCTO and develop relevant qualifications:

- South African Civil Engineering Contractors (SAFCEC)
- Masters Builders Associations (MBSA)
- Civil Engineering South Africa (CESA)
- Flooring Industry Training Association (FITA)

Two of the above DQP Projects i.e. SAFCEC and FITA are currently managed by the CETA in collaboration with industry and those are.

In November 2015 the CETA published the first draft components for Work Experience, Knowledge and Practical Modules for the Civil Engineering sub-sector.

In January 2016 the CETA published three newly developed qualifications for the Civil Engineering Sub-sector as follows:

Civil Services Construction Constructor;

- Civil Structures Construction Constructor; and
- Road Construction Constructor

During the same time the CETA also published the Civil Engineering the curriculum and the assessment strategy for comment by industry. The curriculum design and development would be completed by 30<sup>th</sup> June 2016. After this date, the curriculum will be submitted by the CETA to the QCTO for registration on the NQF.

The QCTO has also approved the CETA as DQP for Earthmoving Equipment.

### **NQF REGISTERED CONSTRUCTION QUALIFICATIONS:**

The following qualifications were registered on the NQF until June 2018.

**TABLE 2: LIST OF REGISTERED CETA QUALIFICATIONS**

Quality Assuring Body	Qualification ID	Qualification Title	Old NQF Level	New NQF Level	Qualification End Date	Re register
CETA	20486	National Certificate: Surveying	Level 4	New Level Assignment	30-Jun-12	30/06/2018
CETA	20487	National Certificate: Hydrographic Surveying	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	20488	National Certificate: Photogrammetry Surveying	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	20813	National Certificate: Construction Contracting	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	22991	National Certificate: Refractories Installation	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	22992	National Certificate: Refractories Masonry	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	23675	National Certificate: Management of Building Construction Processes	Level 5	New Level Assignment	30-Jun-12	30/06/2018
CETA	23683	National Diploma: Management of Civil Engineering Construction Processes	Level 5	NQF Level 05	30-Jun-12	30/06/2018

Quality Assuring Body	Qualification ID	Qualification Title	Old NQF Level	New NQF Level	Qualification End Date	Re register
CETA	24133	National Certificate: Construction: Roadworks	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	24173	National Certificate: Construction: Roadworks	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	24194	National Certificate: Construction Material Manufacturing	NQF Level 04	Level 4	30-Jun-12	30/06/2018
CETA	24196	National Certificate: Construction Material Manufacturing	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	24198	National Certificate: Construction Material Manufacturing	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	24273	National Certificate: Community House Building	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	24295	National Certificate: Timber Roof Erecting	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	24296	National Certificate: Construction: Installation of Floor Coverings	Level 1	NQF Level 01	30-Jun-12	30/06/2018
CETA	48636	National Diploma: Structural Steelwork Detailing	Level 5	NQF Level 05	30-Jun-12	30/06/2018
CETA	48733	National Diploma: Architectural Technology	Level 6	NQF Level 06	30-Jun-12	30/06/2018
CETA	48734	National Certificate: Architectural Technology	Level 5	NQF Level 05	30-Jun-12	30/06/2018
CETA	48940	National Certificate: Construction: Plant Operations	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	48961	National Certificate: Construction: Crane Operations	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	49016	National Certificate: Construction: Concreting	Level 3	NQF Level 03	30-Jun-12	30/06/2018



Quality Assuring Body	Qualification ID	Qualification Title	Old NQF Level	New NQF Level	Qualification End Date	Re register
CETA	49017	National Certificate: Construction Materials Testing	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	49022	National Certificate: Floor Covering Installation	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	49053	National Certificate: Supervision of Construction Processes	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	49058	National Certificate: Construction Materials Testing	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	49063	National Certificate: Geographical Information Sciences	Level 5	NQF Level 05	30-Jun-12	30/06/2018
CETA	49080	National Certificate: Construction: Advanced Crane Operations	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	49081	National Certificate: Construction: Advanced Plant Operations	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	49410	National Certificate: Construction	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	49411	General Education and Training Certificate: Construction	Level 1	NQF Level 01	30-Jun-12	30/06/2018
CETA	49602	National Certificate: Construction: Geotechnical	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	50022	National Certificate: General Draughting	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	57162	National Certificate: Aluminium Fabrication and Installation	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	58247	National Certificate: Ceiling and Partitioning Installation	Level 3	NQF Level 03	30-Jun-12	30/06/2018

Quality Assuring Body	Qualification ID	Qualification Title	Old NQF Level	New NQF Level	Qualification End Date	Re register
CETA	58780	Further Education and Training Certificate: Quantity Surveying	Level 4	NQF Level 04	02-Dec-12	30/06/2018
CETA	58782	Further Education and Training Certificate: Plumbing	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	63589	National Diploma: Geographical Information Science	Level 5	NQF Level 05	30-Jun-12	30/06/2018
CETA	65409	National Certificate: Building and Civil Construction	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	65709	National Certificate: Construction: Steelwork	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	65769	National Certificate: Glazing	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	65858	National Certificate: Hot Water System Installation	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	65877	Further Education and Training Certificate: Construction: Timber Vocations	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	65878	Further Education and Training Certificate: Construction: Trowel Vocations	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	65879	Diploma: Construction Technology	Level 5	NQF Level 06	30-Jun-12	30/06/2018
CETA	65891	Further Education and Training Certificate: Construction: Plumbing	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	65892	Further Education and Training Certificate: Construction: Painting and Decorating	Level 4	NQF Level 04	30-Jun-12	30/06/2018

Quality Assuring Body	Qualification ID	Qualification Title	Old NQF Level	New NQF Level	Qualification End Date	Re register
CETA	65895	Diploma: Construction: Plumbing	Level 5	NQF Level 06	30-Jun-12	30/06/2018
CETA	65896	Diploma: Construction: Painting and Decorating	Level 5	NQF Level 06	30-Jun-12	30/06/2018
CETA	65897	Diploma: Construction: Trowel Vocations	Level 5	NQF Level 06	30-Jun-12	30/06/2018
CETA	65898	Diploma: Construction: Timber Vocations	Level 5	NQF Level 06	30-Jun-12	30/06/2018
CETA	65929	National Certificate: Waterproofing	Level 2	NQF Level 02	30-Jun-12	30/06/2018
CETA	65949	Further Education and Training Certificate: Supervision of Construction Processes	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	65969	General Education and Training Certificate: Human Settlements Development	Level 1	NQF Level 01	30-Jun-12	30/06/2018
CETA	65989	Further Education and Training Certificate: Human Settlements Development	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	66071	Further Education and Training Certificate: Computer Aided Drawing Office Practice (CAD)	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	66089	National Certificate: Human Settlements Development	Level 5	New Level 05	30-Jun-12	30/06/2018
CETA	67430	National Certificate: Electrical Engineering: Electrical Construction	Level 2	NQF Level 02	30-Jun-12	30/06/2018

Quality Assuring Body	Qualification ID	Qualification Title	Old NQF Level	New NQF Level	Qualification End Date	Re register
CETA	72070	Further Education and Training Certificate: Electrical Engineering: Electrical Construction	Level 4	NQF Level 04	30-Jun-12	30/06/2018
CETA	72073	National Certificate: Electrical Engineering: Electrical Construction	Level 3	NQF Level 03	30-Jun-12	30/06/2018
CETA	77063	National Certificate: Construction Health and Safety	Level 3	NQF Level 03	11-Mar-13	30/06/2018
CETA	83391	National Certificate: Community Development: Human Settlements	Level 5	NQF Level 05	11-Mar-13	30/06/2018

## ACCREDITATION OF PUBLIC TVET COLLEGES

The CETA adopted a developmental approach in the accreditation process of Public TVET Colleges. This mean that the CETA provided support to the TVET Colleges to ensure that the meet the necessary requirements for accreditation.

As a result of this approach a total of 46 out of the 50 TVET Colleges have been accredited by the CETA.

TABLE 3: LIST OF ACCREDITED PUBIC TVET COLLEGES

EASTERN CAPE
Buffalo City College
East Cape Midlands TVET College
Ikhala TVET College
King Hintsa TVET College
King Sabatha TVET College
Lovedale TVET College
Port Elizabeth TVET College

<b>FREE STATE PROVINCE</b>
Flavius Mareka TVET College
Goldfields TVET College
Maluti TVET College
Motheo TVET College
<b>GAUTENG</b>
Central Johannesburg College
Ekurhuleni East TVET College
Ekurhuleni West TVET College
Sedibeng TVET College
South West Gauteng TVET College
Tshwane North College
Tshwane South TVET College
<b>KZN</b>
Coastal KZN TVET College
Elangeni TVET College
Esayidi TVET College
Majuba TVET College
Mnambithi TVET College
Mtashana TVET College
eThekweni TVET College
Umfolozo TVET College
uMgungundlovu TVET College
<b>LIMPOPO</b>
Capricorn TVET College
Lephalale TVET College
Mopani South East TVET College
Sekhukhune TVET College
Vhembe TVET College
Waterberg TVET College
<b>MPUMALANGA</b>
Gert Sibande TVET College
Nkangala TVET College



**NORTHERN CAPE**

Northern Cape Rural TVET College

Northern Cape Urban TVET College

**NORTH WEST**

Orbit TVET College

Taletso TVET College

Vuselela TVET College

**WESTERN CAPE**

Boland TVET College

Falsebay TVET College

College of Cape Town

Northlink TVET College

South Cape TVET College

West Coast TVET College

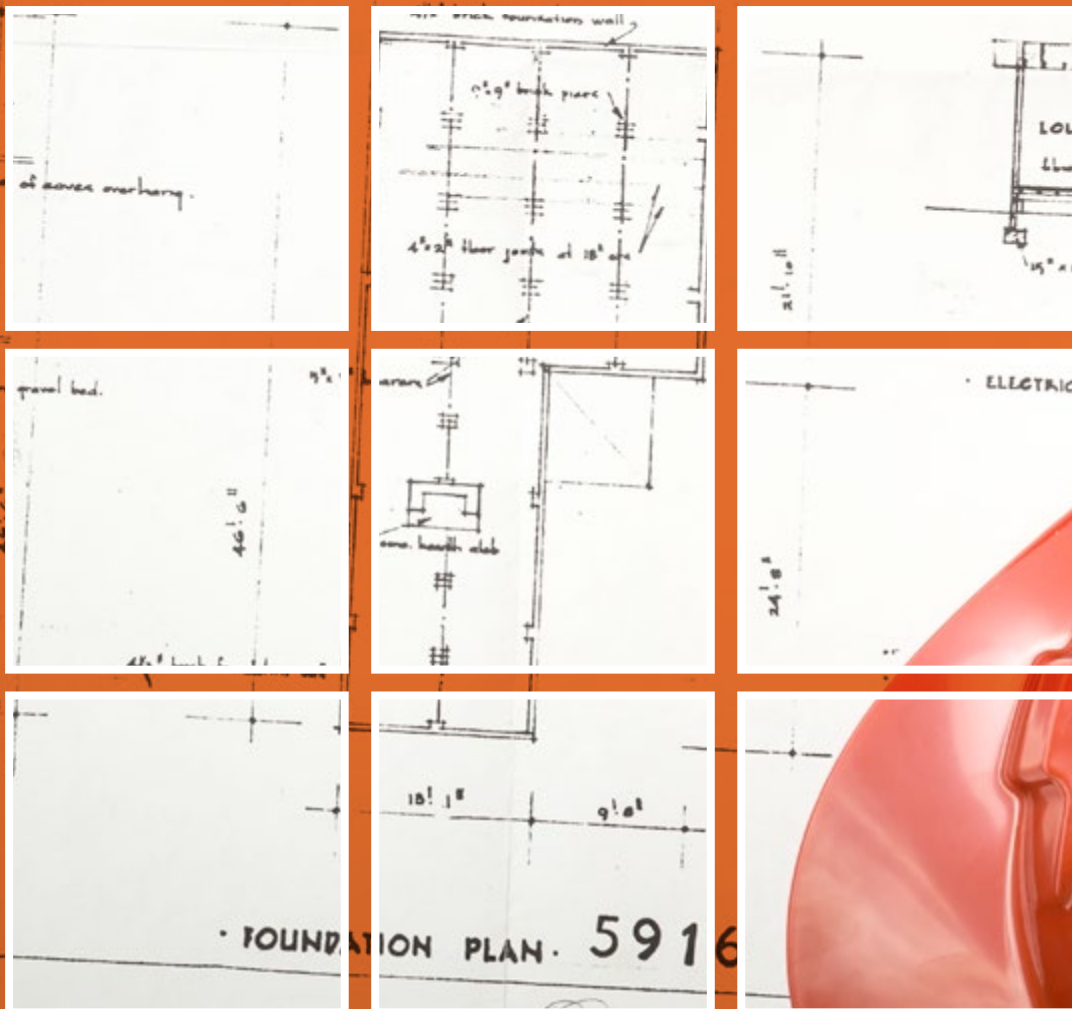
A further 56 private entities were accredited by the CETA whilst 134 private practitioners and 97 moderators were registered with the CETA.

**CERTIFICATION**

A total of 5 870 learners were certificated by the CETA for the year under review. The demographics of these learners who successfully completed CETA programmes is listed below.

# Part E

## Projects Department Report



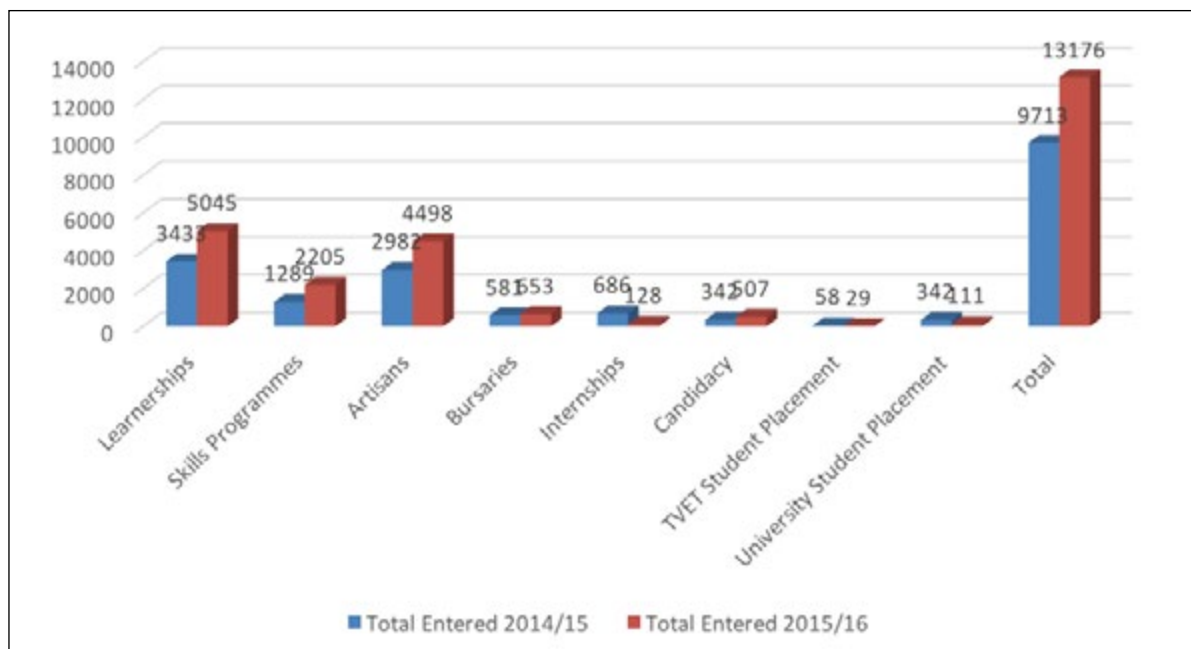
## PROJECTS DEPARTMENT REPORT

### OVERVIEW OF THE PROJECTS DEPARTMENT

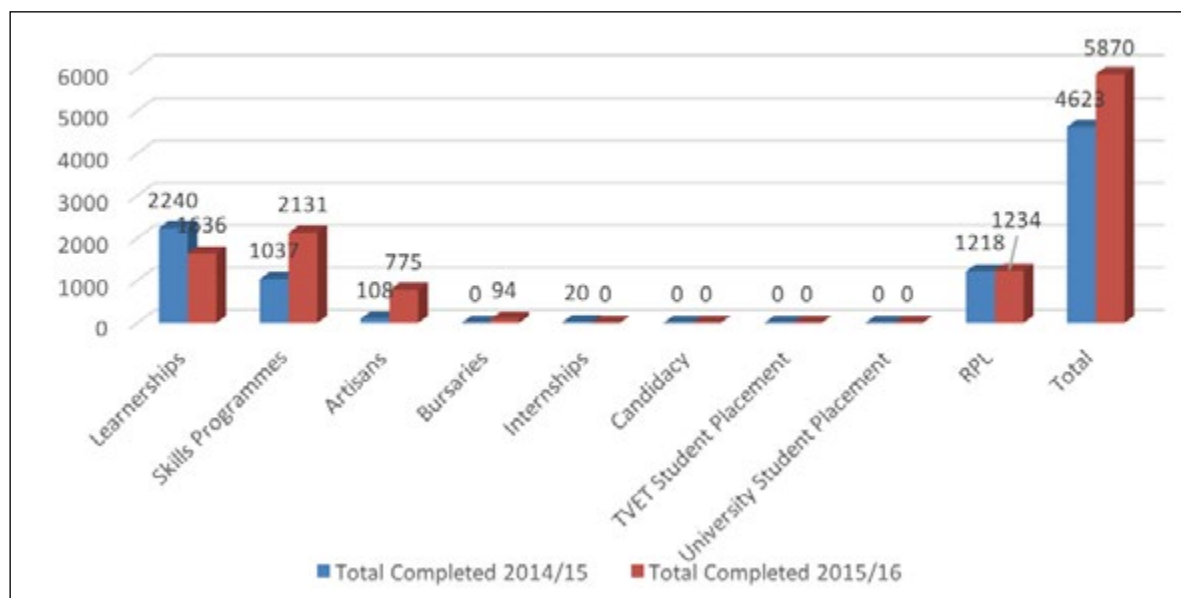
The Projects Department is responsible for the implementation of the CETA-funded projects. The CETA identified projects to fund in line with its Sector Skills Plan, Strategic Plan and Annual Performance Plan. These skills development interventions includes among others the following: Learnerships; Apprenticeships; 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 206 037 978** as at 31 March 2016.

In the year under review, the CETA reported an achievement of **19 046** number of learners reached through various interventions. Out of these learners **13 176** were new entrants into the CETA programmes and **5 870** were learners who completed their programmes during the financial year. This number of new entrants into the CETA programmes signifies a **36.65%** increase from the previous financial year which witnessed **9 713** new entrants. Similarly, for completion the CETA had a **72.49%** increase from the previous financial year which had **3 403** number of learners completing.

GRAPH 1: NUMBER OF LEARNERS ENTERED



GRAPH 2: NUMBER OF LEARNERS COMPLETED



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 at all times be protected.

This model has meant that the CETA engage in more of traditional face-to-face approach with learners and an immediate responses 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 have started to introduce life skills programmes to the learners on their programmes as some of the learners also lack basic life skills.

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

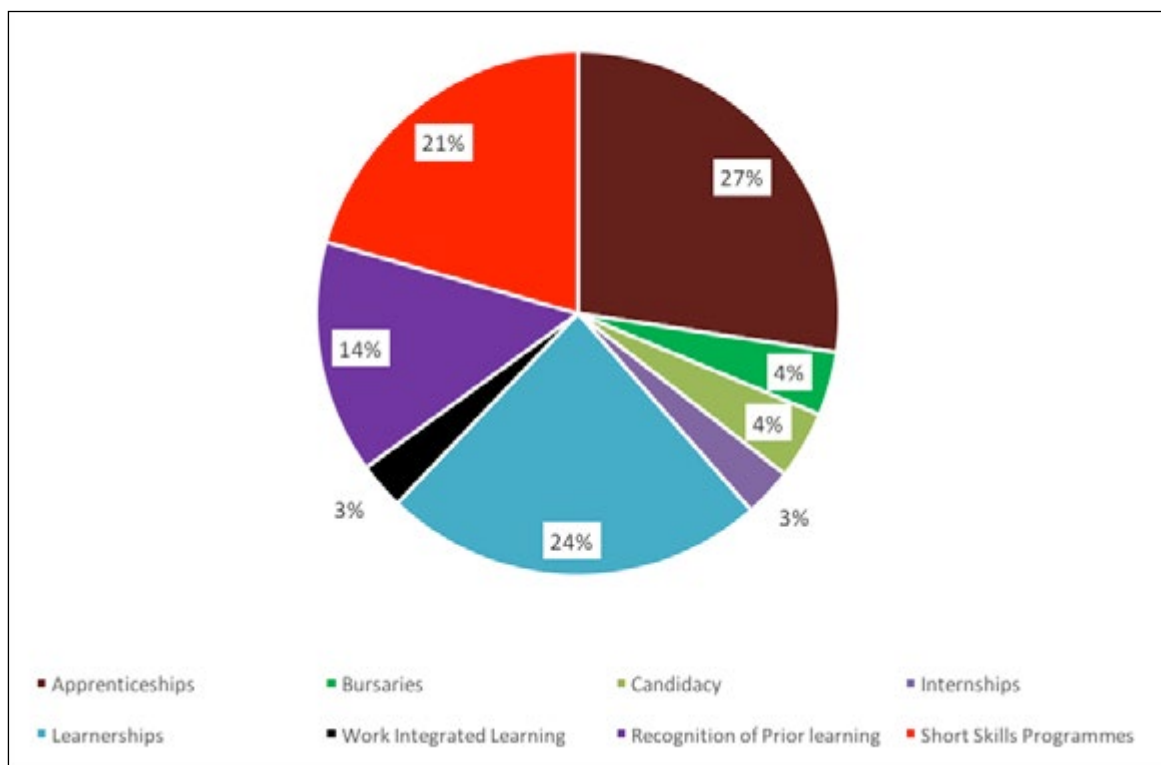
- (a) Women
- (b) People with Disability
- (c) Youth
- (d) Military Veterans
- (e) Rural Populations

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 this specific group.



## DISTRIBUTION OF LEARNERS PER LEARNING PATHWAY

GRAPH 3: ALLOCATION OF LEARNER PER LEARNING PATHWAY



## DISTRIBUTION LEARNERS PER PROVINCE AND PER LEARNING PATHWAY

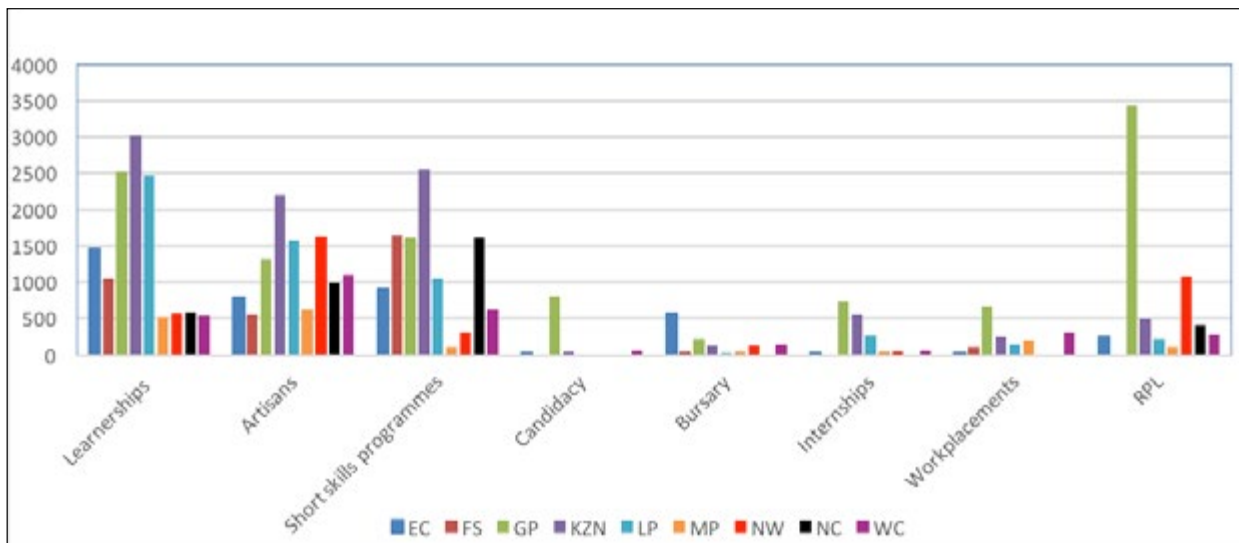
In the 2015/16 financial year, the distribution of learning pathways per province shows that the four main learning pathways being implemented are Learnerships, Apprenticeships, Short Skills Programmes and Recognition of Prior Learning (RPL).

In its efforts to address the socio-economic conditions of most people in the country, the CETA decided to allocate Learnerships for the unemployed – in the main – to promote access of new entrants in the construction sector. Whilst on the other hand it allocated Apprenticeships and Skills Programmes – in the main – for the employed as this allows the employed to progress to higher positions in their various jobs. The CETA's artisans' allocations are high in response to the Department of Higher Education and Training's "Decade of The Artisan" Campaign as well as its response to the National Skills Accord goals of achieving 30 000 qualified artisans by 2030.

Transformation within the built environment sector remains a great concern as per the CETA Sector Skills Plan. For this reason the CETA has made an allocation for the implementation of a 3 year Candidacy Programme at R60 000 per Candidate per annum to support the unemployed graduates and also government employees in the built environment sector to register as Candidate for professional registration with their respective Built Environment Councils. This initiative will go a long way in addressing the transformation challenges within the Built Environment Sector.



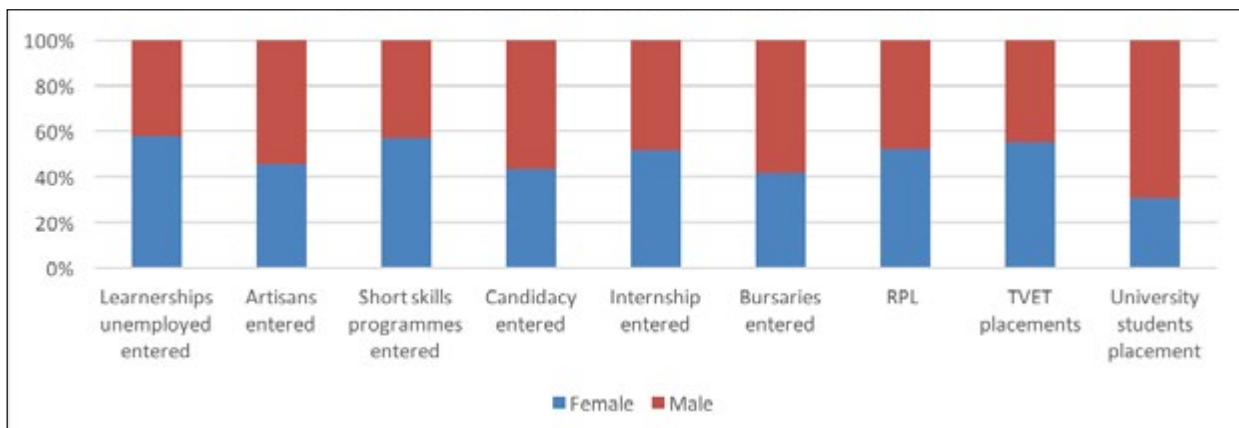
GRAPH 4: DISTRIBUTION OF LEARNERS PER LEARNING PATHWAY AND PER PROVINCE



#### DISTRIBUTION LEARNERS PER LEARNING PATHWAY PER GENDER

As part of the CETA having women as its designated groups for funding, the CETA also requires that all its projects have at least 40% of all its beneficiaries to be women. Even though CETA requirements is to have 40% female in all projects, the graph shows that CETA went beyond this target and generally funded more female learners than male learners in most of its projects.

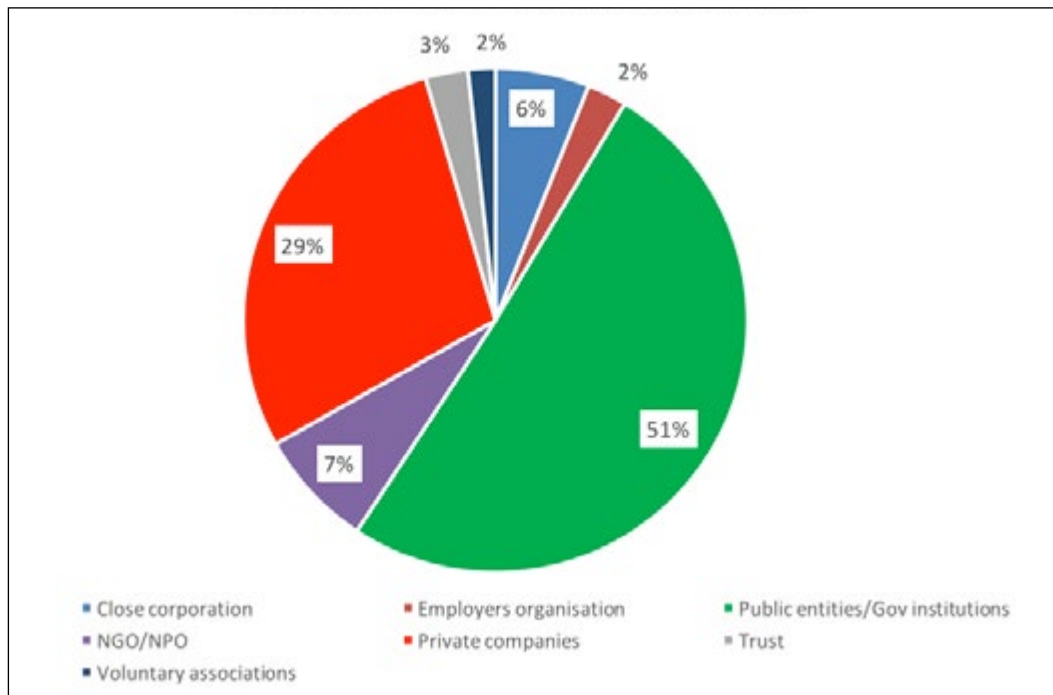
GRAPH 5: LEARNERS ENTERED PER LEARNING PATHWAY PER GENDER



## ALLOCATION OF FUNDING PER ENTITY TYPE

One of the priorities of the CETA includes public sector support for increased service delivery and supporting the building of a developmental state. Towards this end the CETA has made a significant allocation to the public sector. This is further supported due to the fact that most of the construction in the country is undertaken by the public sector.

GRAPH 6: ALLOCATION OF FUNDING PER ENTITY TYPE

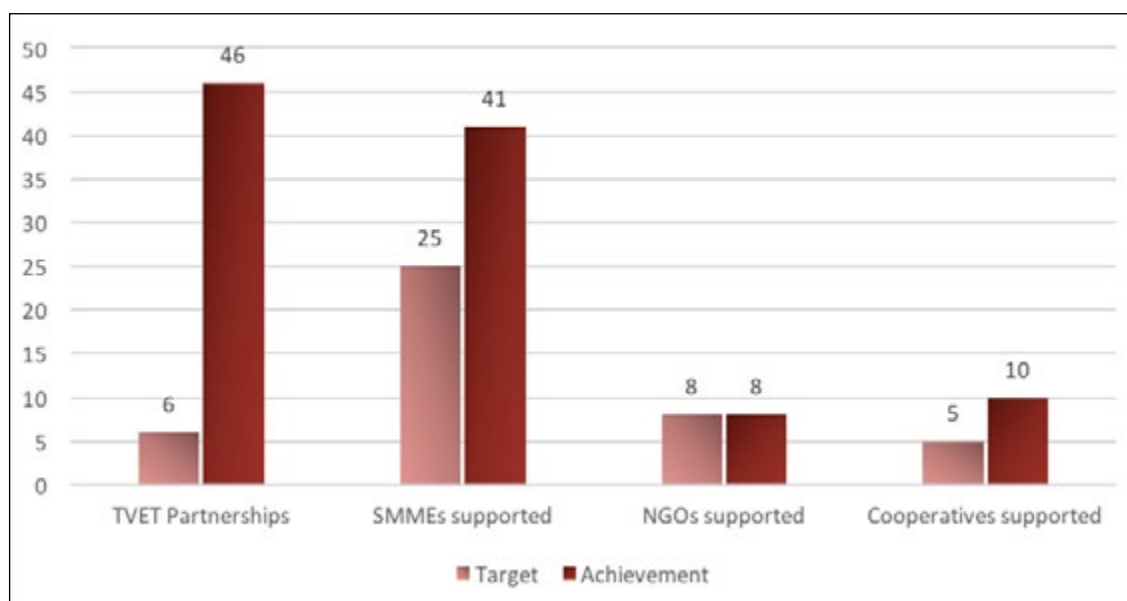


## SMME DEVELOPMENT AND COOPERATIVES SUPPORT

NSDS III calls on all Sector Education and Training Authorities to support cooperatives, small enterprises, worker-initiated interventions, NGOs and community training initiatives. This is done with the understanding that not all learners who exit the various skills development programmes will necessarily find employment. For some there is a need to create their own employment and employ other as well, thereby becoming job creators instead of job seekers.

The graph below illustrates the CETA's contribution towards the above.

GRAPH 7: SMME, COOPERATIVES AND NGO SUPPORT



## ESTABLISHMENT OF THE 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, range for employable skills particularly in rural and township communities. The CETA is in the process of establishing thirteen (13) Skills Development Centres linked to various Public TVET College across the country, which can later be adopted to be Community Colleges.

The Centres is a concept that was developed by the CETA as its 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 1: CETA SKILLS DEVELOPMENT CENTRES

NO.	TVET COLLEGE CENTRE IS ALOCATED 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.	Umfolozu TVET College	Eskhawini	Umlathuze
11.	Boland TVET College	Bredasdorp	Cape Agulhas
12.	–	Ingwavuma	uMkhanyakude
13.	Northern Cape Rural TVET College	De Aar	Pixley ka Seme

To date the CETA has successfully completed construction and establishment of the following five Skills Development Centres:

1. Venda: University of Venda
2. Eskhawini: Umfolozu TVET College
3. Vredendal: West Coast TVET College
4. Bredasdorp: Boland TVET College
5. Ingwavuma: Our Lady of Ingwavuma

The following skills development centres were under construction at the end of the financial year:

1. Muden: uMgungundlovu TVET College
2. Bethal: Gert Sibande TVET College

The following Skills Development Centres are envisaged to be completed by the end of the next financial year:

1. Babanango: Mthashana TVET College
2. Ixopo: Esayidi TVET College
3. Bergville: Mnambithi TVET College
4. Pongola: Mthashana TVET College
5. De Aar : Northern Cape Rural TVET College
6. Springbok: Namaqwa District Municipality

**CETA/UNIVERSITY OF VENDA SKILLS DEVELOPMENT CENTRE**



**CETA/VREDENDAL SKILLS DEVELOPMENT CENTRE**





### **CETA/BETHAL SKILLS DEVELOPMENT CENTRE**



### **CETA ANENE BOOYSEN SKILLS DEVELOPMENT CENTRE**



## PUBLIC SECTOR SUPPORT

In response to NSDSIII the CETA has allocated specific funding for the public sector through its allocations to TVET Colleges, various government departments, municipalities, public entities and various universities.

This support ranges from funding specific skills interventions like learnerships, apprenticeships, bursaries and short skills programmes to for lecturer development and development of new curricula to support the construction industry. In total the CETA made an allocation of **R828 050 382** to benefit a total of **19 046** learners in the public sector.

The CETA allocated **R269 818 650** to benefit a total of **6 866** learners in TVET Colleges.

TABLE 2: SUPPORT TO PUBLIC TVET COLLEGES

TVET College	Type of support	Programmes
<b>King Hintsa</b>	Skills Development intervention to support the infrastructural development at two of its campuses in Teko and Willowvale respectively	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Bursaries</li> </ul>
<b>Central Johannesburg College</b>	Skills Development Intervention	<ul style="list-style-type: none"> <li>• Learnerships</li> </ul>
<b>Motheo TVET College</b>	Skills Development Intervention	<ul style="list-style-type: none"> <li>• Learnerships</li> </ul>
<b>Gert Sibande TVET College</b>	Skills Development intervention to support the infrastructural development through the establishment of a Skills Development Centre. In addition to this, allocations were made for skills development in various learning pathways	<ul style="list-style-type: none"> <li>• Skills Development Centre</li> <li>• Learnerships</li> <li>• Apprenticeships</li> <li>• Internships</li> </ul>
<b>Capricorn TVET College</b>	Skills Development Interventions	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Short Skills Programmes</li> </ul>
<b>Umfolozi TVET College</b>	Skills Development intervention to support the infrastructural development through the establishment of a Skills Development Centre. In addition to this, allocations were made for skills development in various learning pathways	<ul style="list-style-type: none"> <li>• Skills Development Centre</li> <li>• Apprenticeships</li> <li>• Learnerships</li> </ul>
<b>Umgungundlovu TVET College</b>	Skills Development intervention to support the infrastructural development through the establishment of a Skills Development Centre. In addition to this, allocations were made for skills development in various learning pathways	<ul style="list-style-type: none"> <li>• Skills Development Centre</li> <li>• Learnerships</li> </ul>
<b>Boland TVET College</b>	Skills Development intervention to support the infrastructural development through the establishment of a Skills Development Centre. In addition to this, allocations were made for skills development in various learning pathways	<ul style="list-style-type: none"> <li>• Skills Development Centre</li> <li>• Learnership</li> </ul>

TVET College	Type of support	Programmes
<b>Mthashana TVET College</b>	Skills Development intervention to support the infrastructural development through the establishment of a Skills Development Centre. In addition to this, allocations were made for skills development in various learning pathways	<ul style="list-style-type: none"> <li>• Skills Development Centre</li> <li>• Apprenticeships</li> <li>• Short Skills Programmes</li> <li>• Internships</li> </ul>
<b>Esayidi TVET College</b>	Skills Development intervention to support the infrastructural development through the establishment of a Skills Development Centre. In addition to this, allocations were made for skills development in various learning pathways	<ul style="list-style-type: none"> <li>• Skills Development Centre</li> <li>• Learnerships</li> <li>• Short Skills Programmes</li> </ul>
<b>Mopani South East TVET College</b>	Skills Development Interventions	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Apprenticeships</li> </ul>
<b>Lephalale TVET College</b>	Skills Development Interventions	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Apprenticeships</li> </ul>
<b>Vuselela TVET College</b>	Skills Development Interventions	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Apprenticeships</li> </ul>
<b>Coastal KZN TVET College</b>	Skills Development Intervention	<ul style="list-style-type: none"> <li>• Apprenticeships</li> </ul>
<b>Mnambithi TVET College</b>	Skills Development intervention to support the infrastructural development through the establishment of a Skills Development Centre. In addition to this, allocations were made for skills development in various learning pathways	<ul style="list-style-type: none"> <li>• Skills Development Centre</li> <li>• Learnerships</li> </ul>
<b>West Coast TVET College</b>	Skills Development intervention to support the infrastructural development through the establishment of a Skills Development Centre. In addition to this, allocations were made for skills development in various learning pathways	<ul style="list-style-type: none"> <li>• Skills Development Centre</li> <li>• Learnerships</li> <li>• Apprenticeships</li> </ul>
<b>Sekhukhune TVET College</b>	Skills Development Interventions	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Apprenticeships</li> <li>• Short Skills Programmes</li> </ul>
<b>Northern Cape Rural TVET College</b>	Skills Development intervention to support the infrastructural development through the establishment of a Skills Development Centre. In addition to this, allocations were made for skills development in various learning pathways	<ul style="list-style-type: none"> <li>• Skills Development Centre</li> <li>• Learnership</li> <li>• Training of TVET College staff</li> </ul>

TVET College	Type of support	Programmes
<b>Goldfields TVET College</b>	Skills Development Intervention	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Apprenticeships</li> <li>• Bursaries</li> </ul>
<b>College of Cape Town</b>	Skills Development Interventions	<ul style="list-style-type: none"> <li>• Bursaries</li> <li>• Apprenticeship</li> </ul>
<b>Majuba TVET College</b>	Skills Development Intervention	<ul style="list-style-type: none"> <li>• Apprenticeship</li> </ul>
<b>Northern Cape Urban TVET College</b>	Skills Development Intervention	<ul style="list-style-type: none"> <li>• Training of Staff</li> </ul>

## SUPPORT TO PUBLIC HIGHER EDUCATION INSTITUTIONS

### 1. University of KwaZulu-Natal

The CETA support to the University focussed primarily on the development of academic department including lecture support and the provision of bursaries to students. The total allocation towards the achievement of the above is R20 660 000.

Due to the inability of the University to attract academic staff as a result of the lack of funds, the BscPropDev was phased out by the institution in 2010. However, in 2012 this area was identified as a scarce skill desperately needed for the economic growth of South Africa. The three-year BscPropDev develops graduates in the property, construction and civil engineering project management fields. While, the Honours provides the professional specialisation to equip the students to enter the working world in a more skilled position, with most of the requirements already met for the process of registration with the relevant professional council.

The CETA, having identified this scarce skill decided to support the university with the reintroduction of the qualification in 2013/14. The CETA is funding the following:

- Programme Development which was accredited by SACQSP/RICS
- 1 Professor
- Two Lecturers
- 1 Senior Lecturer/Associate Professors
- Research
- Bursaries for 116 learners

## **2. Wits University**

The CETA is supporting the University of Witwatersrand (Wits) Schools of Construction Economics & Management and Architecture & Planning respectively. The total support to these Schools is R5 972 000.

### **(a) School of Construction Economics and Management**

The School faced many challenges including those of low numbers of academics with limited competency in supervision and teaching, low levels of research activity and uncompetitive programmes. This meant that the School had very low levels of research output, overworked staff and poor postgraduate level throughput in research degrees in particular.

The School developed a PG Diploma and MSc level in research training. The School extended this to research degrees. The success of this has been recognised at Honours level by the external examiners, in the improved quality research training that students received. The key constraint, however, for almost all the students was financial support.

In addressing the above challenge highlighted by Wits, the CETA decided to support four aspiring academics from previously disadvantaged backgrounds. The idea was that this project would assist in creating a model to South African undergraduate and honours students, showing them that an academic career is a viable choice whilst at the same time developing the next generation of built environment academics.

Towards this end the CETA funded the following:

- Four (4) Associate Lecturer Positions
- Research Related Expenses for the four lecturers

### **(b) School of Architecture and Planning**

The primary mandate of the School of Architecture and Planning is to ensure adequate development of professionals in the fields of architecture and planning to benefit the construction sector. This requires that the School develops the skills of its staff, many of who enrol in research degrees at Masters or PhD levels to build relevant areas of specialised knowledge, which include applied teaching, research and outreach. However, the University experienced financial challenges and the support of the CETA was sought.

In responding to the above the CETA made the following allocations:

- Appointment of Associate Lecturer
- Support to research programme
- Appointment of Six Associate lecturers who held at least an M Arch Prof degree or BSc URP (Hon) degrees. The incumbents are engaged in pursuing higher degrees at Masters and PhD levels and are also engaged in teaching and/or seminar work.



### **3. University of Venda**

The CETA partnered with the University of Venda to develop a new programme in the Built Environment. The aim of the programme is to enable access to the Built Environment studies for students who do not meet the admission requirements for a BSc programme in the Built Environment.

The total amount allocated to Univenda is R22 000 000 broken down as follows:

- Programme development
- Renovation of Laboratory and workshop
- Academic development by employment of two (2) junior lecturers
- Bursaries for three (3) Masters students
- Bursaries for two (2) PhD students
- Bursaries for thirty (30) undergraduates students
- Establishment of a Skills Development Centre
- Learnership for 50 learners

### **4. University of Johannesburg (UJ)**

The CETA funded UJ to implement placement for practical experience for 22 learners and 50 students were given bursaries. The total amount is R3 792 000 and the total students benefiting were 72.

### **5. Cape Peninsula University of Technology (CPUT)**

The CETA supported CPUT in the placement of students as part of the Work Integrated Learning (WIL) Programme as well as funding some students with bursaries.

The total amount is R9 624 000 benefiting 248 learners.

## SUPPORT TO GOVERNMENT DEPARTMENTS

The CETA supported government departments to the amount of **R380 019 882** benefitting **13 901** learners.

TABLE 3: SUPPORT TO GOVERNMENT DEPARTMENTS

Government Department	Programmes
Free State Office of the Premier	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Learnerships</li> <li>• Short Skills Programmes</li> <li>• Bursaries</li> </ul>
Limpopo Office of the Premier	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Learnerships</li> </ul>
Mpumalanga Office of the Premier	<ul style="list-style-type: none"> <li>• Apprenticeships</li> </ul>
North West Office of the Premier	<ul style="list-style-type: none"> <li>• Bursaries</li> <li>• Apprenticeships</li> <li>• Recognition of Prior Learning</li> <li>• Internships</li> </ul>
Northern Cape Office of the Premier	<ul style="list-style-type: none"> <li>• Learnerships</li> </ul>
North West Department of Public Works	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Apprenticeships</li> </ul>
National Department of Public Works	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Learnerships</li> <li>• Candidacy</li> <li>• Bursaries</li> <li>• Short Skills Programmes</li> </ul>
Limpopo Department of Public Works	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Candidacy</li> </ul>
KZN Department of Public Works	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Internships</li> <li>• Work Integrated Learning</li> <li>• Apprenticeships</li> </ul>
National Department of Human Settlements	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Learnerships</li> <li>• Short Skills Programmes</li> </ul>
Western Cape Department of Human Settlements	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Short Skills Programmes</li> <li>• Recognition of Prior Learning</li> <li>• Apprenticeships</li> </ul>

Government Department	Programmes
North West Department of Human Settlements	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Apprenticeships</li> </ul>
EC Department of Rural Development & Agrarian Reform	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Short skills programmes</li> </ul>
Mpumalanga Regional Training Trust	<ul style="list-style-type: none"> <li>• Learnerships</li> </ul>
Nkomazi Local Municipality	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Addition of a Construction Development Wing in the incubation centre</li> </ul>
Cape Agulhas Municipality	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Short Skills Programmes</li> <li>• Recognition of Prior Learning</li> </ul>
Mantsopa Municipality	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Learnerships</li> <li>• Short Skills Programmes</li> </ul>
Namaqualand District Municipality	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Learnerships</li> <li>• Recognition of Prior Learning</li> </ul>
Mahikeng Local Municipality	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Learnerships</li> <li>• Recognition of Prior Learning</li> </ul>
North West Department of Finances, Economy and Enterprise Development	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Learnerships</li> <li>• Recognition of Prior Learning</li> <li>• Short Skills Programmes</li> </ul>
National Department of Rural Development	<ul style="list-style-type: none"> <li>• Candidacy programme</li> </ul>
Johannesburg Roads Agency SOC (Pty) Ltd	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Short Skills Programmes</li> </ul>
Northern Cape Department of Agriculture and Rural Development	<ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• Learnerships</li> <li>• Short Skills Programmes</li> <li>• Entrepreneurship and Mentorship</li> </ul>
Ngqushwa Local Municipality	<ul style="list-style-type: none"> <li>• Learnerships</li> <li>• Short Skills Programmes</li> </ul>

## INTER-SETA COLLABORATION

As part of its Inter-SETA collaborative efforts, the CETA has undertaken a number of joint projects with the Services Sector Education and Training Authority (SSETA). The two SETAs entered into a Memorandum of Understanding (MOU) to collaborate in the implementation of various skills development initiatives with the aim of ensuring that both the SETAs are able to deliver on their respective mandates.

The two SETAs have focused their effort in communities that have been neglected as well as designated groups such as women, people with disability, young people and military veterans.

In October 2015 the Minister of Higher Education and Training tabled a proposed new SETA landscape post-2018, setting out a vision for the post-school sector till 2030. The partnership between the two SETAs already encapsulates the vision of the Department as set out in some elements of the proposal.

In particular, the following elements in the Minister's discussion document resonate well with the current joint project management approach between the two SETAs:

- Better co-ordination of skills funding through a central mechanism which can optimise spending and impact of delivery
- Alignment with research and evaluation of the SETA system which proposed a more focused mandate for SETAs (moving quality assurance to the QCTO, and skills planning to the DHET)
- Recognition that many occupations are cross-sectoral and are not optimally served by the current sectoral focus of SETAs
- Recognition that institutional learning (generally funded by the fiscus, or voted funds) and workplace learning (generally funded by the Skills Development Levy), are complementary to occupational learning and therefore need to be funded in a complementary manner and from a cross-sectoral perspective

The Department of Higher Education and Training has further declared this as the "Decade of the Artisan". It is against this background that the two SETAs have adopted the skills pipeline approach towards production of artisans to ultimately contribute to the country achieving the National Development Plan targets in the area of artisanal training. In line with this approach, the SETAs continued to fund learners who successfully completed learnership programmes onto apprenticeship programmes both in Inxuba Yethemba and Beaufort West Municipalities in the Eastern and Western Cape respectively.

TABLE 5: LIST OF JOINT PROJECTS

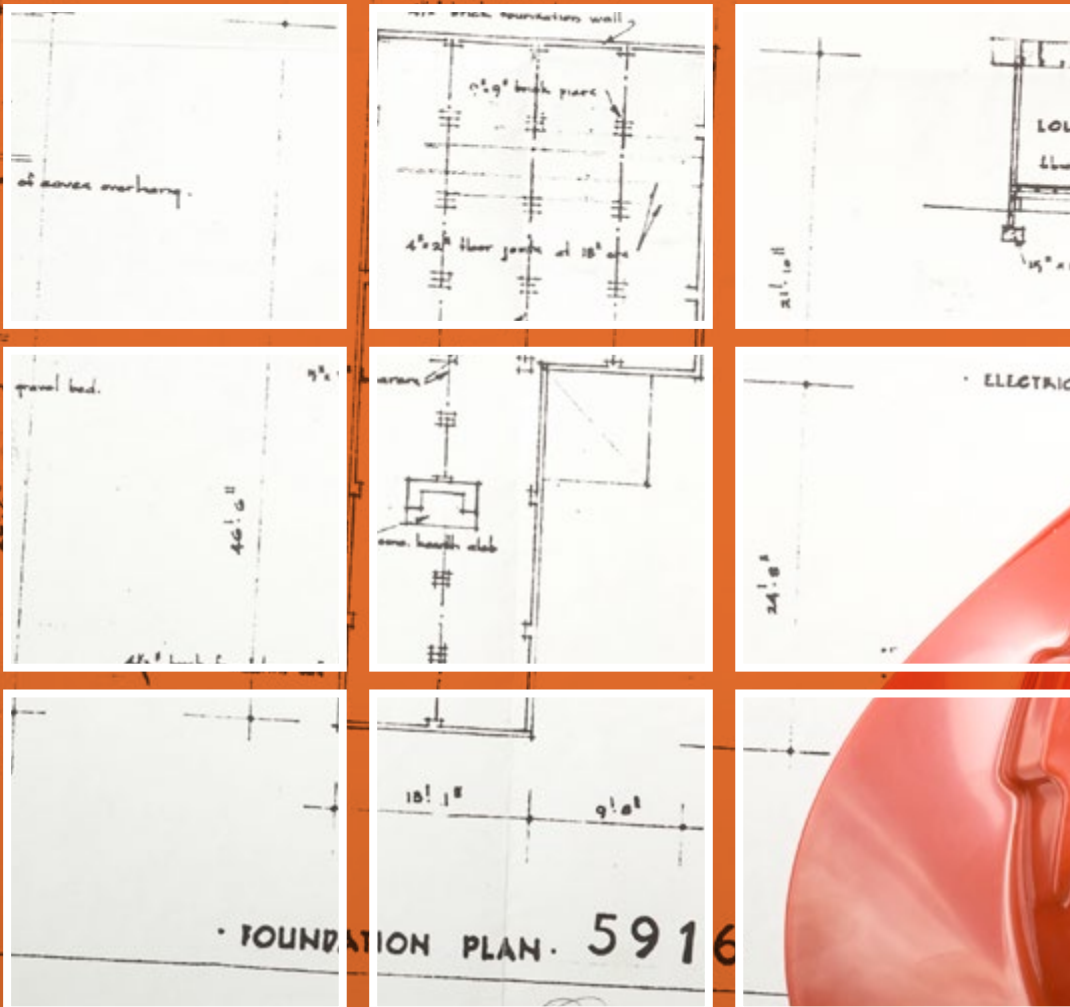
Entity	Projects	Number of learners
1. Beaufort West Local Municipality	Learnerships	508
	Apprenticeships	103
	Skills Centre	
2. Inxuba Yethemba Local Municipality	Apprenticeships	87
	Learnerships	497
3. South African Military Veterans Association (SANMVA)	Learnerships	833
4. Mining Development Agency (MDA)	RPL	1000
	Short Skills	111
	Learnerships	82
	Apprenticeships	58
	Bursaries	170
5. Disabled People South Africa (DPSA)	Short Skills	1500
	Learnerships	700
6. Don Bosco Educational Project	Learnerships	175
	Apprenticeships	200
	Internships	10
	Bursaries	50
	Establishment of cooperatives	10
	RPL	50
7. Motheo TVET College	Learnerships	30
8. Mangaung Local Municipality	Learnerships	332
	Apprenticeships	260
9. Sakhisizwe Local Municipality	Learnerships	200
10. South African Homeless People's Federation	Short Skills	111
	Learnerships	165
	Bursaries	10
11. Namaqua District Municipality	Learnerships	120
12. Prieska	Learnerships	200
13. Alexander Bay	Apprenticeships	100





# Part F

## Corporate Services Report



## Corporate Services Report

Corporate services is an integral part of the support structures of the organisation. It is the axil around 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 in the organisation 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

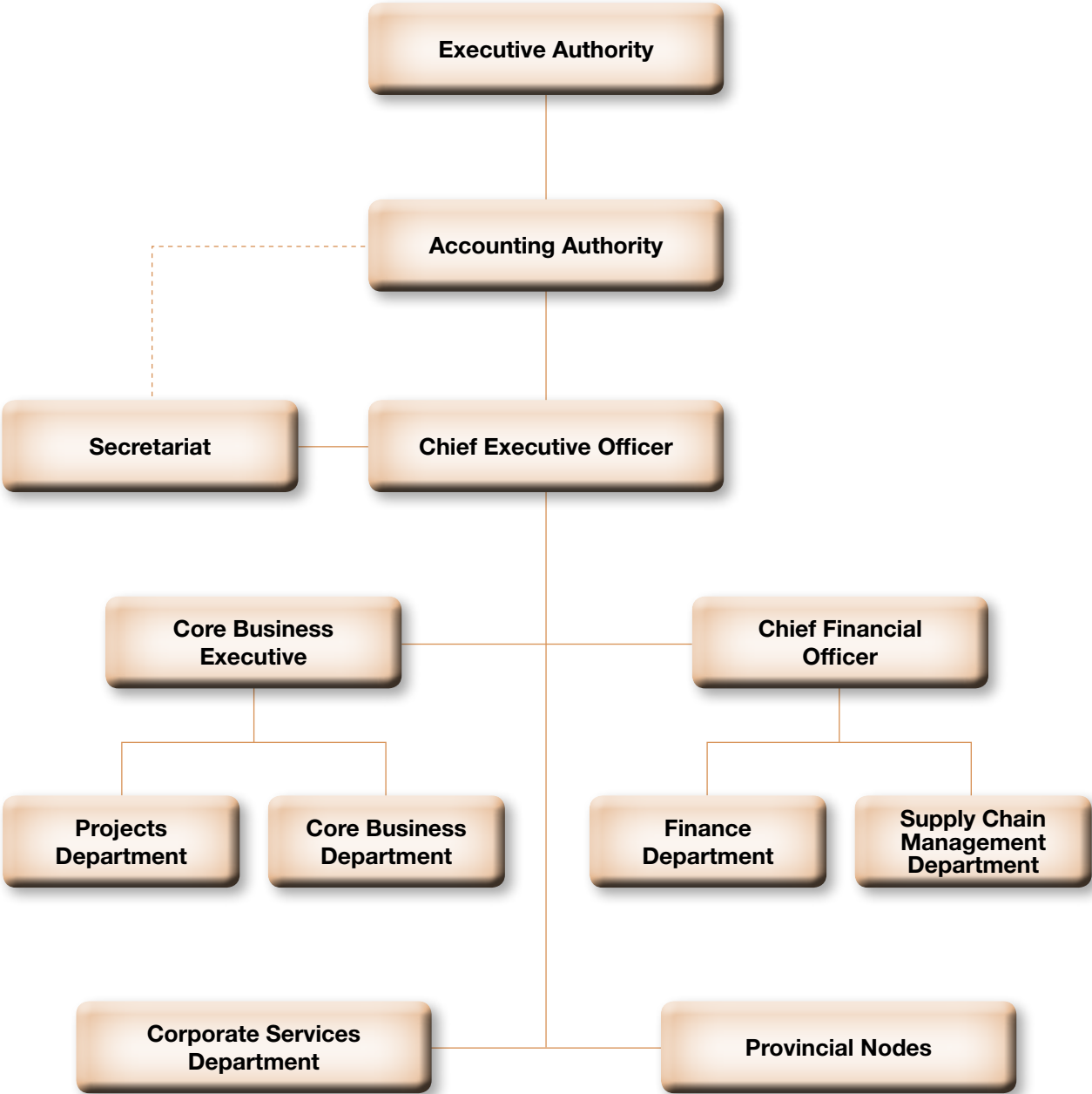
The CETA – over and above its head office – has a national footprint through its nine provincial nodes. In response to the Minister of Higher Education and Training's call for SETAs to be accessible and collaborate with public TVET Colleges, all provincial nodes of the CETA are either located at a public TVET College or accommodated in another public entity. Out of the nine provincial nodes six are located in public TVET Colleges, two share accommodation with another SETA and one is accommodated with the Department of Public Works.

TABLE1: 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 Public Works/CIDB
Eastern Cape	East Cape Midlands College
Western Cape	College of Cape Town
KwaZulu-Natal	Services SETA

The CETA's approved organogram provided for a staff compliment of 143 to enable it to adequately deliver on its mandate.

The CETA organogram is reflected hereunder:





## MANAGEMENT



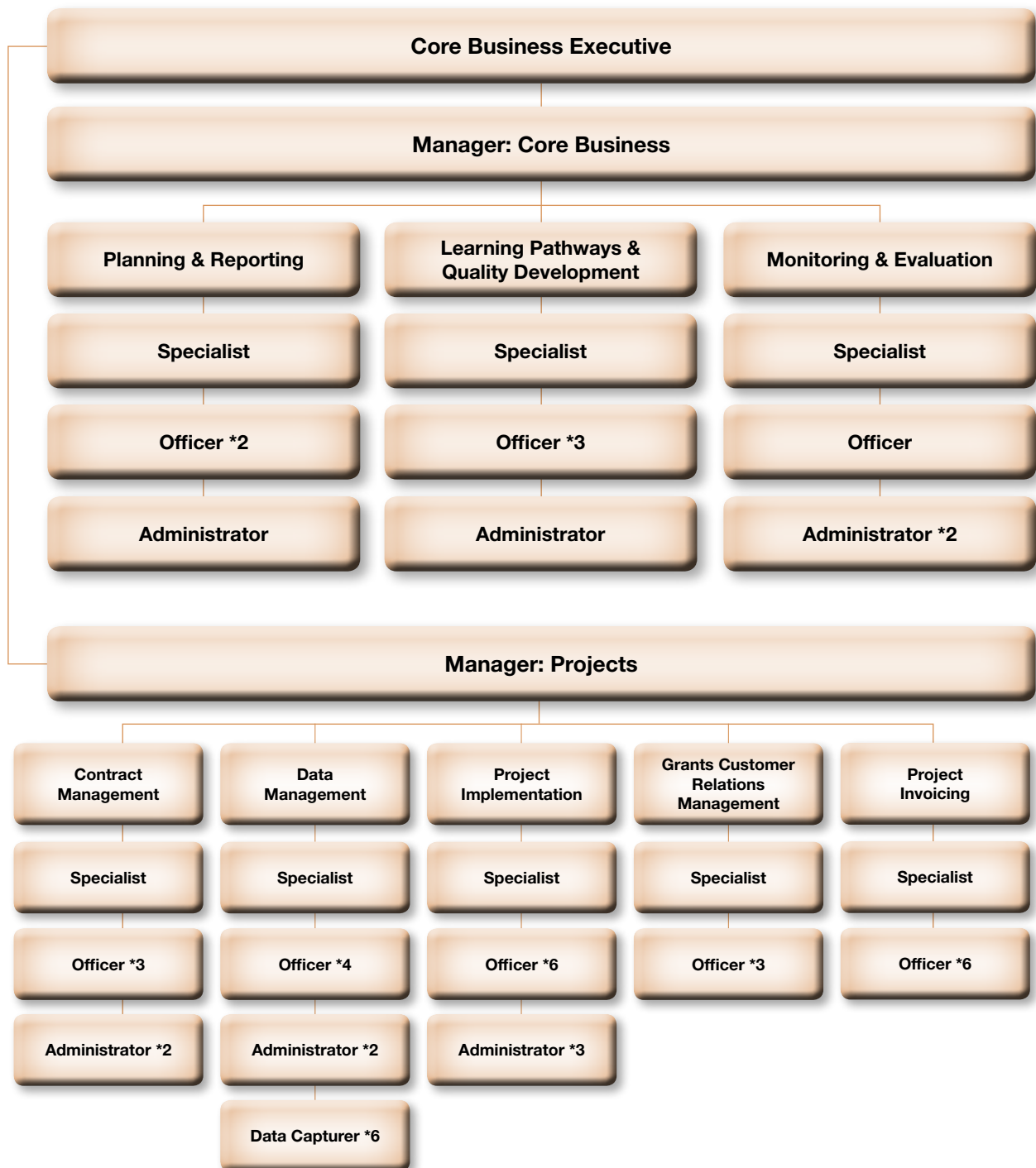
BACK LEFT TO RIGHT: Mr Innocent Ngenzi (Project Manager), Mr Jabulani Jiyane (Corporate Services Manager), Zviko Murahwi (ICT Champion), Mr Simphiwe Nene (Finance Manager)

FRONT LEFT TO RIGHT: Mr Robert Thibela (Core Business Manager), Ms Vellie Ndlovu (Chief Financial Officer), Ms Sonja Pilusa (Chief Executive Officer), Mr Thapelo Madibeng (Core Business Executive)

INSERT: Ms Tumiso Mphuthi (Supply Chain Management Manager)



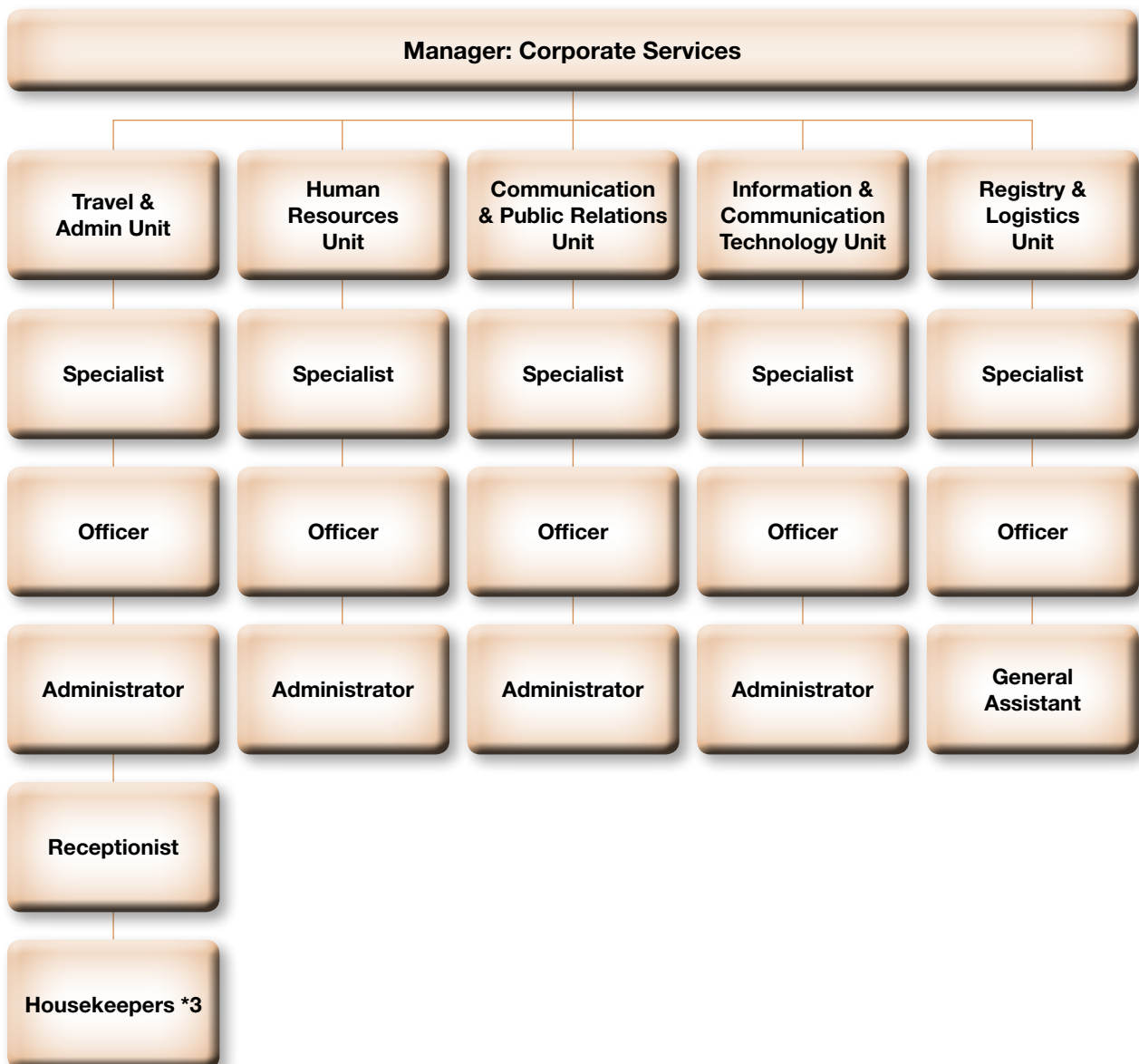
## CORE BUSINESS DEPARTMENT



## CORE BUSINESS DEPARTMENT



## CORPORATE SERVICES DEPARTMENT





## CORPORATE SERVICES DEPARTMENT



## FINANCIAL DEPARTMENT

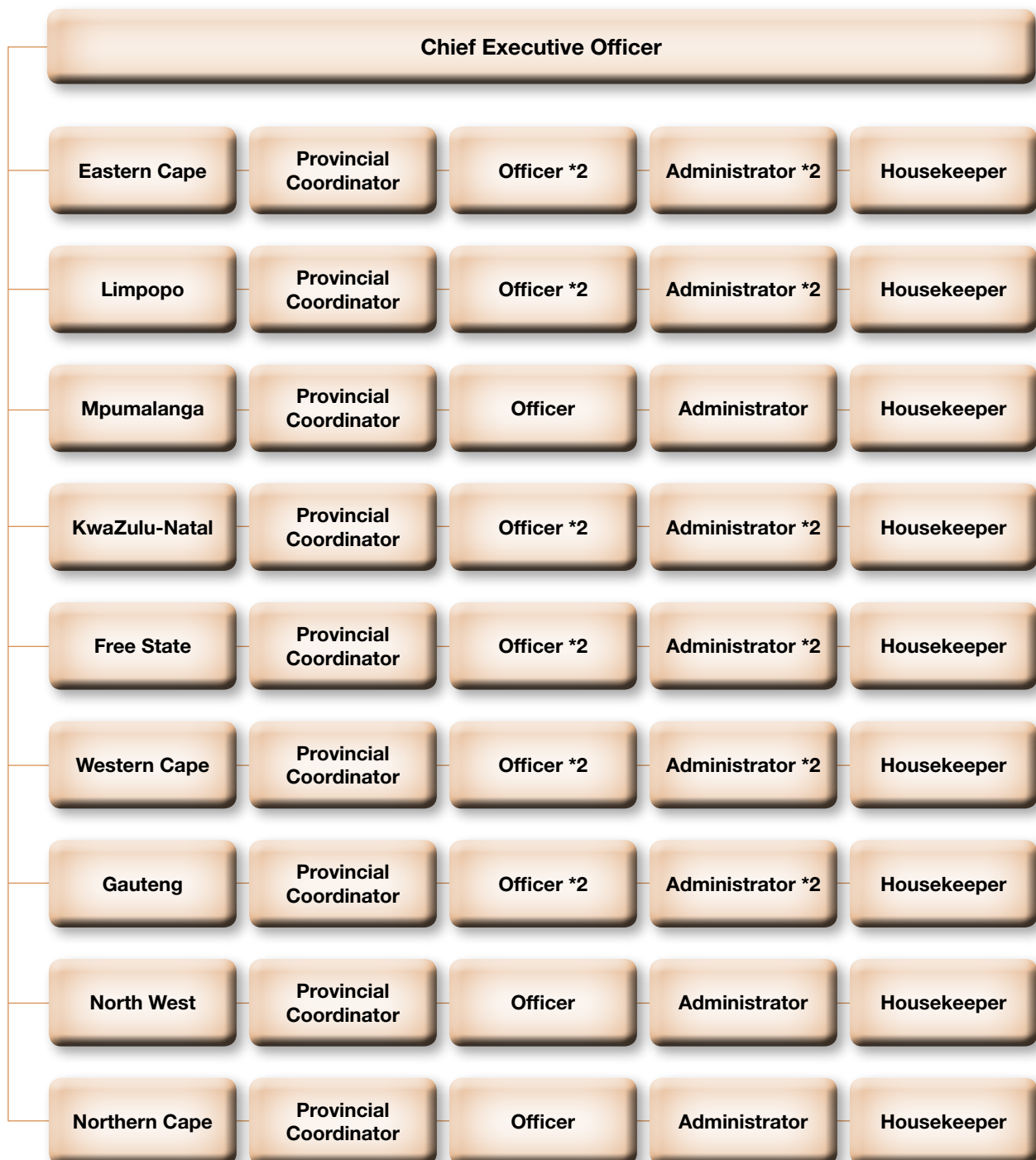




## FINANCE DEPARTMENT



## PROVINCIAL NODES



### Employment Profile (exits) For the Period 1 April 2015 – 31 March 2016.

Resignations										
Profile	African		Coloured		Indian		White		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Provincial Coordinator	1	–	–	–	–	–	–	–	1	–
Committee secretary	1	1	–	–	–	–	–	–	1	1
Officers	–	2	–	–	–	–	–	–	–	2
Administrator	–	1	–	–	–	–	–	–	–	1
<b>TOTAL</b>	<b>2</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>4</b>

Discharged										
Profile	African		Coloured		Indian		White		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Provincial Coordinator	–	2	–	–	–	–	–	–	–	2
Manager	–	1	–	–	–	–	–	–	–	1
Officer	1	2	–	–	–	–	–	–	1	2
<b>TOTAL</b>	<b>1</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>5</b>

Bursaries										
Profile	African		Coloured		Indian		White		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executive	1	1	–	–	–	–	–	–	1	–
Manager	–	1	–	–	–	–	–	–	–	1
Specialist	–	1	–	–	–	1	–	–	–	2
Officer	–	1	–	–	–	–	–	–	–	1
General Assistant	–	1	–	–	–	–	–	–	–	1
Administrator	1	1	–	–	–	–	–	–	1	1
<b>TOTAL</b>	<b>2</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>7</b>

Pensioned										
Profile	African		Coloured		Indian		White		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Receptionist	–	1	–	–	–	–	–	–	–	1
<b>TOTAL</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>

## SALARIES OF MANAGEMENT

Name	Position	Total Cost to Company R'000	Bonus R'000	Total R'000
TOP MANAGEMENT	Chief Executive Officer	2 406	563	2 969
	Core Business Executive	1 596	404	2 000
	Chief Financial Officer (employed from 1 June 2015)	998	252	1 250
SENIOR MANAGEMENT	Manager: Core Business	926	250	1 176
	Manager: Projects	868	244	1 112
	Manager: Corporate Services	977	132	1 108
	Manager: Supply Chain Management	843	253	1 096
	Manager: Finance (up to 10 November 2015)	540	–	540
	Manager: Finance (Acting from 1 June 2015 to 30 November 2015)	150	41	191

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

In the year under review the following twenty new appointments were made:

- Chief Financial Officer
- Corporate Services Manager
- Finance Manager
- Projects Manager
- Coordinator: Eastern Cape
- Coordinator: Northern Cape
- Specialist: Human Resources Management
- Specialist: Financial Accounting
- Specialist: Grants Customer Relations Management
- Specialist : Contracts Management
- Board Secretary
- Specialist: Learning Pathways and Quality Development
- Officer: Contracts Management
- Officer: Projects Implementation
- Officer: Human Resources Management

- Administrator: Learning Pathways and Quality Development
- Administrator: Contracts Management
- Receptionist
- Data Capturer
- Data Capturer
- Data Capturer
- Data Capturer

## **COMMUNICATIONS AND PUBLIC RELATIONS UNIT**

The Communication and Public Relations Unit plays a critical role within and outside the organisations. The unit's main role 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 amongst others included the following:

- Tshwane University of Technology Soshanguve Youth Empowerment Conference
- Green Youth Indaba
- SETA's Round Table Discussion
- Property and Construction Sector Career Week
- DHET Mandela Day
- Umlazi Youth Empowerment Conference

In another effort to increase awareness about the services offered by the CETA, the CETA collaborated with the Department of Higher Education and Training KHETHA Career Development Initiative.

Career guidance interviews which – were conducted by the Provincial Coordinators and Core Business Specialists – were held on the following radio stations,:

- Ligwalagwala FM – Mpumalanga Provincial Coordinator
- Ikwewezi FM – Mpumalanga Provincial Coordinator
- Umhlobo Wenene FM – Free State Provincial Coordinator
- Thobela FM – Limpopo Provincial Coordinator
- Ukhozi FM – Northern Cape Provincial Coordinator
- Motsweding FM – Specialist: Learning Pathways and Quality Development
- Phalaphala FM – Specialist: Planning and Reporting
- Radio Sonder Grense FM – Western Cape Provincial Coordinator
- Lesedi FM – Northern Cape Provincial Coordinator



## CAREER GUIDANCE

During the year under review, the CETA's Core Business Department developed a new career guide for the construction sector. CETA through its provincial nodes participated in a total of **34** career guidance events, reaching a total number of **8 071** learners throughout the country as indicated below:

PROVINCE	EVENT	NO. OF LEARNERS
<b>Eastern Cape</b> (Managed by the Provincial Node)	Celebrating Youth Month	194
	Engineering Expo – Ikhala	46
<b>Gauteng</b> (Managed by the Provincial Node)	Constitution Hill 60 years of freedom Charter	165
	CETA Tshwane South College Career Guidance	94
	St George Round Table Discussion and Expo	56
	Presidential Siyahlola Imbizo	345
	Green Youth Indaba 2015 Opportunity	110
	Deputy President's Expo – Youth Expo at Grace Bible Church	86
	ARA-Gauteng Provincial Legislature Voter Education Info Expo	84
<b>KwaZulu-Natal</b> (Managed by the Provincial Node)	Elangeni TVET College Career Exhibition	122
	Umlazi Youth Empowerment	46
	Mandela Day Career Expo	4192
	KZN Provincial Public Service Career Expo	66
<b>Limpopo</b> (Managed by the Provincial Node)	Youth Information Sharing session	53
<b>Mpumalanga</b> (Managed by the Provincial Node)	Department of Labour Community Outreach Exhibition Machadodorp	166
	Department of Labour Advocacy Session and Career Exhibition Ermelo	158
	Department of Labour Advocacy Session and Career Exhibition Secunda	217
	Department of Labour Job Faire Event Emalahleni	101
	Department of Labour Community Outreach Exhibition Barberton	78
	Department of Labour Career Exhibition Elukwatini	72
	Business Briefing	64

PROVINCE	EVENT	NO. OF LEARNERS
North West (Managed by the Provincial Node)	Celebrating Youth Month	90
	Opportunity and Job Seekers Month: Career Guidance and Exhibition – Rustenburg Municipality	72
	Opportunity and Job Seekers Month: Career Guidance and Exhibition – Kagisano-Molopo Municipality	70
	Opportunity and Job Seekers Month: Career Guidance and Exhibition – Mahikeng Municipality	142
	Be All That You Can Be: Career Guidance Workshop – Zeerust Hoer Skool	136
	Be All That You Can Be: Career Guidance Workshop – Nelson Rholihlahla Mandela High School	74
	Opportunity and Job Seekers Month: Career Guidance and Exhibition – Maquassi Hills Municipality	70
	Artisan Development Workshop	60
	International Cooperatives Celebration Summit	260
	NPOs & CBOs Roadshows	150
	Opportunity and Job Seekers Month – Naledi Local Municipality	81
	International Cooperatives Celebration – Greater Taung Municipality	22
	Opportunity and Job Seekers Month (NW University) – James Moroka Municipality	329

## 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.

### ICT DELIVERABLES DURING THE YEAR UNDER REVIEW

During the year under review the CETA ICT Unit started rolling out the 2015-18 ICT Strategic Plan aimed at:

- Using ICT to increase operational efficiency of the CETA
- Ensuring that ICT is effectively used as a strategy tool and not just a support tool
- ICT and Business at the CETA are aligned.

The following were some of the major achievements of the unit:

- New Servers were acquired to strengthen and modernize the ICT. Plans are to use the old Servers for Disaster Recovery and Business Continuity
- MPLS Network rollout for Telephone and Email services to Provincial Nodes was completed
- Compilation and Approval of key ICT Policies (as part of Corporate Governance of ICT rollout) was completed
- A comprehensive Disaster Recovery and Business Continuity Plan was compiled and completed
- Backup Solutions were upgraded to include a PC backup and recovery solution and Virtual Machine Recovery Solutions
- Successfully collaborated with Deloitte to put together and rollout procedures for cleaning up Learners records on the Learners MIS System
- The ICT environment (Servers and Networks) were further stabilized, strengthened and secured through comprehensive SLAs with suitable Service Providers.
- Projects for Construction of an integrated Intranet and CRM System started
- Reconstruction of the CETA website started
- Work continued on strengthening systems of Corporate Governance and Governance of ICT

The table below provides an update of the key activities for the ICT Department as at year end.

ACTIVITY/TASK	TARGET ICT STRATEGY THEME AND OUTCOME	STATUS
Rolling out Internet Connectivity and the VoIP PABX system to Provincial Offices	Enhanced Collaboration for stronger team work and operational efficiency	98 % Complete
Replacement of Servers and related infrastructure	Support Systems for enhanced Operational Efficiency	Completed
Replacement of old desktops and laptops	Support Systems for enhanced operational efficiency	In progress
Physical Security Systems repairs upgrade (Access Control and CCTV systems)	Operational efficiency for a secure ICT environment.	In progress
Acquisition and implementation of a suitable CRM system and a supporting Enterprise Content Management System.	Enhanced Collaboration for stronger team work and operational efficiency	Started
Building the CETA Intranet	• Enhanced Collaboration for stronger team work and operational efficiency	Started
	• Construction of reliable and consistent information resources.	
Working with Deloitte to improve service delivery through the SMS System	Construction of reliable and consistent information resources.	In Progress
Upgrading the CETA Website	Operational Efficiency	In Progress
Regularizing ICT expenditure	Operational Efficiency and Compliance	Completed
CGoICT and GoICT Implementation	Operational Efficiency and Compliance	All Key policies completed
Enterprise Architecture Development.	ICT and Business Alignment	In progress

ACTIVITY/TASK	TARGET ICT STRATEGY THEME AND OUTCOME	STATUS
Developing and Implementing the Business Continuity and Disaster Recovery Plans.	Operational Efficiency and Compliance	Completed
External ICT Audit with the Auditor General	Compliance	Completed
Reconstruction and rollout of the new MPLS Network with a new Service Provider	Enhanced Collaboration for stronger team work and operational efficiency	Started
Construction of a DR site	Operational Efficiency	Started
Review of ICT Policies	Compliance	Completed

### ICT DELIVERABLES DURING THE YEAR UNDER REVIEW

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- Using ICT to increase operational efficiency of the CETA
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### ICT PERFORMANCE

During the year under review:

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- A comprehensive Disaster Recovery and Business Continuity Plan was compiled and completed
- Backup Solutions were upgraded to include a PC backup and recovery solution and Virtual Machine Recovery Solutions
- Successfully collaborated with Deloitte to put together and rollout procedures for cleaning up Learners records on the Learners MIS System
- The ICT environment (Servers and Networks) were further stabilized, strengthened and secured through comprehensive SLAs with suitable Service Providers.
- Projects for Construction of an integrated Intranet and CRM System started
- Reconstruction of the CETA website started
- Work continued on strengthening systems of Corporate Governance and Governance of ICT

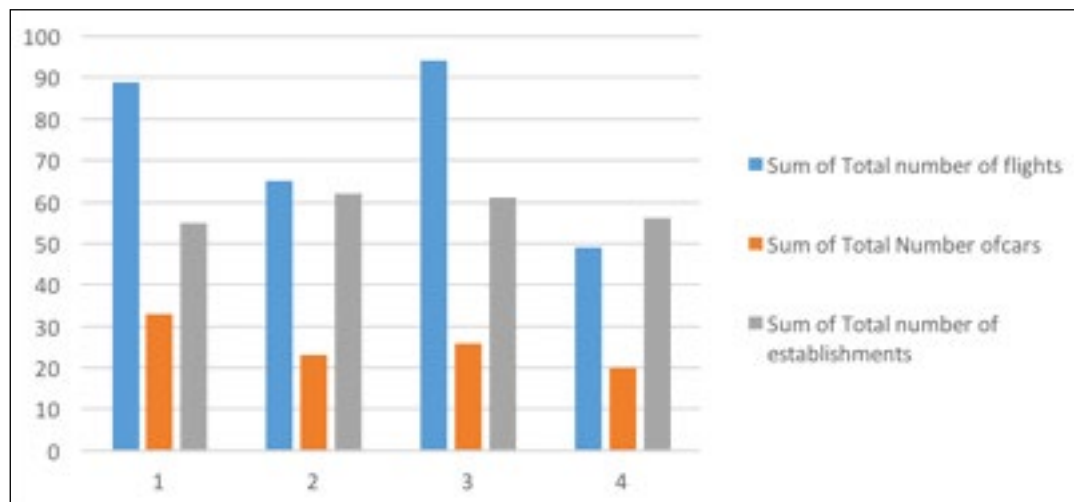
The table below provides an update of the key activities for the ICT Department as at year end.

## ADMINISTRATION AND TRAVEL UNIT

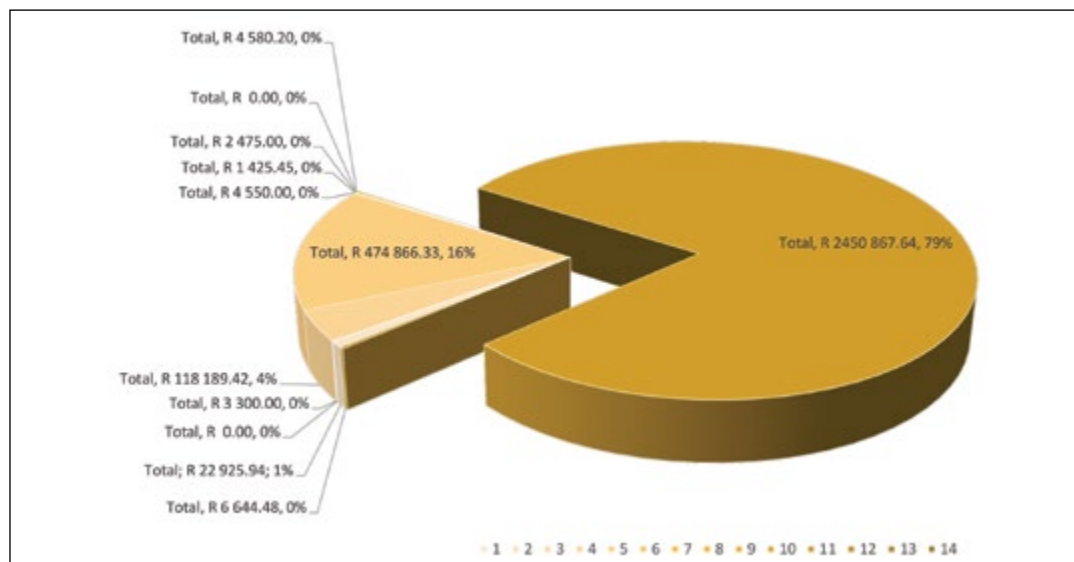
The Travel and Administration unit performs a support function to the operations of the CETA – in particular the Core Business Departments. In the execution of this support the function the Unit ensures that all the reservations it makes are cost effective whilst at the same time ensuring that efficiency of the operations of the organisation is not compromised.

In line with the above, the CETA vigorously implemented the cost containments measures as per the Treasury Guidelines.

GRAPH 1: TOTAL NUMBER OF CARS; FLIGHTS AND ACCOMMODATION BOOKED IN THE FINANCIAL YEAR



GRAPH 2: TRAVEL EXPENDITURE PER PROVINCIAL NODE AND PROJECTS



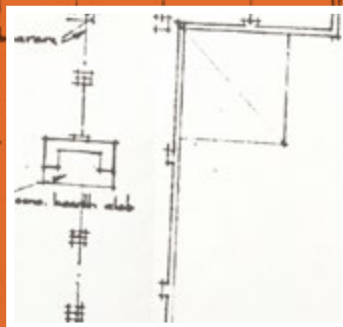
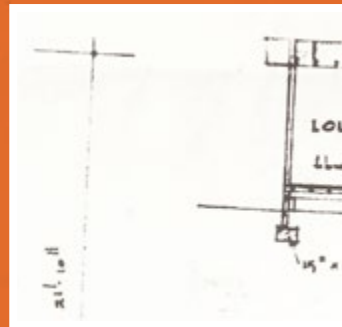
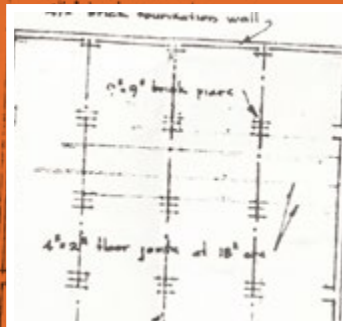






# Part G

## Finance Report



# Finance Report



**Velile Ndlovu – CFO**

## 1. General overview

CETA remains committed to sound management of funds in terms of PFMA, Treasury Regulations and SDL Act in order to maintain a clean audit opinion. CETA continue 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 committee. 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 2016 amounted to R937 million which is 46% higher than R640 million in 2014/15. Levy income increased by 13% from R551 million for the 2014/15 year to R835 million for the 2015/16 as a result of increase in levy paying companies. Interest received on investments increased by 30% from R61 million to R79 million as a result of increase in the bank balance. All funds are currently invested with CPD and the average interest rates are quoted at 5.5%.

### Expenditure

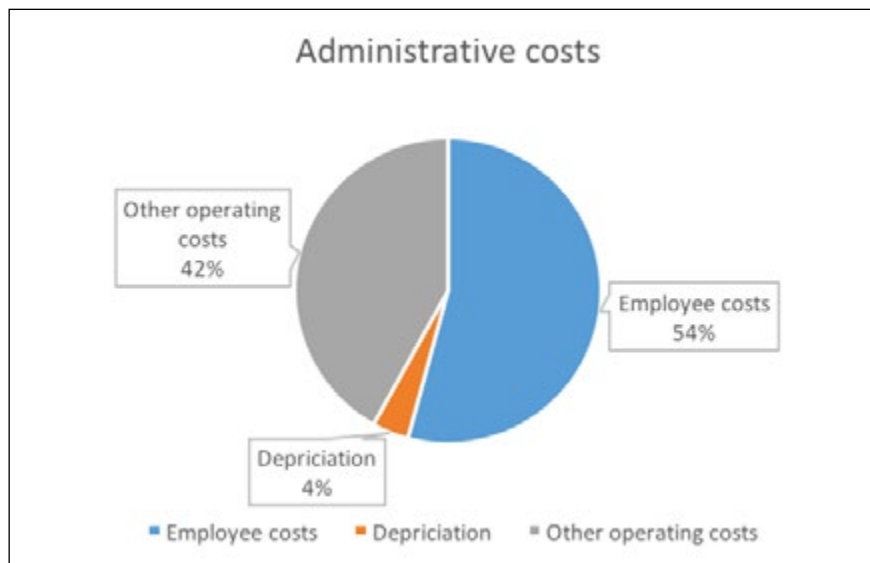
Total expenditure for the year ended 2015/16 amounted to R621 million increasing by 51% from R412 million in 2014/15 year. Total expenditure is made up of mandatory grants expenditure, Discretionary grants expenditure and Administrative expenditure. Mandatory grant expenditure increased from R91 million to R246 million. This is attributable to increase in submissions by the companies. Discretionary grants expenditure increased by 17% from R263 million in 2014/15 to R307 million in 2015/16 year. The increase is attributed to payments made to projects implemented in the current year.

Administration expenditure increased from R58 million in 2014/15 to R68 million in 2015/16. CETA kept its administrative expenditure below the regulated threshold of 10.5%.

### Major Cost Drivers

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

## Major Cost drivers



## Commitments

CETA has a commitment balance of R1 206 million. These amounts have been committed to fund scarce and critical skills in the construction sector.

## 3. Financial Position

Total Assets increased by 24% from R1 400 million in the 2014/15 to R1 737 million in 2015/16. 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

CETA's liabilities are made up of mandatory grants payables not made due to lack of bank accounts and accruals relating to projects payments not yet paid at year end. Total liabilities is R135 million for 2015/16 reflecting increase of 9% from R124 million.

### Reserves

The 25% increase in total reserves from R1 277 million in 2014/15 to R1 602 million in 2015/16 was as a results of increase in interest from investments.

### **Irregular expenditure and fruitless and wasteful expenditure**

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

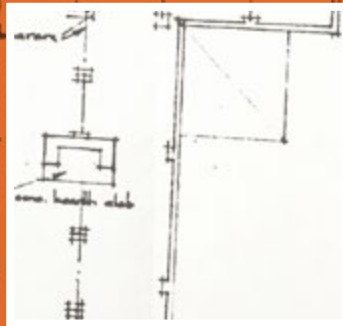
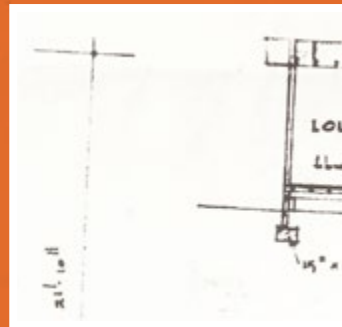
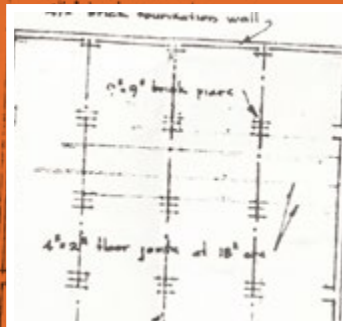
### **Supply chain management**

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.



# Part H

## Audit Committee Report



## Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2016. 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.

### Audit committee members and attendance

The audit committee consists of the members listed here under and should meet 4 times per annum as per its approved terms of reference. During the current year 4 number of meetings were held.

Name of member	Number of meetings attended
Mogadime J (Chairperson)	4
Maboa J	4
Rankoe MD	3
Claasens M	4

### 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
- The risk management process is in place and that 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 the 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 concur with and accept 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

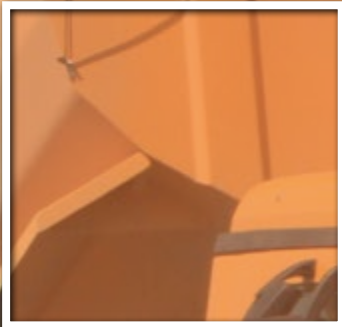
The audit committee has met with the Auditor General of South Africa to ensure that there are no unresolved issues.



**Ms Jabu Mogadime**

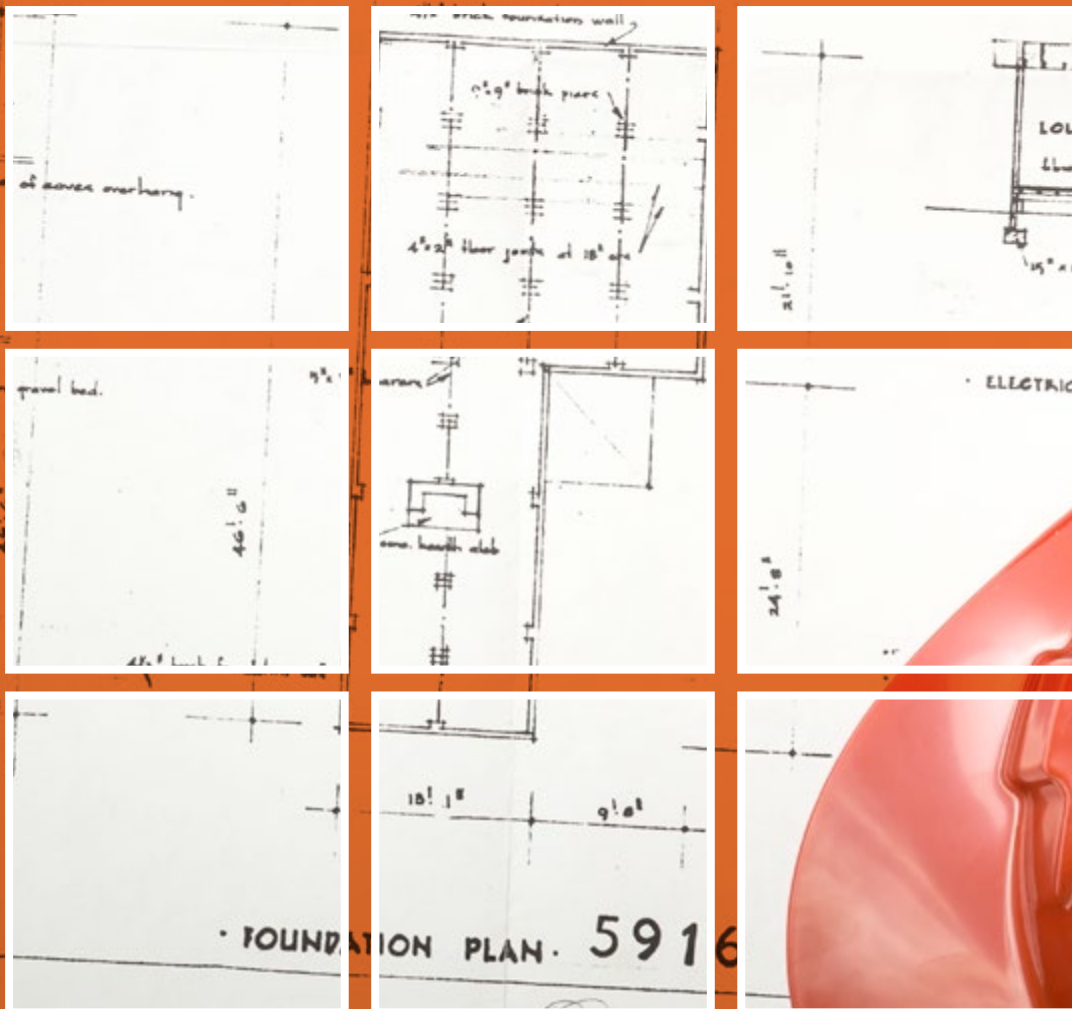
*Chairperson of the Audit Committee*





# Part I

## Report of the Auditor General





# Report of the Auditor General to Parliament on Construction Education and Training Authority

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the financial statements of the Construction Education and Training Authority set out on pages 116 to 149 which comprise statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting Authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act of South Africa, 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.

### Auditor General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

6. 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 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA and the SDA.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. 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 findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion thereon.

### Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2016:
- Programme 1: Establishing a credible mechanism for skills planning
  - Programme 2: Increasing access to occupationally directed programmes in the construction sector
  - Programme 6: Increase uptake of training and employment in construction by young people.
9. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
10. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
11. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 1: Establishing a credible mechanism for skills planning
  - Programme 2: Increasing access to occupationally directed programmes in the construction sector
  - Programme 6: Increase uptake of training and employment in construction by young people.

### Additional matters

12. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

### Achievement of planned targets

13. Refer to the annual performance report on page(s) 18 to 48; for information on the achievement of the planned targets for the year.

### Adjustment of material misstatements

14. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 6: Increase uptake of training and employment in construction by young people. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

### Compliance with legislation

15. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

### Internal control

16. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

### Financial and performance management

17. Management did not implement proper monitoring controls over performance reporting, with the result that material adjustments were made to the annual performance report submitted for audit.

### Other reports

18. I draw attention to the following engagements that could potentially impact on the public entity's financial, performance and compliance-related matters. My opinion is not modified in respect of this engagement that has been completed.

### Investigations

19. An independent consulting firm conducted an investigation at the request of the Department of Higher Education and Training. The investigation was initiated after anonymous emails were sent to the accounting authority and other stakeholders about allegations of possible fraudulent activities at the entity. The investigation has been completed.

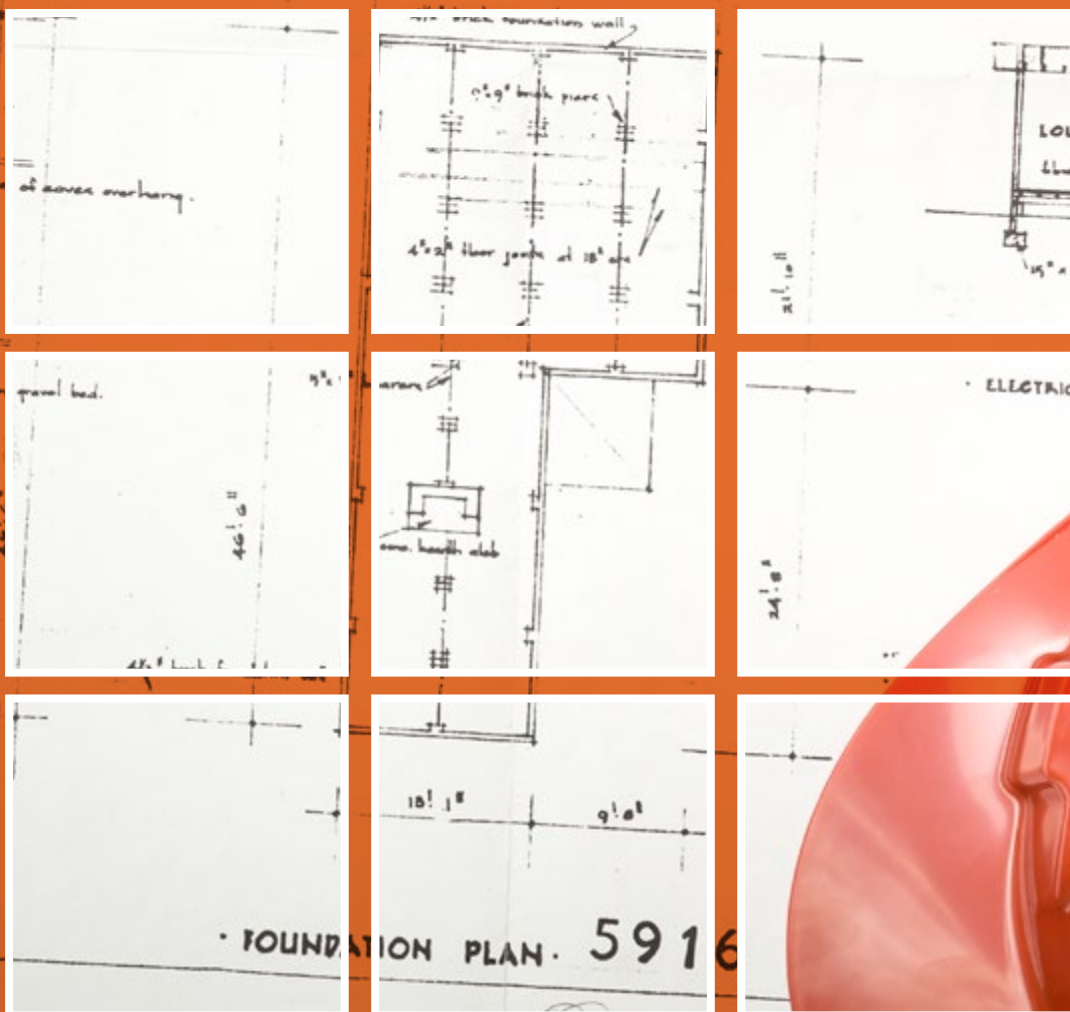
*Auditor-General*

Pretoria  
31 July 2016



# Part J:

## Annual Financial Statements



## Contents

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Statement of Comparisons of Budget and Actual Amounts	120
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Remuneration to Executive Management and Accounting Authority	144



The Audited Annual Financial Statements for the year ended 31 March 2016 have been approved by the Accounting Authority on 31 July 2016 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:



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**S Pilusa**  
*Chief Executive Officer*



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**R Cele**  
*Accounting Authority Chairperson*

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	March 2015/16 R'000	March 2014/15 R'000
<b>Revenue</b>			
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Levies	2	835 298	551 057
Fines, Penalties and Forfeits	3	22 661	27 774
<b>Total revenue from non-exchange transactions</b>		<b>857 959</b>	<b>578 831</b>
<b>Revenue from exchange transactions</b>			
Other Income	4	–	7
Interest received – investment	5	78 572	61 419
<b>Total revenue from exchange transactions</b>		<b>78 572</b>	<b>61 427</b>
<b>Total revenue</b>		<b>936 531</b>	<b>640 257</b>
<b>Expenditure</b>			
Administration Expenses	6	(68 353)	(57 997)
Employer Grant and Project Expenses	7	(553 041)	(354 361)
<b>Total expenditure</b>		<b>(621 394)</b>	<b>(412 358)</b>
<b>Operating surplus</b>		<b>315 137</b>	<b>227 899</b>
<b>Surplus for the year</b>	1	<b>315 137</b>	<b>227 899</b>

## STATEMENT OF FINANCIAL POSITION

	Note	March 2015/16 R'000	March 2014/15 R'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	8	1 718 985	1 381 557
Receivables from non-exchange transactions	9.1	7 840	8 088
Receivables from exchange transactions	9.2	1 755	2 305
Consumables	10	473	212
		<b>1 729 052</b>	<b>1 392 163</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11	7 174	7 653
Intangible assets	12	623	669
		<b>7 797</b>	<b>8 322</b>
<b>Total Assets</b>		<b>1 736 849</b>	<b>1 400 485</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from non-exchange transactions	13.1	19 438	20 342
Payables from exchange transactions	13.2	28 308	16 521
Deferred Income	14	1 120	–
Provisions	15	86 377	86 877
		<b>135 243</b>	<b>123 741</b>
<b>Total Liabilities</b>		<b>135 243</b>	<b>123 741</b>
		<b>1 601 607</b>	<b>1 276 744</b>
<b>Funds and Reserves</b>			
Administration reserve		7 797	8 322
Employer Grant reserve		485	295
Discretionary reserve		1 593 325	1 268 128
<b>Total Net Assets</b>		<b>1 601 607</b>	<b>1 276 744</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 01 April 2014</b>		1 841	761	1 046 243	1 048 845	–
Changes in net asset surplus for the year		–	–	–	–	227 899
Allocation of unappropriated surplus	1	16 520	55 633	155 747	227 899	(227 899)
Excess reserves transferred (to)/from		(10 039)	(56 099)	66 138		
Total Changes		6 481	(466)	221 885	227 899	–
<b>Balance at 31 March 2015</b>		<b>8 322</b>	<b>295</b>	<b>1 268 128</b>	<b>1 276 744</b>	
<b>Adjustments to opening balance</b>						
– Prior year error	18	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>1 276 523</b>	<b>1 286 470</b>	–
Changes in net asset surplus for the year		–	–	–	–	315 137
Allocation of unappropriated surplus	1	40 745	62 866	211 526	315 137	(315 137)
Excess reserves transferred (to)/from		(42 600)	(62 676)	105 276		
Total Changes		(525)	190	325 197	324 862	–
<b>Balance at 31 March 2016</b>		<b>7 797</b>	<b>485</b>	<b>1 593 325</b>	<b>1 601 607</b>	

## STATEMENT OF CASH FLOWS

	Note	March 2015/16 R'000	March 2014/15 R'000
<b>Cash flow from operating activities</b>			
<b>Receipts</b>			
Grants		858 498	584 995
Interest income		78 572	61 419
		<b>937 070</b>	<b>646 414</b>
<b>Payments</b>			
Employee costs		(37 064)	(38 853)
Payments to suppliers and stakeholders		(560 307)	(326 562)
		<b>(597 371)</b>	<b>(365 415)</b>
<b>Net cash flow from operating activities</b>	16	<b>339 698</b>	<b>280 999</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	11	(2 215)	(7 144)
Net cash flows from loss/sale of property, plant and equipment		328	64
Purchase of other intangible assets	12	(383)	(686)
<b>Net cash flows from investing activities</b>		<b>(2 270)</b>	<b>(7 766)</b>
<b>Cash flow from financing activities</b>			
Finance costs		–	–
<b>Net cash flow from financing activities</b>		<b>–</b>	<b>–</b>
<b>Net increase in cash and cash equivalents</b>		<b>337 428</b>	<b>273 233</b>
Cash and cash equivalents at the beginning of the year		1 381 557	1 108 325
<b>Cash and cash equivalents at the end of the year</b>	8	<b>1 718 985</b>	<b>1 381 557</b>



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Final Budget at March 2016 R'000	Actual amounts at March 2016 R'000	Difference R'000
<b>Statement of Financial Performance</b>			
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Other Income	–	–	–
Interest received – investment	64 866	78 572	13 706
<b>Total revenue from exchange transactions</b>	<b>64 866</b>	<b>78 572</b>	<b>13 706</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Levies	581 916	835 298	253 382
Fines, Penalties and Forfeits	29 329	22 661	(6 668)
<b>Total revenue from non-exchange transactions</b>	<b>611 246</b>	<b>857 959</b>	<b>246 714</b>
<b>Total Revenue</b>	<b>676 111</b>	<b>936 531</b>	<b>260 420</b>
<b>Expenditure</b>			
Administration Expenses	(71 144)	(68 353)	2 791
Employer Grant and Project Expenses	(798 749)	(553 041)	245 708
<b>Total expenses</b>	<b>(869 893)</b>	<b>(621 394)</b>	<b>248 499</b>
<b>Surplus</b>	<b>(193 782)</b>	<b>315 137</b>	<b>508 918</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.

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 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 in which they are incurred and approved. A 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 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, its 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 and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as 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 will cease. Any gains or losses arising from de-recognition of an asset is included in profit or loss when the item is derecognised.

## 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 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	4 years
Computer equipment	Straight line	3 years
Computer software	Straight line	2 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.

## Derecognition

The carrying amount of an item of property plant and equipment is derecognised on disposal or when there are no future economic benefits expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by reference to their.

## **6. Intangible assets**

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

### **Recognition**

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 R2 000 are expensed and not capitalised.

### **Subsequent measurement**

Intangible assets are initially 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.

### **Derecognition**

Intangible assets are derecognised on disposal 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

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. When calculating the effective interest rate, CETA shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. 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).

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

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 of the acquisition. 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 ow 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 of Financial Performance in the year to which they relate and there is no further liability for the CETA.

## 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 Accrual 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. An accrual is made for the estimated liability as a result of services rendered by employees up to the last day of the financial year. Leave accruals are included under payables from exchange transactions in the statement of financial position based on the current salary rates and latest approved increases. Also included under payables from exchange transactions are trade payables.

## **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 year end 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 2015 to 31 March 2016. 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

	2015	2016	Administration	Employer grant reserve	Discretionary grant reserve
	Total per Statement of Financial Performance	Total per Statement of Financial Performance	Administration reserve	Mandatory skills grant	Total
	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>					
Skills development levy: income					
Admin levy income (10.5%)	74 517	109 098	109 098	-	-
Grant levy income (69.5%)	476 540	726 200	-	308 805	417 395
Skills development levy: penalties and interest	27 774	22 661	-	-	22 661
Investment income	61 419	78 572	-	-	78 572
Other income	7	-	-	-	-
<b>Total</b>	<b>640 257</b>	<b>936 531</b>	<b>109 098</b>	<b>308 805</b>	<b>518 628</b>
<b>Expenses</b>					
Administration expenses	(57 997)	(68 353)	(68 353)	-	-
Employer grants and project expenses	(354 361)	(553 041)	-	(245 939)	(307 102)
<b>Total</b>	<b>(412 358)</b>	<b>(621 394)</b>	<b>(68 353)</b>	<b>(245 939)</b>	<b>(307 102)</b>
	<b>227 899</b>	<b>315 137</b>	<b>40 745</b>	<b>62 866</b>	<b>211 526</b>

## 2. Levies

	<b>March 2015/16 R'000</b>	<b>March 2014/15 R'000</b>
<b>Levy income: Administration</b>		
Levies in cash	109 091	74 607
Levies received from SARS	107 181	70 642
Government levies received	1 910	3 955
Inter-seta transfers in	–	11
Levies provision	7	-90
	<b>109 098</b>	<b>74 517</b>
<b>Levy income: Employer Grants</b>		
Levies in cash	307 104	145 938
Levies received from SARS	307 104	145 935
Inter-seta transfers in	–	2
Levies provision	1 701	1 018
	<b>308 805</b>	<b>146 956</b>
<b>Levy income: Discretionary Grants</b>		
Levies in cash	418 843	331 053
Levies received from SARS	415 023	323 092
Government levies received	3 819	7 909
Inter-seta transfers in	–	52
Levies provision	(1 448)	(1 469)
	<b>417 395</b>	<b>329 584</b>
<b>Total</b>	<b>835 298</b>	<b>551 057</b>

## 3. Fines, Penalties and Forfeits

Skills Development Levy: Interest	10 008	13 832
Skills Development Levy: Penalties	12 653	13 942
	<b>22 661</b>	<b>27 774</b>

## 4. Other Income

Other income comprises of:		
Trade Tests	–	7
	<b>–</b>	<b>7</b>

## 5. Interest received – investment

Standard Bank	–	42
Reserve Bank (CPD)	78 572	61 377
	<b>78 572</b>	<b>61 419</b>



## 6. Administration Expenses

### 6.1 Employee cost

	<b>March 2015/16 R'000</b>	<b>March 2014/15 R'000</b>
Basic Salaries	23 788	24 154
UIF	247	268
Pension	4 422	4 082
PAYE & Other	8 608	10 349
	<b>37 064</b>	<b>38 853</b>

#### Defined Contribution Plan

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.

### 6.2 Depreciation and amortisation

	<b>March 2015/16 R'000</b>	<b>March 2014/15 R'000</b>
Depreciation	2 213	1 132
Amortisation	429	79
	<b>2 642</b>	<b>1 211</b>

### 6.3 Operating Expenses

QCTO	1 928	1 404
Board and Board Committees	1 276	1 238
Travel, Subsistence and Accommodation	534	676
Communication, PR and Marketing	2 278	2 456
Audit Related Costs	2 718	2 766
Consulting and Outsourcing	1 443	1 168
Cost of Occupancy	2 422	2 362
Legal Costs	10 917	2 275
Other Operational Expenses	5 131	3 588
	<b>28 646</b>	<b>17 934</b>
<b>Total</b>	<b>68 353</b>	<b>57 997</b>

## 7. Employer Grant and Project Expenses

	<b>March 2015/16 R'000</b>	<b>March 2014/15 R'000</b>
Mandatory Grants	245 939	91 321
– Expensed	247 956	78 767
– Movement in provision	(2 017)	12 554
Discretionary Grants	307 102	263 040
– Core expenditure	279 843	232 999
– Admin expenditure	27 260	30 041
	<b>553 041</b>	<b>354 361</b>

## 8. Cash and Cash equivalents

Cash on hand	4	3
Bank balance	1 718 982	1 381 555
	<b>1 718 985</b>	<b>1 381 557</b>

## 9. Receivables

### 9.1 Receivables from non-exchange transactions

SARS Employer receivables – current year	1 121	60
SARS Employer receivables – prior years	6 719	8 028
	<b>7 840</b>	<b>8 088</b>

### 9.2 Receivables from exchange transactions

Trade debtors	592	597
Staff debtors	153	178
Project debtors	1 009	1 526
Prepaid expenses	–	5
	<b>1 755</b>	<b>2 305</b>

## 10. Consumables

Opening balance	212	246
Movement	261	(34)
<b>Closing balance</b>	<b>473</b>	<b>212</b>

## 11. Property, Plant and Equipment

	2016			2015		
	Cost	Accumulated depreciation and impairment	Carrying amount	Cost	Accumulated depreciation and impairment	Carrying amount
Furniture and fittings	2 338	(1 787)	551	2 353	(1 624)	728
Motor vehicles	5 401	(1 407)	3 994	5 446	(431)	5 015
Office equipment	2 314	(1 230)	1 084	2 280	(744)	1 536
Computer equipment	3 188	(1 643)	1 545	1 625	(1 252)	373
<b>Total</b>	<b>13 241</b>	<b>(6 067)</b>	<b>7 174</b>	<b>11 704</b>	<b>(4 051)</b>	<b>7 653</b>

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

	Opening balance	Additions	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>(478)</b>	<b>(2 215)</b>	<b>7 174</b>

### Reconciliation of Property, Plant and Equipment – 2015

	Opening balance	Additions	Write-off	Depreciation	Total
Furniture and fittings	915	21	(30)	(178)	728
Motor vehicles	–	5 446	–	(431)	5 015
Office equipment	352	1 494	(16)	(294)	1 536
Computer equipment	484	184	(18)	(277)	373
<b>Total</b>	<b>1 751</b>	<b>7 144</b>	<b>(64)</b>	<b>(1 180)</b>	<b>7 653</b>

## 12. Intangible Assets

	2016			2015		
	Cost	Accumulated depreciation and impairment	Carrying amount	Cost	Accumulated depreciation and impairment	Carrying amount
Computer software	1 430	(808)	623	1 047	(378)	669
<b>Total</b>	<b>1 430</b>	<b>(808)</b>	<b>623</b>	<b>1 047</b>	<b>(378)</b>	<b>669</b>

### Reconciliation of Intangible Assets – 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Computer software	669	383	–	(429)	623
<b>Total</b>	<b>669</b>	<b>383</b>	<b>–</b>	<b>(429)</b>	<b>623</b>

### Reconciliation of Intangible Assets – 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Computer software	89	686	–	(106)	669
<b>Total</b>	<b>89</b>	<b>686</b>	<b>–</b>	<b>(106)</b>	<b>669</b>

The write-off for the current year are made up of a motor vehicle, officer equipment and computer equipment. The carrying amounts were claimed back from the insurance of CETA and employees of CETA.

### Remaining average useful lives:

	Years
Furniture and fittings	3
Motor vehicles	3
Office equipment	3
Computer equipment	3
Computer software	2

## 13. Payables

### 13.1 Payables from non-exchange transactions

	March 2015/16 R'000	March 2014/15 R'000
Levy creditors	13 014	13 745
SARS payables	587	426
Skills development mandatory grants	5 836	6 171
	<b>19 438</b>	<b>20 342</b>

### 13.2 Payables from exchange transactions

Trade payables – Projects	8 197	11 487
Trade payables – Administration	1 911	657
Accrued expenses – Administration	2 226	3 540
Accrued expenses – Projects	14 848	–
Lease liability	477	186
NSF Lay-off scheme	37	37
Other creditors	612	614
	<b>28 308</b>	<b>16 521</b>

## 14. Deferred Income

	March 2015/16 R'000	March 2014/15 R'000
Amount Received	3 756	–
Amount paid	(2 636)	–
	<b>1 120</b>	<b>–</b>

Deferred income is 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

	March 2015/16 R'000	March 2014/15 R'000
Opening balance	17 655	17 114
Transfers to discretionary grants	(3 564)	(3 221)
Current year	3 203	2 758
Change in provision	100	1 004
<b>Closing balance</b>	<b>17 395</b>	<b>17 655</b>

The provision for employer refund R17 395' (2015: R17 655') 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

	Note	March 2015/16 R'000	March 2014/15 R'000
Opening balance		6 345	913
Change in provision		(2 094)	5 432
<b>Closing balance</b>		<b>4 251</b>	<b>6 345</b>

### 15.3 Other provisions

Opening balance		9 170	–
Change in estimate	18	(9 170)	9 170
<b>Closing balance</b>		<b>–</b>	<b>9 170</b>



#### 15.4 Discretionary grants

	Notes	March 2015/16 R'000	March 2014/15 R'000
Opening balance		52 856	7 934
Utilised		(15 970)	–
Change in provision		26 860	44 922
<b>Closing balance</b>		<b>63 745</b>	<b>52 856</b>

#### 15.5 Accrued leave pay

Opening balance		851	619
Additions		101	35
Utilised		(133)	(63)
Change in Accrual		167	260
<b>Closing balance</b>		<b>985</b>	<b>851</b>
<b>Total</b>		<b>86 377</b>	<b>86 877</b>

### 16. Cash generated from operations

Surplus		315 137	227 899
<b>Adjustment for:</b>			
Depreciation and amortisation		2 642	1 211
Depreciation adjustment on disposed asset		2	–
Loss on write-off of asset		105	–
Write-off of Computer Equipment		20	–
Write-off of Office Equipment		25	–
Prior year error	18	9 290	–
Write-off of project creditors		435	–
<b>Changes in working capital:</b>			
Consumables		(261)	33
Receivables from exchange transactions		551	(1 609)
Receivables from non-exchange transactions		249	7 734
Movement in provisions		(500)	60 061
Deferred Income		1 120	–
Payables from exchange transactions		11 787	(16 234)
Payables from non-exchange transactions		(904)	1 904
		<b>339 698</b>	<b>280 999</b>

## 17. Commitments

### 17.1 Discretionary Grants

Programmes	Balance b/fwd. R'000	Restatements R'000	Adjustments R'000	2015/16 Utilized R'000	Balance c/fwd. R'000
Academic Development: Jnr Lecturers	–	–	–	–	–
Addition of a Construction Development Wing in the incubation centre	1 000	–	–	–	1 000
Apprenticeships	349 474	(11 928)	124 287	(107 655)	354 177
Associate lecturer positions (Transport planning/GIS/CAD for planning)	1 720	–	–	(1 094)	626
Bursaries	39 088	–	45 154	(26 796)	57 447
Candidacy	81 263	–	46 260	(9 203)	118 319
Development of Academic Programme	3 937	–	–	(1 815)	2 121
DQP Status	6 845	–	–	–	6 845
Entrepreneurship and Mentorship	720	–	–	–	720
Equity Development Post	2 580	–	–	–	2 580
Establishment and Development of Cooperatives	23 062	–	–	(7 215)	15 847
Establishment of a Construction Laboratory and Workshop	8 920	–	–	–	8 920
Establishment of a cooperative	500	–	–	–	500
Establishment or Enhancement of Construction Departments in Public FET Colleges	4 000	–	–	(1 133)	2 867
Internships	59 349	–	(3 600)	(4 491)	51 257
Learnership	427 399	(11 292)	8 284	(83 481)	340 910
Placement of learners in workplaces	59 106	–	288	(2 754)	56 639
Programme Development	129	–	–	–	129
Recognition of Prior Learning	26 986	–	–	(2 229)	24 757
Short Skills Programmes	136 352	(2 382)	(150)	(19 104)	114 716
Skills Development Centre	44 692	–	–	(12 130)	32 562
Trade Testing	12 201	–	(350)	(743)	11 108
Training of FET college staff in assessment and moderation	300	–	–	–	300
Various Projects	1 690	–	–	–	1 690
<b>Total Discretionary Grant Core Expenditure</b>	<b>1 291 310</b>	<b>(25 602)</b>	<b>220 173</b>	<b>(279 843)</b>	<b>1 206 038</b>

The commitment schedule for the March 2016 financial statements was restated due to the initial allocation of Rural Allowance being based on budgets. This has been adjusted to also consider additional submissions such as a request by entities for the allowance.

## 17.2 Operating leases

	<b>March 2015/16 R'000</b>	March 2014/15 R'000
Total of minimum lease payments under none cancellable leases		
– within one year	1 965	1 842
– within two years	2 122	–
	<b>4 087</b>	<b>1 842</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.

## 17.3 Administration Commitments

<b>Company Name</b>	<b>Contract Amount R'000</b>
Moore Stephens B&W	10
ADT Kusela	45
Galix Networking (pty) Ltd	195
ACCTECH Systems	1 000
	<b>1 250</b>

## 18. Prior year errors

- During the preparation of the March 2016 financial statements, it was noted that legal fees were provided for instead of being disclosed as a contingent liability as at March 2014. The balance was still carried over to the 31 March 2015 year end and not corrected.
- During the preparation of the March 2016 financial statements, it was noted that operating leases were not allocated clearly, even though operating leases were accounted for. Therefore opening balances needed to be adjusted to correct the allocation.

	<b>March 2015/16 R'000</b>	March 2014/15 R'000
The correction will be as follows:		
Increase discretionary grant reserves	7 960	–
Increase administration reserves	1 210	–
Decrease the Other provision	<b>(9 170)</b>	<b>–</b>
Decrease in lease liability	(292)	–
Increase in rent expense	412	–
Increase administration reserves	<b>120</b>	<b>–</b>

## 19. 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 for the department, these amounts were disclosed as below.

	2016		2015	
	R'000	R'000	R'000	R'000
	Transaction Amount	Amount receivable/ (payables)	Transaction Amount	Amount receivable/ (payables)
W&RSETA	–	–	65	–
	–	–	<b>65</b>	–

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

### 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.

	Basic Salary	Car Allowance	Pension Contribution	Bonus	Total
Executive Management	4 212 019,52	156 000,00	631 802,86	1 219 581,73	6 219 404,11
Total number					<b>3</b>

## CETA MEETING ALLOWANCES

### *Paid/Payable to Accounting Authority*

The Accounting Authority consists of members appointed in terms of its constitution. The Chief Executive Officer attends meetings of the Accounting Authority but is not a member of the Accounting Authority. The Chief Financial Officer attends Audit and Finance Committee meetings.

Name	Finance	Accounting Authority	Core Business	Audit	Remuneration	EXCO	Other Meeting Allowance	Total Meetings	Travel Allowance	Fuel & Other	Grand Total
B Dlamini	-	40 048,00	-	-	13 280,00	-	10 224,00	63 552,00	-	-	63 552,00
R Cele	-	64 080,00	-	-	-	90 919,43	23 272,00	178 271,43	1 175,00	3 358,32	182 804,75
M Classens	-	-	-	9 184,00	-	-	-	9 184,00	-	-	9 184,00
LJ Shai	26 912,00	36 112,00	-	-	-	53 824,00	13 272,00	130 120,00	-	-	130 120,00
M Mfike	-	25 136,00	-	-	13 280,00	47 008,00	7 568,00	92 992,00	-	-	92 992,00
J Maboa	-	-	-	4 592,00	-	-	-	4 592,00	-	-	4 592,00
M Mfebe	-	55 808,00	37 136,00	-	-	53 472,00	28 368,00	174 784,00	1 175,00	-	175 959,00
J Mogadime	-	-	-	30 272,00	-	-	7 568,00	37 840,00	-	-	37 840,00
S Molefe	-	32 480,00	-	-	20 096,00	-	6 816,00	59 392,00	-	-	59 392,00
F Motsepe	-	25 488,00	20 096,00	-	-	-	14 736,00	60 320,00	-	-	60 320,00
J Mpe	-	29 072,00	20 096,00	-	-	-	21 552,00	70 720,00	-	-	70 720,00
B Ngcobo	-	38 944,00	-	-	-	-	13 632,00	52 576,00	-	-	52 576,00
M Sedumedi	-	35 536,00	-	-	-	-	14 384,00	49 920,00	-	-	49 920,00
T Matosa	20 096,00	17 216,00	-	-	-	33 024,00	6 464,00	76 800,00	425,00	-	77 225,00
M Rankoe	-	-	-	13 776,00	-	-	-	13 776,00	-	-	13 776,00
M Shezi	26 912,00	-	-	-	-	-	6 464,00	33 376,00	-	-	33 376,00
L Motlhamme	26 912,00	-	-	-	-	-	-	26 912,00	-	-	26 912,00
<b>Total</b>	<b>100 832,00</b>	<b>399 920,00</b>	<b>77 328,00</b>	<b>57 824,00</b>	<b>46 656,00</b>	<b>278 247,43</b>	<b>174 320,00</b>	<b>1 135 127,43</b>	<b>2 775,00</b>	<b>3 358,32</b>	<b>1 141 260,75</b>



## 20. Irregular, fruitless and wasteful expenditure

	<b>March 2015/16 R'000</b>	<b>March 2014/15 R'000</b>
Opening balance	–	3 116
Add: Irregular Expenditure – current year	–	637
Add: Fruitless and wasteful Expenditure	–	–
Less: Amount condoned	–	(3 753)
	<b>–</b>	<b>–</b>

The irregular expenditure in the 2014/15 year consists of payments of admin contracts for printers, security services, internet services, office rental, storage services and cleaning services that had expired.

## 21. 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 CETA surplus the Corporation for Public Deposits (CPD) as per Treasury Regulation 31.3.3.

#### Credit risk

#### Floating rate

#### Non-interest bearing

31 March 2016

<b>Assets</b>	<b>Amount</b>	<b>Effective interest rate</b>	<b>Amount</b>	<b>Weighted average period until maturity in years</b>	<b>Total</b>
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>

**Credit risk**  
**31 March 2015**

<b>Assets</b>	Floating rate		Non-interest bearing		Total
	Amount	Effective interest rate	Amount	Weighted average period until maturity in years	
Cash and cash equivalents	1 381 557	5%	–		1 381 557
Receivables from non-exchange transactions	–		8 088		8 088
Receivables from exchange transactions	–		2 305		2 305
<b>Total financial assets</b>	<b>1 381 557</b>		<b>10 393</b>		<b>1 391 951</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.

**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.

	<b>Carrying Amount</b>	<b>Contractual Cash Flows</b>	<b>6 months or less</b>
<b>2016</b>			
Payables from non-exchange transactions	19 438	19 438	19 438
Payables from exchange transactions	28 308	28 308	28 308
	<b>47 746</b>		
<b>2015</b>			
Payables from non-exchange transactions	20 342	20 342	20 342
Payables from exchange transactions	16 521	16 521	16 521
	<b>36 863</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.

**22.**

## 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
Statutory Receivables	GRAP 108	Not yet effective
Accounting by Principals and Agents	GRAP 109	Not yet effective

## 24. Contingencies

### Contingent Assets

a	Litigations	Description	R'000
	Ms M Sedumedi, Mr M Mfikoe and Mr F Motsepe	Legal fees recoveries	246
	Ms R Malatji	Employee related recoveries	22
			<b>268</b>

### Contingent Liabilities

#### a Retention of surplus funds

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	1 593 325
Less: Commitments	(1 206 038)
Less: Allowable 5%	(79 666)
	<b>307 621</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**

Revenues from Skills Development Levies were much higher than budgeted due to a SARS adjustment done on one of the Aveng Group companies.

#### **Employer grant expenses**

The Employer grant expenses were much higher than the budget due to the prior years payments for the adjusted Aveng Group companies.

#### **Project expenses**

Due to stricter controls and introduction of a new payment model (i.e. the change from trench payments to a reimbursive model) the claiming rate has reduced. However, more project are commencing.

#### **Administration expenditure**

CETA aligned approval of expenditure to the budget which results in savings. Moreover, cost cutting measures have been put in place hence the variance from the budget.



## 28. Segment reporting

The CETA has identified the core operations of the CETA as reportable segments based on services rendered.

	Note	Programme 1 R'000	Programme 3 R'000	Programme 2 R'000	Total R'000
<b>Revenue</b>					
<b>Revenue from non-exchange transactions</b>					
<b>Transfer revenue</b>					
Levies	2	109 098	308 805	417 395	835 298
Fines, Penalties and Forfeits	3	–	–	22 661	22 661
<b>Total revenue from non-exchange transactions</b>		<b>109 098</b>	<b>308 805</b>	<b>440 057</b>	<b>857 959</b>
<b>Revenue from exchange transactions</b>					
Interest received – investment	5	–	–	78 572	78 572
<b>Total revenue from exchange transactions</b>		<b>–</b>	<b>–</b>	<b>78 572</b>	<b>78 572</b>
<b>Total revenue</b>		<b>109 098</b>	<b>308 805</b>	<b>518 628</b>	<b>936 531</b>
<b>Expenditure</b>					
Administration Expenses	6	(68 353)	–	–	(68 353)
Employer Grant and Project Expenses	7	–	(245 939)	(307 102)	(553 041)
<b>Total expenditure</b>		<b>(68 353)</b>	<b>(245 939)</b>	<b>(307 102)</b>	<b>(621 394)</b>
<b>Operating surplus</b>		<b>40 745</b>	<b>62 866</b>	<b>211 526</b>	<b>315 137</b>
<b>Surplus for the year</b>	<b>1</b>	<b>40 745</b>	<b>62 866</b>	<b>211 526</b>	<b>315 137</b>

# Notes

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