



**ETDP-SETA**

Education, Training and Development Practices  
Sector Education and Training Authority

At the cutting edge of skills development



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

# Annual Report 2015/16

Skilling the Nation

# Table of Contents

<b>Part A: General Information.....</b>	<b>3</b>
1 ETDP SETA Information .....	4
2 List of Abbreviations/Acronyms .....	5
3 Acknowledgements .....	7
4 Foreword by the Chairperson .....	8
5 Chief Executive Officer's Overview .....	10
6 Statement of Responsibility and Confirmation of Accuracy of the Annual Report by the Accounting Authority .....	13
7 Strategic Overview.....	15
Vision .....	15
Mission .....	15
Values .....	15
8 Legislative and Other Mandates .....	16
9 Organisational Structure .....	17
<b>Part B: Performance Information.....</b>	<b>18</b>
1 Auditor-General's Report: Predetermined Objectives.....	19
2 Situational Analysis.....	19
3 Performance Information by Programme .....	21
4 Revenue collection .....	82
5 Capital Investment .....	83
<b>Part C: Governance.....</b>	<b>84</b>
1 Introduction.....	85
2 Portfolio Committees .....	85
3 Executive Authority.....	85
4 The Accounting Authority/The Board .....	85
5 Risk Management .....	98
6 Internal Controls .....	98
7 Internal Audit and Audit Committee.....	98
8 Compliance with Laws and Regulations.....	98
9 Fraud and Corruption.....	98
10 Minimising Conflict of Interest .....	99
11 Code of Conduct .....	99

12 Health, Safety and Environmental Issues ..... 99

13. Audit Committee Report..... 99

**Part D: Human Resource Management..... 101**

1. Introduction..... 102

2. Human Resource Oversight Statistics ..... 103

**Part E: Financial Information..... 106**

1 Report of the Auditor-General to Parliament on the Education and Training Development Practices SETA ..... 107

2 ETDP SETA Annual Financial Statements ..... 111

# PART A :

## General Information

At the cutting edge of skills development





# 1 ETDP SETA's Information

## **Name:**

Education, Training and Development Practices Sector Education and Training Authority

Referred to in this report as ETDP SETA

## **Physical Address:**

24 Johnson Road

Riverwoods Office Park

Bedfordview

2008

## **Postal Address:**

Private Bag X105

Melville

2109

## **Contact details:**

**Contact Person:** Ms Sesi Nombulelo Nxesi

**Telephone Number:** +27(0)11 372 3300/2

**Email Address:** nombulelon@etdpseta.org.za

**Website Address:** www.etdpseta.org.za

*Addresses of the nine provincial offices are presented on the back cover of the report.*

## **External Auditors:**

The Auditor-General of South Africa Limited (AGSA)

300 Middel Street

New Muckleneuk

Pretoria, RSA

0181

## **Banker:**

Standard Bank of South Africa

5 Simmonds Street

Johannesburg

2000

## 2 List of Abbreviations/Acronyms

AA	Accounting Authority
AET	Adult Education and Training
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ANC	African National Congress
APP	Annual Performance Plan
APPETD	Association of Private Providers of Education, Training and Development
ATR	Annual Training Report
B.Ed	Bachelor of Education
CBO	Community Based Organisation
CCMA	Commission for Conciliation, Mediation and Arbitration
CDO	Career Development Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHIETA	Chemical Industries Education and Training Authority
COMDEV	Community Development
COSATU	Congress of South African Trade Unions
CS	Constituency Support
DA	Democratic Alliance
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
ECD	Early Childhood Development
ELRC	Education Labour Relations Council
ETD	Education, Training and Development
ETDP SETA	Education, Training and Development Practices Sector Education and Training Authority
ETDQA	Education Training and Development Quality Assurance
FASSET	Finance and Accounting Services Sector Education and Training Authority
FEDUSA	Federation of Unions of South Africa
FMPPi	Framework for Managing Programme Performance Information
FP&M SETA	Fibre Processing and Manufacturing Sector Education and Training Authority
GRAP	Generally Recognised Accounting Practice
HEI	Higher Education Institution
HESA	Higher Education South Africa
HELM	Higher Education Leadership and Management
HoD	Head of Department
HR	Human Resources
ICT	Information and Communication Technology
IFP	Inkatha Freedom Party
KZN	KwaZulu-Natal
LGSETA	Local Government Sector Education and Training Authority
LIASA	Library and Information Association of South Africa
LP	Limpopo Province
LSEN	Learners with Special Educational Needs
MBA	Master of Business Administration
MBL	Master of Business Leadership
MDP	Management Development Programme
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MICTSETA	Media, Information and Communication Technologies Sector Education and Training Authority
M&E	Monitoring and Evaluation
MIS	Management Information System

MOU	Memorandum of Understanding
MPA	Master of Public Administration
MSc	Master of Science
MTSF	Medium Term Strategic Framework
NAISA	National Alliance of Independent School Associations
NAPTOSA	National Professional Teachers Organisation of South Africa
NATU	National Teachers' Union
NEHAWU	National Education, Health and Allied Workers' Union
NGO	Non-Governmental Organisation
NLPE	Non-Levy Paying Entity
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
NPO	Non-Profit Organisation
NTEU	National Tertiary Education Union
PDE	Provincial Department of Education
PEU	Professional Educators' Union
PFMA	Public Finance Management Act
PGCE	Postgraduate Certificate in Education
PIMM	Performance Information Management Module
PMDS	Performance Management and Development System
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SACE	South African Council of Educators
SACP	South African Communist Party
SADTU	South African Democratic Teachers Union
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SDA	Skills Development Act
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SGB	School Governing Body
SLA	Service Level Agreement
SMT	School Management Team
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training
UIF	Unemployment Insurance Fund
UCT	University of Cape Town
UNISA	University of South Africa
UoT	University of Technology
WIL	Work Integrated Learning
WITS	University of Witwatersrand
WPE	Workplace Experience
W&RSETA	Wholesale and Retail Sector Education and Training Authority
WSP	Workplace Skills Plan
WSPRs	Workplace Skills Plans Reports

### 3. Acknowledgements

#### Executive Authority



**Honourable Dr BE Nzimande, MP  
Minister of Higher Education and  
Training**



**Honourable Mr. MC Manana, MP  
Deputy Minister of Higher Education  
and Training**

The Education, Training and Development Practices Sector Education and Training Authority's (ETDP SETA's) Accounting Authority, management and staff would like to extend a word of gratitude to the Ministry of Higher Education and Training for the visionary leadership they have continuously provided. The ETDP SETA remains committed to contributing positively towards the realisation of the Department's vision of skilling the nation through a differentiated and fully inclusive post-school education and training system.

#### Basic Education Ministry and Provincial Departments

Our appreciation is extended to the Department of Basic Education (DBE) and the Provincial Departments of Education (PDEs) for their collaboration with the ETDP SETA in the implementation of programmes and financial contributions which are enablers to achieve our intended goals.

#### Levy paying Organisations

The ETDP SETA's Accounting Authority appreciates all contributions made by the levy paying organisations through the levy grant system. Our mandate would not have been achieved without your contributions.

## 4 Foreword by the Chairperson

### Introduction

It is with great pleasure to present to all our constituencies and stakeholders the Annual Report of the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA) for the period 01 April 2015 to 31 March 2016.

Unemployment remains a major challenge for our crippling economy and the skills shortages are one of the contributory factors. The ETDP SETA continues to play its significant role in skills development through various programmes outlined in this Annual Report.

### High Level Overview of the ETDP SETA Strategy and Performance

We have received an unqualified audit report which is a setback from a clean audit report we obtained in the last financial year. We commit ourselves to addressing the shortcomings so that we can regain the clean audit status.

The ETDP SETA five-year strategic plan was updated and adjusted in the year under review in order for it to meet the needs of the constituencies and beneficiaries. The 2015/2016 Annual Performance Plan (APP) was also revised and streamlined. The eight programmes were reduced to six. This was done to achieve a more focused approach towards the attainment of the APP targets.

### Strategic Relationships

The ETDP SETA continues to work with its partners and the relationships are growing from strength to strength. It is through these strategic partnerships and relationships that we are able to meet the set objectives.

### Challenges Faced by the Accounting Authority

Below are some of the challenges encountered by the Accounting Authority:

- The SETA Landscape

The Minister of Higher Education and Training has extended the establishment of SETAs until 31 March 2018. The uncertainty of the SETA landscape remains a challenge as it continues to pose a problem in attracting external candidates for the vacant positions. We have also seen a huge increase in the rental of properties as we were extending the lease agreements to 31 March 2018. Short term leases tend to be more expensive.



**Ms Shirley Mabusela**  
**Accounting Authority Chairperson**

- Government Departments' Contributions and Timing of Payments

The contribution of 30% of the payroll of the Departments of Education is very much appreciated and has significantly increased the revenue of the ETDP SETA. There are some Departments that are still not able to honour the increase from 10% to 30 % as per the Cabinet Memorandum and some are not consistent in the payment of the 30% contribution. We urge these Departments to do so and we understand the financial constraints that they operate under. The contribution has gone a long way towards teacher development in particular and school development at large. I should mention that some Departments pay the money at the end of the financial year and this makes it difficult to implement the APP programmes as planned. We hope that through our engagements at various levels, the situation will improve.

- Increasing Commitments

We are concerned about the slow implementation of programmes due to a number of challenges that include long procurement processes, delays in recruitment processes, competing priorities between our programmes and those of our constituent members provided with the discretionary grants and the availed time off for training of educators. These delays make it difficult to commence and complete programmes as planned resulting in financial commitments for the following financial years.

---

## Medium to Long-Term Goals

ETDP SETA continues to plan for a period of five years despite the uncertainty of the SETA landscape. There is still a long way to go in addressing the skills gap in the country.

## Acknowledgements and Appreciation

I wish to express my appreciation to the ETDP SETA Accounting Authority, committees and chambers. It is because of the commitment, excellent work and good ethical behaviour that we continue to execute our mandate and maintain good governance. I also wish to extend my gratitude to the CEO, Management and staff for their dedication. Last but not least, I thank the constituencies, stakeholders, beneficiaries of our programmes and our suppliers for the support they have provided.

We are looking forward to implementing our programmes and targets in the next financial year which will respond to the needs of the sector and the nation.



---

**Ms Shirley Mabusela**

Accounting Authority Chairperson

**Date:** 29 July 2016

## 5 Chief Executive Officer's Overview

### Introduction

The Annual Performance Plan outlines six key programmes which we believe will go a long way to addressing some of the skills challenges in our sector. The beneficiaries of the programme include constituent employees, educators in schools, lecturers at TVET Colleges and Universities (private and public institutions), unemployed youth and students. A detailed performance report, governance, human resources and financial information are provided in different Parts of this Report. This overview will give only critical and brief information.

### General financial review of the organisation

#### Revenue

The SETA is funded through the following three major sources in 2015/16 financial year:

- Skills development levies:

An amount of R396, 6 million was received and R13, 1m of this amount constituted interests and penalties.

- Government Departments Contribution:

An amount of R361, 9 million was received from National and Provincial Departments of Education (DHET and DBES) as well as North West Department of Culture, Arts and Traditional Affairs. It was the first time that North West Department of Culture, Arts and Traditional Affairs made a financial contribution to the ETDP SETA.

- Interests from Investments:

Interest from investment income amounted to R33, 2 million

### Spending trends

Expenditure type	2015/16 R'000	2014/15 R'000	2013/14 R'000
Mandatory grants	69 390	70 167	85 157
Discretionary grants	274 486	240 200	136 096
Administration	145 868	115 986	115 930
QCTO transfers	1 334	936	510

Mandatory grants are payments made to levy payers who have submitted approved Workplace Skills Plan Reports (WSPRs). Discretionary grants are amounts spent according to programmes in the Annual Performance Plans (APPs)



**Ms Sesi Nombulelo Nxesi**  
Chief Executive Officer

Mandatory grant expenditure has been on the decline since the introduction of the SETA Grant Regulations which came into effect in December 2012. The Mandatory grant payable to employers was reduced from 50% to 20% of skills development levies contributed.

Discretionary grant spending exhibited an upward trend in response to the new Grants Regulation requirements since 2013/14. The increased of the government departments' contribution from 10% to 30 % f of the 1% of the salary bill or those departments that paid the full 30% contributed to the increase in the discretionary grant allocations

Administrative expenditure has also slightly increased due to an increase in the number of activities carried out to implement the 2015/16 APP.

### Capacity constraints and challenges

Capacity constraints were alleviated during the year under review as some of the vacant posts were filled. The uncertainty and short time life span of the SETAs continue to pose a challenge in attracting best candidates externally. The organisation also experience challenges in attracting best ICT senior specialist. This posed some difficulties in our management information system as it took longer to capture and draw out quality reports.

Depending on our constituent partners and training providers for recruitment of learners and training respectively causes some delays in commencing and achieving all our targets within a financial year. Most of our programmes involve teacher and lecturer development. Provincial Departments, TVET Colleges and Higher Education Institutions prioritise the same target audience.

### Achievements

The achievements made during the year under review are outlined in Part B: Performance Information. It is worth mentioning that we achieved most of the targets planned for 2015/16 although programmes are still in progress due to a longer duration and a late start. Educator development in all sub-sectors is one of the apex priorities of the ETDP SETA. We have noticed a decline in the number of TVET lecturers trained compared to 300 planned due to a late start of the training programme for other groups of lecturers. We supported five Public HEIs out of a target of 25. Twenty could not take up the support at the time of reporting. The number of Grade R / Foundation Phase student teachers enrolled for the second year or later years declined from a planned target of 140 to an achievement of 60.

### Discontinued activities or activities to be discontinued

There has been no discontinuation of any major planned activities of the ETDP SETA plans.

### New or proposed activities

There were no new proposed activities during the period under review.

### Request for rollover of funds

An application to the National Treasury to roll over surplus funds was submitted. An amount of R268, 9 m has been recorded in the financial statements as a contingent liability.

### Supply Chain Management

The Supply Chain Management (SCM) Policy was approved by the Accounting Authority and has been implemented to ensure compliance with legislation and regulations. We continue to strengthen the internal controls within the supply chain management. No adverse reports were either detected during the course of the year by the internal auditors and the Auditor General at the year end.

### Audit Report for 2015/16 and how they were addressed

The ETDP SETA received an unqualified audit opinion for 2015/16 financial year. This showed some relapse in the internal controls compared to 2014/15 with a clean audit outcome. Material misstatements were corrected which came as a result of the expired contracts which were reported as part of the Commitment Register. The amounts of the expired contracts where services are still to be rendered have been reported under contingent liabilities. Corrections on performance information were also factored in after the submission of the annual report on 31 May 2016.

A plan is in place to address other audit findings that were not material.

### Strategies, Results and Challenges

Strategies to address challenges identified during the implementation of the seven programmes as outlined in the 2015/16 APP were developed. The challenges, among others, were as a result of the contributions from the Departments of Education which were received in the last quarter of the financial year. This delayed implementation of some programmes and had a negative impact on our overall performance or results.

### Plans for the future to address financial challenges

The major challenge that ETDP SETA faces is the inconsistency and the late receipt of the 30 % of the 1% of the salary bill from the Departments of Education. ETDP SETA has made a concerted effort to address the challenge through an engagement with the Heads of Departments (HODs) and the Chamber representatives of the Departments.

### Events after the reporting date

No major events occurred after the reporting date.

### Economic viability

The ETDP SETA has operated as a going concern since 2000 and its financial position remains sound.

### Acknowledgements and Appreciation

I would like to extend my sincere gratitude to the Chairperson of the Accounting Authority, the Executive Committee of the Accounting Authority and the Members of the Accounting Authority for the support provided. The year under review had a few challenges that affected our performance but the support and commitment of the Accounting Authority, Committees and Chambers played a critical role.



I would also like to thank my colleagues in management and the staff at large. ETD P SETA has many dedicated unsung heroes who work hard and interact with various stakeholders, constituencies, training providers and the beneficiaries. Without them, no targets would have been met. However, more still needs to be done with vigour and agility. We are entrusted with a significant mandate to skill our nation, we dare not fail.

The national and provincial constituent employers, training providers and suppliers of goods and services have played a pivotal role in ensuring that we attain our goals, and I would like to extend a word of appreciation to all of them.

Thank you.



---

**Ms Sesi Nombulelo Nxesi**

Chief Executive Officer

**Date:** 29 July 2016

## 6. Statement of Responsibility and Confirmation of Accuracy of the Annual Report by the Accounting Authority



**Ms Shirley Mabusela**  
Chairperson



**Ms Sesi Nombulelo Nxesi**  
Chief Executive Officer



**Ms Simone Geyer**



**Mr Zola Saphetha**



**Ms Mandi Wallace**



**Ms Veronica Hofmeester**



**Mr Sipho Khuzwayo**



**Mr Nkosinathi Ngcobo**



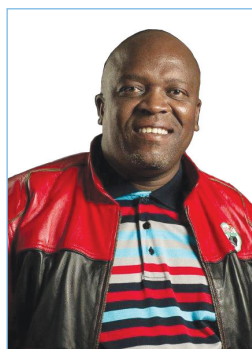
**Mr John Landman**



**Mr Mandla Mthembu**



**Ms Maryna Marais**



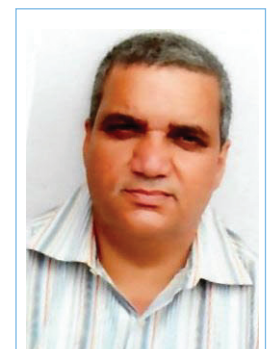
**Mr Lucas Maphila**



**Mr Bhabhalikamaphikela Nhlapo**



**Ms Cynthia Reynders**



**Dr Whifield Green**

### *The Accounting Authority of the ETDP SETA*

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the Auditor-General.

The Annual Report is complete, accurate and is free from any

omissions and has been prepared in accordance with the guidelines for annual reports as issued by National Treasury.

The annual financial statements (Part E) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (Standards of GRAP), applicable to the ETDP SETA.

The Accounting Authority has an oversight role in the preparation of the annual financial statements by the Chief Financial Officer (CFO) and his team and is assisted by both the Finance and Audit Committees who review these financial statements prior to submission to the Accounting Authority, the National Treasury and the DHET.

The Accounting Authority has an oversight role in the establishment and implementation of a system of internal control which has been designed to provide reasonable assurance as to the integrity and reliability of performance information, the human resources information and the annual financial statements. The CEO, the Management Team, the internal auditors and the Audit Committee assist the Accounting Authority in accomplishing this task.

The Auditor-General is engaged to express an independent opinion on the annual financial statements.

In our opinion, the Annual Report fairly reflects the operations, performance information, the human resources information and the financial affairs of the ETDP SETA for the financial year ended 31 March 2016.



**Ms Sesi Nombulelo Nxesi**

Chief Executive Officer

**Date:** 29 July 2016



**Ms Shirley Mabusela**

Chairperson of the Accounting Authority

**Date:** 29 July 2016

## 7 Strategic Overview

### 7.1 Vision, Mission and Values



#### Vision

To promote and facilitate the development and improvement of the skills profile of the sector's workforce in order to benefit employers, workers and employees in the sector.

#### Mission

To support its vision, the ETDP SETA has as its mission the promotion, facilitation and development of education training and development in which:

- The skills levels of employees and workers are raised
- There is a healthy balance between supply and demand in the labour market
- There are diverse, flexible routes for initial and in-service education and training
- A variety of career paths is available
- The quality of education and training provided is improved
- The levy grant scheme is efficiently administered
- There is regular liaison with providers, other SETAs, the Department of Labour, the Department of Basic Education, the Department of Higher Education and Training, the National Skills Authority, the South African Qualifications Authority, the quality councils and professional bodies
- Internal and external communication is effective in order to advance national human resources and skills development
- Dialogue and interaction is encouraged between public and private entities in the sector with regard to skills transfer and training
- Good service delivery is encouraged
- Employers, workers and employees in the sector benefit from quality training, higher productivity and harmonious mutual dependence.

#### The ETDP SETA upholds the following values:

- Transparency
- Fairness
- Courteousness and caring
- Honouring deadlines
- Promotion of quality among all stakeholders
- Co-operative governance
- Approaching work in a developmental manner
- Continuous improvement
- A sustainable environment.





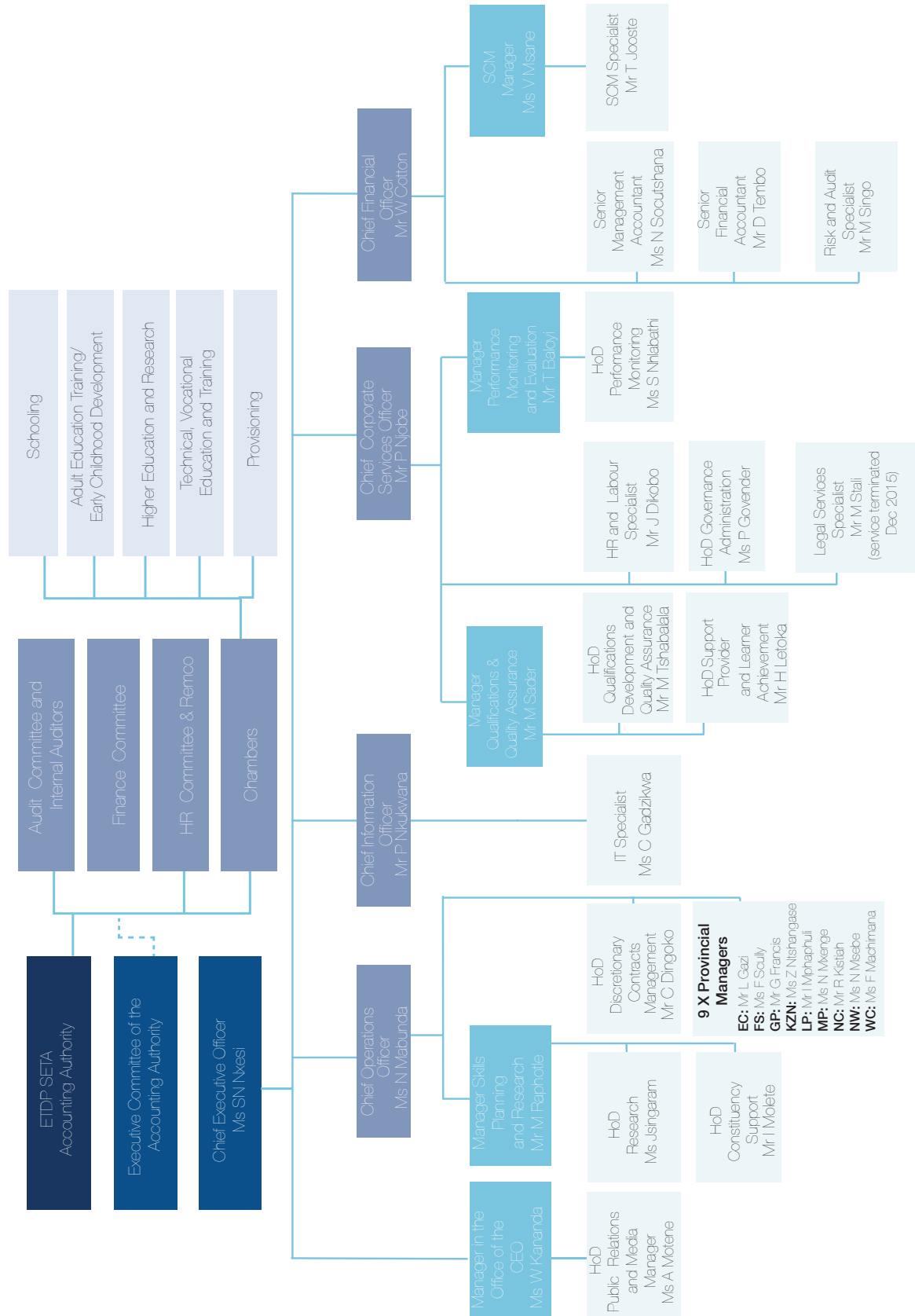
## 8 Legislative and Other Mandates

The ETDP SETA falls under Schedule 3A in terms of the PFMA. The following are the legislative, policy and other mandates that govern the work of the ETDP SETA:

- Constitution of the Republic of South Africa
- The Skills Development Act, 1998 (Act No. 97 of 1998), as amended in 2008
- The Skills Development Levies Act, 1999 (Act No. 9 of 1999)
- The Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Labour Relations Act 66 of 1995
- Employment Equity Act 55 of 1998
- Protection of Personal Information Act 4 of 2013
- The National Treasury Regulations
- The National Skills Development Strategy III
- The SETA Grants Regulations – December 2012 (Government Notice No. 35940)
- The Standard Constitution provided for the SETAs
- National Development Plan Vision 2030
- The Medium Term Strategic Framework 2014-2019
- The White Paper on Post School Education and Training
- The Human Resource Development Strategy of South Africa, 2030
- Education, Training and Development Sector Skills Plan

## 9. Organisational Structure

Approved by the Accounting Authority on the 14<sup>th</sup> April 2015



# PART B :

## Performance

At the cutting edge of skills development



# 1 Auditor-General's Report: Predetermined Objectives

The Auditor General performed the audit on predetermined objectives and the report is provided on pages 107- 109.

# 2 Situational Analysis

## 2.1 Service Delivery Environment

The ETDP SETA exists and operates within, and leads the Education, Training and Development Sector which is diverse. The Education, Training and Development (ETD) sector is made up of 14 sub-sectors, each with its own challenges and skills development needs. In the year under review, the ETDP SETA had to engage in planning and implementing programmes to meet the divergent needs of its sub-sectors. The key planning tool, that guided the prioritisation of the interventions, is its Sector Skills Plan (SSP) which is updated annually. These priority interventions are reflected in the 2015/16 APP.

Over and above the matters stated, the ETDP SETA also responds to the national skills development priorities. One such national priority was the '#FeesMustFall' campaign in the latter part of 2015. While the campaign was directed at public Higher Education Institutions (HEIs), its impact resonated in the entire post school system. This is because SETAs also offer financial support to unemployed youth registered with public HEIs. As a result, the ETDP SETA had to award additional bursaries to eligible students.

The uncertainty regarding the continued existence of the EDTP SETA's operating licence which was meant to expire on 31 March 2016, posed some challenges. The release of the "New SETA Landscape" in the middle of 2015 exacerbated the panic by staff members, despite the two-year licence extension to 31 March 2018.

The ETDP SETA, however, galvanised its sub-sectors and stakeholders to successfully implement the 2015/16 APP, which was organised into six programmes instead of eight, as in the previous financial years. Each programme is composed of a number of sub-programmes. This is because in compiling the APP, the ETDP SETA consolidated and prioritised key programmes and sub-programmes, to conclude the National Skills Development Strategy (NSDS) III. Of the six programmes, Programme 4 contains sub-programmes that are offered directly to the public, targeting unemployed youth. The other four (Programmes 1, 2, 3 and 5) target mainly employed people or constituent employers while Programme 6 is about organisational performance.

Programme 4 entitled, *"Access and progression into high level skills and support for work experiential learning,"* had nine sub-programmes and the ETDP SETA over-achieved on five of these sub-programmes. The under-achievement of the three sub-programmes was due to



drop-outs prior to the training sessions.

## 2.2 Organisational Environment

The uncertainty of the existence of the ETDP SETA raised some morale challenges among staff and governance. However, the two-year extension of the SETA licence provided some relief, albeit temporarily. The CFO retired in October 2015 due to ill health. The CFO position was not filled but outsourced to Deloitte.

## 2.3 Key Policy Developments and Legislative Changes

The Minister published the Government Gazette No. 39394 to extend the tenure of all SETA Accounting Authorities in line with the extension of the NSDS III from 1 April 2016 to 31 March 2018.

## 2.4 Strategic Outcome Oriented Goals

The ETDP SETA has the following strategic outcome oriented goals from its strategic plan, which are linked to its six programmes in the 2015/16 APP:

**Goal 1:** Expanded research to inform sector skills planning and employability for economic growth.

The ETDP SETA has increased its capacity to develop an improved and quality ETD Sector Skills Plan, by entering into a partnership with Research Chairs and researcher specialists in addressing the mismatch between supply of and demand for skills in the ETD Sector. The SSP informs the Five-Year Strategic Plan to ensure that the skills interventions are relevant and addresses the skills gaps, and the scarce and critical skills. The Professional, Vocational, Technical and Academic Learning (PIVOTAL) list informed the programmes of the APP on an annual basis.

**Goal 2:** Adequately capacitated educators and lecturers for effective teaching and learning in schools, TVET Colleges and HEIs.

Teachers were trained on gateway subjects and the End User Computing to improve the quality of teaching and learning in schools. Teachers in full service and LSEN schools have been capacitated in Braille and Sign Language to ensure inclusive education in schools. The ETDP SETA has also funded the training of the Grade R/ Foundation Phase teachers to improve their qualifications.

The TVET College lecturers were supported in content knowledge and work integrated learning (WIL). In addition, the career development service has been supported by the placement of career development officers in all the TVET College campuses.

For public HEIs, the focus has been on lecturer development and an increase of post-graduate student output.

**Goal 3:** A skilled public service personnel to improve service delivery in the institutions/organisations targeted.

This goal was introduced to strengthen the public service through skills development. To this end, the schools were supported on school administration by placing school administrators in poorly performing schools and districts were supported through capacity building programmes for district officials.

**Goal 4:** Increased number of students who successfully enter the post school education and training system.

The ETDP SETA developed a Learner Career Guide and to date, 110 678 career guides have been distributed to support learners in their selection of relevant subjects and careers. The SETA also provided funding to learners to access occupationally directed programmes.

**Goal 5:** Enhanced capacity in ETD constituent employers.

The ETDP SETA constituencies have been supported through skills development funding to ensure that the skills level of the employees improve as well as institutional capacity.

**Goal 6:** A highly effective, professional, efficient organisation and management administration informed by good corporate governance practices.

Internal controls and performance of the SETA have improved, hence, the SETA has consistently received unqualified and clean audit reports since its inception.

## 3 Performance Information by Programme

### 3.1 Programme 1: Development of a credible Sector Skills Plan

#### 3.1.1 Purpose

The purpose of this programme is to obtain accurate information on the supply of and demand for skills in order to address the skills gaps in the sector.

#### 3.1.2 Sub-programmes

The following are the sub-programmes:

- Development and update of the SSP
- Research Projects
- Workplace Skills Plans and Reports (WSPRs) Submissions
- Skills Development Facilitators' (SDFs) training on the Scarce and Critical Skills Guides

#### 3.1.3 Strategic Objectives

Conduct research to identify the skills gaps or mismatches of skills in the ETD sector for purposes of employability, occupational mobility and entrepreneurship.

#### 3.1.4 Actual Achievements

##### Development of the SSP

The key output of Programme 1, as reflected in the 2015/16 APP, is the development and approval of the SSP by DHET. To achieve this output, there are a number of projects which form part of the inputs in the finalisation of the SSP. These include the collection and analysis of the WSPRs; the aggregation of the WSPRs analysis into the scarce and critical skills and PIVOTAL list (communicated to constituencies through the development and dissemination of the Scarce and Critical Skills Guide); findings and recommendations of the research conducted by the Research Specialists and Research Chairs; Stakeholder Satisfaction survey and Impact Study findings and recommendations. Most of these projects were achieved, which enriched the SSP, resulting in the approval by the DHET (See the table below).



ETDP SETA CEO, Ms Sesi Nombulelo Nxesi engaging stakeholders on the ETDP SETA Scarce and Critical Skills guide

### Programme 1: Development of a credible ETD Sector Skills Plan

Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation/ variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Research identifies the skills gaps or mismatches of skills in the ETD sector for purposes of employability, occupational mobility and entrepreneurship	An approved five-year SSP	SSP updated	The Five-Year SSP 2015/16 –2019/20 submitted to the DHET for approval	The Five-Year SSP 2015/16– 2019/20 was submitted to DHET and approved by the Minister on 24 March 2015	-	-
	Submission of WSPRs	1 276 WSPRs received	800 WSPRs to be collected	1 039 WSPRs received	239	Over-achieved This is attributed to the mobilisation of WSPRs through the contracted SDFs
	Scarce and Critical Skills Guide developed	Scarce and Critical Skills Guide developed and distributed	Scarce and Critical Skills Guide developed	Scarce and Critical Skills Guide developed and distributed	-	-
	Annual Stakeholder Survey conducted	Annual Stakeholder Survey report distributed	Annual Stakeholder Survey conducted	Annual Stakeholder Survey report available	-	-
	Research Chair reports to inform the SSP	8 reports approved	Research Chair reports to inform the SSP	18 reports approved	-	-
	Evaluation of workplaces (public HEIs) to ensure compliance with WSPRs	-	13 workplaces evaluated (public HEIs) to ensure compliance with WSPRs	13 public HEIs evaluated and reported	-	-

#### 3.1.5 Strategy to Overcome Areas of Under Performance

The ETD SETA did not fully achieve the targets on the dissemination and capacity building for SDFs on the Scarce and Critical Skills Guide and conducting the impact study. The strategy to overcome these areas includes entering into strategic partnerships with public HEIs to conduct evaluation, learner tracking and tracing studies; and partnering with reputable private organisations to capacitate SDFs and disseminate the Scarce and Critical Skills Guide.

### 3.1.6 Changes to Planned Targets

There were changes to the planned targets

### 3.1.7 Linking Performance with Budgets

Administration Budget	2014/15				2015/16			
	Budget	Actual Expenditure	Over /Under Expenditure	Commitment	Budget	Actual Expenditure	Over /Under Expenditure	Commitment
Sub- Programme Name								
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Submission of WSPRs	1 200	120	1 080	120	700	-	(700)	-
Scarce and Critical Skills Guide developed	300	239	61	239	700	189	(511)	-
Annual Stakeholder Survey	100	-	100	-	100	-	(100)	-
Approved SSP	3 000	157	2 843	2 267	2 000	659	(1 341)	-
Research Chair reports to inform the SSP	9 000	500	8 500	4 491	6 000	6 000	-	-
Evaluation of workplaces (public HEIs) to ensure compliance with WSPRs	-	-	-	-	200	98	(102)	-
<b>Total</b>	<b>15 100</b>	<b>1 016</b>	<b>14 084</b>	<b>8 317</b>	<b>9 700</b>	<b>6 946</b>	<b>(2 754)</b>	<b>-</b>

## 3.2 Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

### 3.2.1 Purpose

The purpose of this programme is to improve the quality of teaching and learning in schools, Technical Vocational Education and Training (TVET) Colleges and Higher Education Institutions (HEIs).

### 3.2.2 Sub-programmes

There are three sub-programmes:

- Training and development for school educators
- Training and development for TVET College lecturers and support staff
- Training and development for HEIs lecturers and support staff

### 3.2.3 Strategic Objectives

There are four strategic objectives under this programme:

- To improve the qualifications of under-qualified Grade R or Foundation Phase teachers
- To improve the quality of teaching in schools in order to improve learner performance
- To improve the quality of teaching in TVET Colleges in order to improve student performance
- To improve the quality of teaching in HEIs in order to improve student performance

### 3.2.4 Actual Achievements

#### Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations and/or variances
Under-qualified Grade R or Foundation Phase teachers are enrolled in relevant qualifications	Number of Grade R/ Foundation Phase teachers enrolled on the Grade R Diploma or B.Ed. Foundation Phase degree	183	300	445 (148%)	145	Over-achieved  More learners were enrolled within the budget
	Number of Grade R/ Foundation Phase teachers enrolled for 2nd or later years	-	140	62 (44%)	-78	Under-achieved  There was a late start to the programme for the 2nd year and 78 could not be recorded in this report
Teachers are trained on programmes that improve their competencies in order to improve learner performance	Number of primary and secondary school teachers enrolled in subject content and ICT programmes	956	500	782 (156%)	282	Over-achieved  An additional 282 teachers were enrolled in the programmes within the allocated budget
	Number of teachers in full service and LSEN schools enrolled for braille and sign language facilitation	361	250	725 (290%)	475	Over-achieved  There was high demand from the teachers
	Number of primary and secondary school teachers enrolled in End User Computing Learnership	475	650	761 (117%)	111	Over-achieved  Additional targets were allocated within the allocated budget

Strategic Objectives	Performance Indicators	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations and/or variances
TVET lecturers and management are trained to gain appropriate competencies in order to improve student performance	Number of TVET lecturers and management enrolled in relevant programmes	315 (WIL for lecturers)  47 (Managers in 2nd year)	300	189 (63%)	-111	Under-achieved  This is due to low up-take of the programme by the targeted audience
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of academics in research or HEIs enrolled at Masters or PhD levels	-	25	32 (128%)	7	Over-achieved  More Masters and PhD students were supported within the allocated budget
	Number of HEIs receiving financial support for staff development	20	25	5 (20%)	-20	Under-achieved  By 31/03/16 20 HEIs had not submitted payment claims

### 3.2.5. Strategy to Overcome Areas of Under Performance

TVET lecturers and management enrolled in relevant programmes:

There is a shortfall of 111 lecturers for this target. TVET Colleges will be allocated discretionary funds to plan and implement programmes of their choice within the scarce and critical skills as identified in the SSP.

HEIs receiving financial support for staff development:

The SETA will encourage the HEIs to conduct training early in the year to ensure that the funds are disbursed before the end of the financial year.

### 3.2.6 Changes to Planned Targets

There were no changes to the planned targets.

### 3.2.7 Linking Performance with Budgets

Discretionary Budget	2014/15				2015/16			
	Budget	Actual Expenditure	Over/Under Expenditure	Commitment	Budget	Actual Expenditure	Over/Under Expenditure	Commitment
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Number of Grade R/Foundation Phase teachers enrolled on the Grade R Diploma or B.Ed. Foundation Phase degree	5 125	-	(5 125)	4 551	14 643	-	(14 643)	21 372
Number of Grade R/Foundation Phase teachers enrolled for 2nd or later years	-	-	-	-	4 200	-	(4 200)	3 350
Number of primary and secondary school teachers enrolled in subject content and ICT programmes	14 513	550	(13 963)	13 136	51 926	935	(50 991)	50 369
Number of primary and secondary school teachers enrolled in End User Computing Learnership	12 300	223	(12 077)	11 782	26 844	1 626	(25 218)	20 227
Number of teachers in full service and LSEN schools enrolled for braille and sign language facilitation	7 418	1 552	(5 865)	6 094	16 484	275	(16 209)	13 430
Number of TVET lecturers and management enrolled in relevant programmes	7 879	3 695	(4 184)	5 981	9 000	1 103	(7 897)	8 208
Number of academics in research or HE institutions enrolled at Masters or PhD levels	-	-	-	-	2 700	-	(2 700)	2 000
Number of HEIs receiving financial support for staff development	11 250	1 150	(10 100)	35 563	11 250	2 106	(9 144)	8 999
<b>Total</b>	<b>58 485</b>	<b>7 170</b>	<b>(51 314)</b>	<b>77 107</b>	<b>137 046</b>	<b>6 045</b>	<b>(131 220)</b>	<b>127 955</b>

## 3.3 Programme 3: Improving public service delivery in the ETD sector

### 3.3.1 Purpose

The purpose of this programme is to capacitate those involved in public service administration functions that have a direct bearing and/or impact on education and training, with the necessary skills to perform their duties.

### 3.3.2 Sub-programmes

There are two sub-programmes under Programme 3:

- Increasing capacity for improved school administration
- Training and development of national, provincial and district officials to increase the capacity of the critical public service personnel

### 3.3.3 Strategic Objectives

There are two strategic objectives under this programme:

- To enhance school library administrative capacity and support for the functionality of school libraries
- To train national, provincial and district officials to increase the administrative capacity of the critical office-based personnel

### 3.3.4 Actual Achievements

#### Programme 3: Improving public service delivery in the ETD sector

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
To enhance school and library administrative capacity in public schools	Number of school administrators placed in schools for the 2nd or later years	999 (first year placement)	1 250	1 469 (117%)	219	Over achieved  There was high demand for school administrators
	Number of unemployed youth trained as administrators	-	1 250	1 196 (96%)	-54	Under-achieved  Learners were unable to attend training sessions
To train national, provincial and district officials to increase the administrative capacity of the critical office-based personnel	Number of national, provincial and district officials enrolled in relevant learning programmes	-	300	376 (125%)	76	Over-achieved  The over achievement is attributed to the high uptake of the programme within the budget

### 3.3.5 Strategy to Overcome Areas of Under Performance

Unemployed youth trained as administrators:

- The SETA will consider conducting a baseline assessment to ensure that the target group needs the identified intervention. Some school administrators had the basic computer skills and as such were not keen to attend the training

National, provincial and district officials enrolled in relevant learning programmes:

- The partnership with DBE will be strengthened to ensure full participation of officials

### 3.3.6 Changes to Planned Targets

There were no changes to the planned targets.



### 3.3.7. Linking Performance with Budgets

Discretionary Budget	2014/15*				2015/16			
Sub-Programme Name	Budget	Actual Expenditure	Over /Under Expenditure	Commitment	Budget	Actual Expenditure	Over/Under Expenditure	Commitment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Number of school administrators placed in schools for the 2nd year	37 080	33 141	(3 940)	36 468	52 416	43 939	(8 478)	6 665
Number of school administrators trained	-	-	-	-	12 500	409	(12 091)	3 337
Number of national, provincial and district officials enrolled in relevant learning programmes	-	-	-	-	56 500	479	(56 021)	55 731
<b>Total</b>	<b>37 030</b>	<b>33 141</b>	<b>(3 940)</b>	<b>36 468</b>	<b>121 416</b>	<b>44 826</b>	<b>(76 590)</b>	<b>65 733</b>

\*The 2014/15 financials for school administrators were for first year placement.

## 3.4 Programme 4: Access and progression into high level skills and support for work experiential learning

### 3.4.1 Purpose

The purpose of this programme is to provide career development services, increase access to occupationally directed programmes and to provide youth with workplace learning and experience for employability.

### 3.4.2 Sub-programmes

There are six sub-programmes under Programme 4:

- Unemployed youth awarded/renew bursaries
- Matric second chance/rewrite
- Support for work experiential learning and internships
- Career guidance and development support
- Recognition of prior learning (RPL)
- Youth development through learnership programmes

### 3.4.3 Strategic Objectives

There are five strategic objectives under this programme:

- To provide funding for learners for access into further and higher education programmes and qualifications
- To provide opportunities for learners to rewrite matric to enable them to access further learning opportunities
- To provide opportunities for recognition of prior learning to those previously disadvantaged to gain formal qualifications
- To ensure that youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience (WPE) and occupational qualifications
- To provide career guidance to learners to enable them to choose relevant subjects for their career choices

### 3.4.4 Actual Achievements

#### Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 15/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	342	400	529 (132%)	129	Over-achieved  More students were supported within the allocated budget
	Number of students awarded bursaries for full qualifications	372	300	528 (176%)	228	Over-achieved  More students were awarded bursaries due to the needs on the ground
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	932	2 000	1 553 (78%)	-447	Under-achieved  There were recruitment challenges
Recognition of prior learning assessments are conducted to enable those previously disadvantaged to gain formal qualifications	Number of unemployed candidates receive qualifications through RPL	212	300	407 (136%)	107	Over-achieved  More RPL candidates were enrolled into the programmes within the allocated budget
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes (graduates and undergraduates)	699 (90 interns, 485 TVET & 124 UoTs)	800	898 (112%)	98	Over-achieved  More students from UoTs were supported within the allocated budget as they only needed to do 6 months of WPE

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 15/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Career guidance is provided to enable learners to choose relevant subjects for their career choices	Number of career guidance booklets printed and distributed to learners	28 009	25 000	13 388 (53%)	-11 612	Under-achieved  ID numbers of learners are required for reporting, career guides were distributed through exhibitions and imbizos could not be reported
	Number of CDOs placed at institutions of learning or workplaces	313	313	227 (72%)	-86	Under-achieved  CDOs dropped out as they got absorbed into employment
Learners are trained on occupational and vocational qualifications through learnerships	Number of youth enrolled in learnership programmes	909	900	908 (101%)	8	Over achieved  More learners were enrolled within the allocated budget
People with disabilities enrolled in skills development programmes	Number of people with disabilities enrolled in skills programmes	250	0	434 (100%)	434	This target was not part of the APP. See section 3.4.6 "changes to planned targets"

### 3.4.5 Strategy to Overcome Areas of Under Performance

*Youth provided with a second chance to improve their matric results:*

The SETA will forge partnerships with the Provincial Departments of Education, as some departments are running the same project.

*Career guidance booklets printed and distributed to learners:*

More career guides were distributed through the Career Expo. When learners attend these Career Expos, they do not carry any form of identification which the SETA uses for reporting. The SETA will work with schools in ensuring that there are records of learners attending the expos.

### 3.4.6 Changes to Planned Targets

Support for People with Disabilities (PWDs) were not part of the APP for 2015/16 due to financial constraints. This was included in the 2014/15 financial year and is a required strategic intervention as per 2015/16 Strategic Plan. The Accounting Authority approved the virement to support PWDs in order to achieve this target.

### 3.4.7. Linking Performance with Budgets

Administration Budget	2014/15				2015/16			
Sub-Programme Name	Budget	Actual Expenditure	Over/Under Expenditure	Commitment	Budget	Actual Expenditure	Over/Under Expenditure	Commitment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Number of career guidance booklets printed and distributed to learners	600	578	(22)	578	450	318	(132)	(318)
<b>Total</b>	<b>600</b>	<b>578</b>	<b>(22)</b>	<b>578</b>	<b>450</b>	<b>318</b>	<b>(132)</b>	<b>(318)</b>

Discretionary Budget	2014/15				2015/16			
Sub-Programme Name	Budget	Actual Expenditure	Over/Under Expenditure	Commitment	Budget	Actual Expenditure	Over/Under Expenditure	Commitment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Number of renewed bursaries for students	11 250	4 579	(6 671)	13 846	25 008	5 875	(19 132)	16 804
Number of students awarded bursaries for full qualifications	24 250	10 757	(13 493)	25 844	33 598	6 424	(27 1175)	27 079
Number of youth provided with a second chance to improve their matric results	2 400	-	(2 400)	2 400	6 000	-	(6 000)	6 000
Number of unemployed candidates who receive qualifications through RPL	4 000	-	(4 000)	4 000	8 100	1 664	(6 436)	4 636
Number of youth placed in internship programmes	6 008	1 344	(4 665)	5 745	9 668	3 510	(6 158)	5 515
Number of students from TVET Colleges placed in workplace experience programmes	4 500	-	(4 500)	4 500	24 168	14 536	(9 631)	9 631
Number of students from UoTs placed in workplace experience programmes	3 185	1 284	(1 900)	2 566	6 000	4 632	(1 368)	1 353
Number of CDOs placed at institutions of learning or workplaces	19 967	11 284	(8 683)	18 640	18 780	10 358	(8 422)	6 676
Number of youth enrolled in learnership programmes	39 950	7 505	(32 445)	41 511	45 000	11 871	(33 129)	30 809
Skills programmes for unemployed PWDs	1 250	-	(1 250)	1 063	14 400	675	(13 725)	13 672
<b>Total</b>	<b>116 760</b>	<b>36 753</b>	<b>(80 007)</b>	<b>120 115</b>	<b>190 722</b>	<b>59 545</b>	<b>(131 176)</b>	<b>122 175</b>

## 3.5 Programme 5: Supporting ETD constituencies for skills development

### 3.5.1 Purpose

The purpose of the programme is to build human and institutional capacity within the ETD sector constituencies.

### 3.5.2 Sub-programmes

- Skills development support for Trade Union Federations
- Skills development support for Political Parties
- Skills development support for Non-Lewy Paying Entity (NLPEs)
- Skills development support for Youth Cooperatives
- Skills development support for Training Providers (APPETD and non-APPETD)
- Skills development support for Independent Schools through partnership with National Alliance of Independent Schools Association (NAISA) non NAISA affiliates
- Skills development support for HEIs in partnerships with Higher Education South Africa (HESA)
- Skills development support for Research Organisations
- Skills development support for Teacher Union Institutes
- Skills development support for SETAs paying levies to the ETDP SETA, Quality Assurance and Professional Bodies

### 3.5.3 Strategic Objectives



Honourable Deputy President Mr Cyril Ramaphosa, Honourable Deputy Minister in the Presidency Mr Buti Manamela, MEC for Education, Gauteng Mr Panyaza Lesufi and Mr Vasu Naidoo from the ETDP SETA engaging with the learners and unemployed youth of Soweto

### 3.5.4 Actual Achievements

#### Programme 5: Supporting ETD Constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Skills development programmes are conducted to build human and institutional capacity within the ETD SETA constituencies	Number of Trade Union Federations supported	280 beneficiaries (118 full qual. & 162 part qual.)	3	3 (100%)	-	Achieved
	Number of Political Parties supported	101 beneficiaries (30 + 71)	10	4 (40%)	-6	Under-achieved Only 4 political parties are levy paying and were supported
	Number of NLPEs supported	131	50	101 (202%)	51	Over-achieved There was a high demand from NLPEs who were supported within the allocated budget
	Number of Youth Cooperatives supported	-	18	15 (83%)	-3	Under-achieved The 3 Youth Cooperatives did not meet the criteria
	Number of Private Training Providers supported (APPETD and non-APPETD)	113 beneficiaries	1	0 (0%)	-1	Under-achieved There was a delay in the procurement process
	Number of Independent School Associations supported	137 beneficiaries (53 + 84)	2	1 (50%)	-1	Under-achieved One association took up the support
	Support provided to HEIs through partnership with HESA	HELM programme implemented and 2 SDF forums supported	1	1 (100%)	-	Achieved
	Number of Research Organisations supported	17 beneficiaries	3	2 (67%)	-1	Under-achieved 1 Research Organisation did not meet the criteria
	Number of Teacher Union Institutes supported	5	5	4 (80%)	-1	Under-achieved 1 Teacher Union did not take up the support
	Number of SETAs, Quality Assurance and Professional Bodies supported	20	10	5 (50%)	-5	Under-achieved No take up from the SETAs

### 3.5.5 Strategy to Overcome Areas of Under Performance

The ETDP SETA will review the implementation strategy to ensure maximum participation of the constituencies.

### 3.5.6 Changes to Planned Targets

There were 10 political parties that were supposed to be supported. Since only four political parties participated by paying levies and submitting WSPRs, they were the only four that were supported.

### 3.5.7 Linking Performance with Budgets

Discretionary Budget	2014/15				2015/16			
Sub-Programme Name	Budget	Actual Expenditure	Over/Under Expenditure	Commitment	Budget	Actual Expenditure	Over/Under Expenditure	Commitment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Training and development of Trade Union Federations	4 500	348	(4 152)	4 279	2 000	872	(1 128)	816 800
Training and development of Political Parties	2 400	288	(2 112)	2 321	2 000	1 128	(872)	844 068
Skills development support for NLPEs	1 500	18	(1 482)	1 618	1 500	300	(1 200)	1 615
Skills development support for Youth Cooperatives	-	-	-	-	2 700	-	(2 700)	2 700
Skills development support for training providers (APPETD and Non-APPETD)	1 900	-	(1 900)	1 297	2 000	-	(2 000)	1 153
Skills development support for Independent Schools through partnership with NAISA and Non-NAISA affiliates	2 100	-	(2 100)	1 731	3 000	270	(2 730)	1 121
Skills development support for HEIs through partnership with HESA (USA)	1 100	63	(1037)	1 050	1 500	366	(1 134)	394
Skills development support for Research Organisations	750	60	(690)	510	600	110	(490)	470
Teacher Union Institutes that received financial support for approved interventions	4 000	-	(4 000)	3 740	3 000	203	(2 797)	2 260
Skills development support for SETAs, QAs and Professional Bodies paying levies	600	500	(100)	600	2 500	298	(2 202)	1 175
<b>Total</b>	<b>18 850</b>	<b>1 277</b>	<b>(17 573)</b>	<b>17 146</b>	<b>20 800</b>	<b>3 547</b>	<b>(17 253)</b>	<b>12 548</b>

### 3.6 Programme 6: Enhancing organisational management and administration for quality service delivery

#### 3.6.1 Purpose

The purpose of this programme is to enhance organisational management and administration to ensure that the ETDP SETA fulfils its skills development mandate.

#### 3.6.2 Strategic Objective

The quality of service delivery and performance in the ETDP SETA is improved through the implementation of quality systems and the monitoring thereof within all business units.

#### 3.6.3 Sub-programmes

This section of the report will cover the following areas:

- Human Resource Management
- Performance Monitoring, Evaluation and Reporting
- Education, Training and Development Quality Assurance (ETDQA)
- Information and Communication Technology (ICT)
- Supply Chain Management
- Marketing and Communication

##### 3.6.3.1 Human Resource Management

#### Purpose

The purpose of this programme is to enhance organisational management and administration to ensure that the ETDP SETA fulfils its skills development mandate.

#### Sub Programmes

- Human Resource Development and Management
- Legal Services
- Governance

### Strategic Objectives

The quality of service delivery and performance in the ETDP SETA is improved through the implementation of quality systems and monitoring thereof within all business units.

#### Actual Achievements

- During the year under review, 31 vacant positions were filled
- Six disciplinary cases were processed and were finalised
- Nineteen employees were awarded bursaries to pursue studies relating to their respective areas of work for improved productivity
- Staff survey conducted and analysis concluded. The response to the survey (sample) reflects 43.2% of the total population of 108 staff members. This number excludes six newly appointed staff plus 18 staff members comprising of regional receptionists and the administrators. As at 31 March 2016, the full staff complements was 118
- As at the time of reporting, there were three cases of possible misconduct which were being investigated
- Seven grievances were received and six resolved
- Workshops on grievance procedures were conducted for staff in all the SETA business units. A workshop on grievance procedure and discipline in the workplace was also held with the Broad Management Team to capacitate them on how to handle discipline in the workplace
- Six disciplinary cases were processed and have been finalised and one case is still pending in the Commission for Conciliation, Mediation and Arbitration (CCMA)
- There is ongoing interaction between the SETA and the unions to discuss Human Resources (HR) and related matters to improve labour relations within the organisation



Administration budget						
Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
The quality of service delivery and performance in the ETD P SETA is improved through the implementation of quality systems and the monitoring thereof within all business units	Organisational structure aligned with strategy	-	Quarterly review of critical posts filled to enhance capacity of business units	31	-	Achieved
	7 (one candidate per division/unit) identified and placed on talent management programme (staff retention)	62	Quarterly review of progress of candidates in talent management pool	8	1	Over achieved  There was a good response rate for the talent management programme from staff members
	Performance appraisals achieved for all employees	Achieved	Quarterly reviews of PMDS of all staff realised	Achieved	-	Achieved
	Sustenance of human potential by compiling monthly schedules for training drawn from the PDPs of units	Achieved	Quarterly reports on training and development of staff (career planning)	7	-	Achieved
	Labour peace promoted and maintained	Achieved	Monthly register of grievances, misconducts or queries maintained and all resolved timeously	Achieved	-	Achieved
	Human Resources organisation-wide business management processes developed and implemented	Achieved	Monthly reports generated to track (in)/efficiencies and functionality of business units	Achieved	-	Achieved
	Integrated employee wellness initiatives (including disability management) implemented	Achieved	Quarterly surveys conducted to measure staff satisfaction	Achieved	-	Achieved

Changes to Planned Targets

None

### 3.6.3.2 Performance Monitoring, Evaluation and Reporting

#### Purpose

The overall purpose of this sub-programme is to continuously measure and to objectively assess organisational performance in order to manage the outputs and outcomes that lead to achievement of the results, commonly referred to as impact.

#### Sub-programmes

The following are the sub-programmes:

- Performance information that is verified, accurate and has no material findings
- Monitoring, evaluation and impact report on programmes to assess realisation of objectives
- Continuous improvement plans are in place

#### Strategic Objective

An effective Performance Monitoring Evaluation and Reporting (PME&R) system that outlines management processes, standards, strategies, policies, plans and information systems is developed and implemented.

#### Actual Achievements

The ETDP SETA coordinated and facilitated the four quarterly internal verification exercises to ensure that organisational quarterly reports meet quality standards in line with the Performance Monitoring Evaluation and Reporting Policy. These are: accuracy, reliability, completeness, precision, timeliness and integrity. This process is informed by the performance information verification and validation guidelines that are developed by the organisation.

The guideline document is regularly updated as informed by audits and validation outcomes conducted by DHET, Internal Auditors and the Auditor-General. Upon conducting verifications, findings are communicated to reporting provinces/units to correct and ensure

compliance.

#### - Monitoring

According to the PME&R Procedure Manual developed in April 2015, routine monitoring is embedded within the core functions of SETA management and is conducted on a regular and ongoing basis. To support the execution of this function, capacity building sessions for programme staff have been coordinated and implemented through the University of KwaZulu-Natal which has been appointed as the Research Chair for the SETA's monitoring and evaluation related work.

#### - Evaluations

The SETA has contracted the University of the Watersrand (Wits) Commercial Enterprise in March to conduct a learners tracking/tracing and impact evaluation study. This study will run from 01 April 2016–30 September 2017.

The evaluation study will focus on all programmes implemented from 2011/12–2015/16 with specific focus of Programme 2, 3, 4, 5 and 6.

There are two other evaluation studies which commenced in 2014/15 focusing on Programme 2 and Programme 3 as implemented in 2012/13–2013/14 and 2014/15 respectively. Programme 2 evaluation study has been completed and a final report is available for further engagement.

The baseline assessment phase for Programme 3 has been completed and has progressed into the exit analysis phase. The report for the baseline assessment has been shared with all Provincial Managers & stakeholders as well as Research and Skills Planning, to inform future planning and implementation of SETA programmes.

Through its provincial offices, the SETA also conducted consultative sessions with provincial programme stakeholders during the year under review on the baseline assessment report, and the administration of the Programme 3 exit questionnaire with its final report due to be published by end of November 2016.

## Actual Achievements

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
An effective PME&R system that outlines management processes, standards, strategies, policies and plans	A SETA-wide performance monitoring, evaluation and reporting framework and plan is in place	-	Performance information is verified and validated	Four internal quarterly verification and validation audits were conducted	-	-
		-	Monitoring reports on the implementation programmes	Four quarterly organisational performance reports were produced and submitted to DHET and National Treasury as per the prescriptions	-	-
		-	Continuous improvement plans are in place	Two plans are in place, namely, quality assurance and verification of performance information	-	Achieved

## Changes to Planned Targets

There were no changes in any of the 2015/16 planned targets.

## Challenges

Not having a fully functional performance monitoring and reporting module of the ETDP SETA's Management Information System (MIS) which could compromise the quality of performance information.

## Strategy to Overcome Areas of Underperformance

*With regard to inadequate quality of performance information:* There is constant engagement with the reporting provinces/units with a view to improve the quality of performance information where consequence management has been introduced for non-compliance and digression. Furthermore, coordinated capacity building sessions will continue in the 2016/17 financial year to support managers and staff.

### 3.6.3.3 Education, Training and Development Quality Assurance

#### Purpose

The purpose of the Education Training and Development Quality Assurance function is to ensure that ETDP SETA develops and implements an effective and efficient quality assurance and training provider support system.

#### Sub-programmes

- Increase the number of accredited providers in rural areas
- Increase the number of occupational qualifications developed and submitted to Quality Council for Trades and Occupations (QCTO)
- Public comments for occupational qualifications are addressed and submitted to QCTO
- Systems and processes for work integrated learning and external integrated summative assessments are in place
- Qualification Assessment Specifications and External Integrated Summative Assessment tools and instruments are developed
- Learning materials for registered occupational qualifications are developed
- Learning programmes are evaluated, assessment results are verified/externally moderated
- Learners for full qualifications are certificated

## Strategic Objectives

The quality of service delivery and performance in the ETDP SETA is improved through the implementation of quality assurance systems, processes and monitoring thereof.

## Actual Achievements

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Strengthening of the quality assurance systems in line with the QCTO landscape requirements	Increase number of accredited providers in rural areas	-	Each province to have at least one accredited provider by 31 March 2016	8 provinces have accredited providers except Gauteng	-1	Under-achieved Target could not be achieved in Gauteng in the year under review
	Applications for accreditation and extension of scope for new/emerging providers are assessed	504	600 learning programmes evaluated	495	-105	Under-achieved Providers did not meet the criteria.
	Assessment results verified/externally moderated	411	400 verification reports	635	235	Over-achieved More verification requests from providers received
	Learners for full qualifications certificated	6 876	7 000 certificates	9 723	2 723	Over achieved More learners completed the qualifications
	Increase the number of occupational qualifications developed	2	3	5	2	Over-achieved 2 more part-qualifications linked to a primary qualification were developed
	Qualification Assessment Specifications and External Integrated Summative Assessment tools and instruments are developed	-	2 sets of Qualification Assessment Specifications are developed by 31 March 2016	-	-2	Under-achieved Response rate from providers was poor
	Bank of assessment tools and instruments for 2 sets of occupational qualifications are developed	-	2 contracts signed for the development of two sets of five banks of summative assessment tools and instruments	-	-2	Under-achieved Provider could not be contracted due to poor response
	Learning materials for occupational qualifications are developed	-	Learning materials are developed for 2 sets of occupational qualifications	-	-2	Under-achieved Provider could not be contracted due to poor response

Strategy to Overcome Areas of Under Performance

Ensure budgetary requirements to support targets are timeously allocated.

Changes to Planned Targets

None

3.6.3.4 Information and Communication Technology

Purpose

In the ETDP SETA, ICT cuts across on all aspects, components and processes; performance information management; finance management; WSPRs submissions and approvals; and communications and marketing. ICT is not only an operational enabler but an important strategic asset, which when leveraged, creates a competitive advantage for the organisation.

Sub-programmes

The following sub-programme forms part of the six sub-programmes identified under Programme 6:

- Improving operational effectiveness through ICT enablement

Strategic Objective

To implement a Management Information System and the Information Communications Technology in order to improve operational efficiency and effectiveness.

Actual Achievements

- *Performance Information Management Module*

A Performance Information Management Module (PIMM) was developed and implemented. The organisation has been trained on PIMM and is using the module to capture performance information and to generate performance reports. The ICT Unit has been providing technical support to the users to ensure effective utilisation of the system. Performance reports for the year 2015/16 were drawn from PIMM.

- *WSP Approval and Payment Process*

The WSP module was commissioned in March of 2015 and was used for the collection of WSP data. A large number of employers were able to submit their WSPs online. An approval work flow was built as part of the WSP module which made it easy for the research team to evaluate and approve the WSPs. The process is also inbuilt with a feedback process where valuable input can be received and used for continuous improvement.

- *Supply Chain Management Module*

An SCM module for quotation based procurement was developed and deployed in production. Although the module is not yet fully commissioned within the organisation, the business unit has been interacting with the system, highlighting initial teething problems which were subsequently resolved. Gaps identified during the testing phase are currently being addressed as part of system enhancement to ensure that the module meets business requirements.

## Programme 6: Enhancing organisational management and administration for quality service delivery

Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation/variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
MIS and ICT implemented to improve operational efficiency and effectiveness	Number of identified business processes that are ICT enabled	Low value SCM module developed and deployed in production	Learner management and provider management performed, using the system	Learner management module developed and is in use	Provider management module not developed	Under-achieved  Delays in the finalisation of specifications due to operational changes
	Business units able to utilise digitisation capabilities and report online	-	Business units learner documents available in electronic format	A service provider was appointed and digitisation has commenced	Digitisation commenced late in the year	Under-achieved  Poor response from the service providers delayed the commencement
	Contract management process workflow enabled	-	Performance information is captured accurately and reported electronically	Contract management module not developed	Only business requirements specifications in place	Under achieved  Delays in finalising earlier modules have also affected the contract management module
	All internally managed discretionary projects reported online (excluding those managed by partners)	-	An electronic project management system is implemented	The required technology has been procured  The MS Projects 2013 has been installed in some business units	Not all relevant business units have been capacitated	Under-achieved  Priority was given to the new MIS implementation

### Strategy to Overcome Areas of Under Performance

The MIS project management plan will be reviewed and implementation plans will be tightened to ensure effective delivery.

The IT Unit will source an external provider to assist with the implementation of an electronic project management system and train users.

### Changes to Planned Targets

There were no changes to the planned targets.

### 3.6.3.5 Supply Chain Management

#### Purpose

To ensure that ETDP SETA develops and implements an effective and efficient system for acquiring and disposing of all goods and services.

To create an environment for implementation of section 16A of the National Treasury Regulations in terms of the PFMA and ensure compliance with norms and standards in such a manner, that principles of good governance are observed.

### Strategic objectives

The following are strategic objectives linked to the aforementioned programme Supply Chain Management (SCM)

- Development and implementation of SCM systems that are equitable, transparent and cost-effective
- Optimise procurement strategies and management of supplier relationship

### Actual achievements

All bids advertised were awarded.

The ETDP SETA participated in the transversal contracts which reduced costs and increased value leverage from economies of scale (i.e. acquire more goods and services at a reasonable price).

Procurement processes are streamlined to improve service delivery and to overcome areas of risk in the procurement environment. Strategic sourcing initiatives are in place to reduce administrative costs and accelerate service provision.

### Changes to Planned Targets

There were no changes to planned targets.

## 3.6.3.6 Marketing and Communication

### Purpose

Marketing and Communication continues to promote the ETDP SETA's visibility and brand through exhibitions and publications, among others. Exhibitions and Career Expos within the various provinces serve as a platform for rural access for the ETDP SETA to inform communities on the organisation's products and offerings.

### Strategic Objectives

- To create and maintain visibility of the ETDP SETA brand
- Regular dissemination of information through various communication platforms
- Encourage engagement between the ETDP SETA and its stakeholders and constituent members

### Actual Achievements

During the year under review, the ETDP SETA's Marketing and Communication ensured proper visibility of the organisation by ensuring that information is provided to all stakeholders through the various communication platforms. The website continues to be updated regularly and serves as a reliable tool for access to information. The organisation's efforts to ensure visibility took place through a total of 42 exhibitions spread through all provinces. Advertising took place at national, provincial and local levels through the print and broadcast media.

As part of its constant effort to engage its stakeholders, ETDP SETA embarked on a National Road Show in the last quarter. The objective was to unpack the new proposed SETA landscape and gather public comments for submission to DHET.

### Changes to Planned Targets

There were no changes to the planned targets.

### 3.7 Provincial Offices

The implementation of the five programmes reflected in the 2015/16 Annual Performance Plan is done in the nine provinces and the programme for constituencies is implemented by the Constituency Support Unit at Head Office. Below is an overview of targets allocated to provinces and the achievements for 2015/16.

#### 3.7.1. Eastern Cape Performance



Mr Luvo Gazi  
Provincial Manager

#### Programme 1: Development of a credible Sector Skills Plan

Programme 1: Development of a credible ETD Sector Skills Plan						
Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/2016	Actual Achievement 2015/16	Deviation/variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
A credible Sector Skills Plan is in place that is informed by in-depth research and analysis of the ETD sector	Number of WSPRs received and approved	69 WSPs/ATRs were collected	100	71 (71%)	-29	Under-achieved Some levy paying organisations did not submit
	Number of SDF/ Sector specialists trained on the Scarce and Critical Skills Guide	300 SDF/ Sector specialist trained on the Scarce and Critical Skills Guide	200	221 (111%)	21	Over achieved More SDFs trained within the allocated budget
	Number of Scarce and Critical Skills Guides printed and distributed	868 Scarce and Critical Skills Guides distributed	200	240 (120%)	40	Over achieved More guides distributed within the allocated budget



### Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations and/or variances
Under-qualified Grade R or Foundation Phase teachers are enrolled in relevant qualifications	Number of Grade R/ Foundation Phase teachers enrolled for the Grade R Diploma or B.Ed. Foundation Phase degree	-	70	70 (100%)	-	Achieved
Teachers are trained on programmes that improve their competencies in order to improve learner performance	Number of primary and secondary school teachers enrolled in subject content and ICT programmes	100	160	140 (88%)	-20	Under-achieved  Teachers were unable to attend
	Number of primary and secondary school teachers enrolled in End User Computing Learnership	50	70	70 (100%)	-	Achieved
	Number of teachers in full service and LSEN schools enrolled for braille and sign language facilitation	90	100	100 (100%)	-	Achieved
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of HEIs receiving financial support for staff development	4	4	4 (100%)	-	Achieved

### Programme 3: Improving public service delivery in the ETD sector

Strategic Objectives	Performance Indicators	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations and / or variances
To enhance school and library administrative capacity in public schools	Number of unemployed youth placed and trained as administrators	-	500	500 (100%)	-	Achieved
	Number of school administrators placed in schools for the 2nd or later years	509	500	513 (103%)	13	Over-achieved  Thirteen additional admin interns were approved due to high demand

#### Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	91	110	101 (92%)	-9	Under-achieved Students opting for other funders
	Number of students awarded bursaries for full qualifications	372	30	43 (143%)	13	Over-achieved Target exceeded due to high demand
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	101	230	196 (85%)	-34	Under-achieved Some learners did not submit required learner documents and could not be registered
Recognition of prior learning assessments are conducted to enable those previously disadvantaged to gain formal qualifications	Number of unemployed candidates receive qualifications through RPL	-	200	219 (110%)	19	Over-achieved Target exceeded due to high demand
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes (graduates and undergraduates)	50 TVET	80	80 (100%)	-	Achieved
Career guidance is provided to enable learners to choose relevant subjects for their career choices	Number of career guidance booklets printed and distributed to learners	3 666	2 000	2 340 (117%)	340	Over-achieved There was a high demand for career guides
	Number of CDOs placed at institutions of learning or workplaces	51	51	51 (100%)	-	Achieved

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Learners are trained on occupational and vocational qualifications through learnerships/skills programmes	Number of youth enrolled in learnership programmes	150	190	190 (100%)	-	Achieved
	Number of PWDs enrolled in skills programmes	-	50	50 (100%)	-	Achieved

#### Programme 5: Supporting ETD constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Skills development programmes are conducted to build human and institutional capacity within the ETD <sup>P</sup> SETA constituencies	Number of NLPES supported	-	15	16 (107%)	1	Over-achieved  More NGOs were supported within the allocated budget

#### Total Discretionary Funds allocated to the Province

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
84 454	29 706	(54 747)

### 3.7.2. Free State Performance



Ms Felicity Scully  
Provincial Manager

#### Programme 1: Development of a credible ETD Sector Skills Plan

Strategic Objectives	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation/ variance from planned target to Actual Achievement for 2015/2016	Comment on deviations and / or variances
A credible Sector Skills Plan is in place that is informed by in-depth research and analysis of the ETD sector	Number of WSPRs received and approved	18 WSPs/ATRs were collected	40	19 (48%)	-21	Under-achieved.  Some levy paying organisations did not submit
	Number of SDF/ Sector specialists trained on the Scarce and Critical Skills Guide	100 SDF/ Sector specialists trained on the Scarce and Critical Skills Guide	100	105 (105%)	5	Over-achieved  More SDFs trained due to high demand
	Number of Scarce and Critical Skills Guide printed and distributed	100 Scarce and Critical Skills Guides distributed	100	205 (205%)	105	Over-achieved  The demand for the guide was high

### Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Under-qualified Grade R or Foundation Phase teachers are enrolled in relevant qualifications	Number of Grade R/ Foundation Phase teachers enrolled for the Grade R Diploma or B.Ed. Foundation Phase degree	No target	20	18 (90%)	-2	Under-achieved  2 of the students supported were not registered for B. Ed Foundation Phase
Teachers are trained on programmes that improve their competencies in order to improve learner performance	Number of primary and secondary school teachers enrolled in End User Computing Learnership	73	100	103 (103%)	3	Over-achieved  The programme was well supported and over-subscribed
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of HEIs receiving financial support for staff development	1	2	2 (100%)	-	Achieved

### Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	20	20	20 (100%)	-	Achieved
	Number of students awarded bursaries for full qualifications	20	20	22 (110%)	2	Over-achieved  More bursaries awarded within the allocated budget
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	50	220	68 (31%)	-152	Under-achieved  Provincial departments had a similar programme targeting the same group

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes (graduates and undergraduates)	TVET- 60	60	60 (100%)	-	Achieved
Career guidance is provided to enable learners to choose relevant subjects for their career choices	Number of career guidance booklets printed and distributed to learners	2 000	2 200	187 (9%)	-2 013	Under-achieved The distribution was done at exhibitions where learners do not have IDs
	Number of CDOs placed at institutions of learning or workplaces	22	22	18 (82%)	-4	Under-achieved CDOs dropped out when they found permanent employment
Learners are trained on occupational and vocational qualifications through learnerships	Number of youth enrolled in learnership programmes	33	30	30 (100%)	-	Achieved

#### Total Discretionary Funds allocated to the Province

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
19 250	3 704	(15 546)

3.7.3. Gauteng Performance



Mr Gerrard Francis  
Provincial Manager

Programme 1: Development of a credible ETD Sector Skills Plan

Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation/ variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/ or variances
A credible Sector Skills Plan is in place that is informed by in-depth research and analysis of the ETD sector	Number of WSPRs received and approved	391 WSPs/ATRs were collected	400	367 (92%)	-33	Under-achieved Not all small levy paying organisations submitted as expected despite workshops and visits to the organisations
	Number of SDF/ Sector specialists trained on the Scarce and Critical Skills Guide	451 SDF/Sector specialist trained on the Scarce and Critical Skills Guide	300	300 (100%)	-	Achieved
	Number of Scarce and Critical Skills Guide printed and distributed	1 544 Scarce and Critical Skills Guides distributed	300	480 (160%)	180	Over-achieved Extra guides distributed as per the demand at workshops



## Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Under-qualified Grade R or Foundation Phase teachers are enrolled in relevant qualifications	Number of Grade R/ Foundation Phase teachers enrolled for 2nd or later years	44	25	22 (88%)	-3	Under-achieved Only the learners who passed were supported
Teachers are trained on programmes that improve their competencies in order to improve learner performance	Number of primary and secondary school teachers enrolled in End User Computing Learnership	50	90	90 (100%)	-	Achieved
	Number of teachers in full service and LSEN schools enrolled for braille and sign language facilitation	68	592	395 (67%)	-197	Under-achieved The other learners will be trained in July 2016
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of HEIs receiving financial support for staff development	20	7	5 (71%)	-2	Under-achieved 2 HEIs did not comply within the timelines

## Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	38	50	59 (118%)	9	Over-achieved Only the students who passed were renewed
	Number of students awarded bursaries for full qualifications	74	20	41 (205%)	21	Over-achieved The allocation was revised

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	92	220	220 (100%)	-	Achieved
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes (graduates and undergraduates)	170 (50 interns, 50 TVET & 70UoTs)	170	170 (100%)	-	Achieved
Career guidance is provided to enable learners to choose relevant subjects for their career choices	Number of career guidance booklets printed and distributed to learners	2699	2400	3193 (133%)	793	Over-achieved Extra career guides were distributed
	Number of CDOs placed at institutions of learning or workplaces	38	38	38 (100%)	-	Achieved
Learners are trained on occupational and vocational qualifications through learnerships	Number of youth enrolled in learnership programmes	140	130	130 (100%)	-	Achieved
Support for people with disabilities	Number of learners enrolled in a learning programme	-	50	50 (100%)	-	Achieved

### Programme 5: Supporting ETD Constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Skills development programmes are conducted to build human and institutional capacity within the ETDP SETA constituencies	Number of NLPEs supported	-	10	4 (40%)	-6	Under-achieved  Only 4 NLPEs sent delegates to attend the training

### Total Discretionary Funds allocated to the Province

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
68 895	10 397	(58 498)

3.7.4. KwaZulu-Natal Performance



Ms Zandile Ntshangase  
Provincial Manager

Programme 1: Development of a credible ETD Sector Skills Plan

Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation/ variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
A credible Sector Skills Plan is in place that is informed by in-depth research and analysis of the ETD sector	Number of WSPRs received and approved	141 WSPs/ATRs were collected	250	140 (56%)	-110	Under-achieved  Some levy paying organisations did not submit
	Number of SDF/ Sector specialists trained on the Scarce and Critical Skills Guides	200 SDF/ Sector specialist trained on the Scarce and Critical Skills Guide	150	177 (118%)	27	Over-achieved  Demand for SDF training was high
	Number of Scarce and Critical Skills Guide printed and distributed	150 Scarce and Critical Skills Guides distributed	150	150 (100%)	-	Achieved

## Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Under-qualified Grade R or Foundation Phase teachers are enrolled in relevant qualifications	Number of Grade R/ Foundation Phase teachers enrolled on the Grade R Diploma or B.Ed. Foundation Phase degree	75	140	128 (91%)	-12	Under-achieved  The learners did not meet the minimum requirement
Teachers are trained on programmes that improve their competencies in order to improve learner performance	Number of primary and secondary school teachers enrolled in subject content and ICT programmes	100	160	119 (74%)	-41	Under-achieved  Non-compliance and non-attendance of teachers from the identified districts
	Number of primary and secondary school teachers enrolled in End User Computing Learnership	50	50	50(100%)	-	Achieved
	Number of teachers in full service and LSEN schools enrolled for braille and sign language facilitation	-	75	60 (80%)	15	Under-achieved  The other learners enrolled but training will commence at a later stage
TVET lecturers and management are trained to gain appropriate competencies in order to improve student performance	Number of academics in research or HEI institutions enrolled at Masters or PhD levels	-	10	10 (100%)	-	Achieved
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of HEIs receiving financial support for staff development	4	4	4 (100%)	-	Achieved

### Programme 3: Improving public service delivery in the ETD sector

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
To enhance school and library administrative capacity in public schools	Number of unemployed youth placed and trained as administrators	-	109	102 (94%)	-7	Under-achieved Learners dropped outs
	Number of school administrators placed in schools for the 2nd or later years	109	109	109 (100%)	-	Achieved

### Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	43	60	60 (100%)	-	Achieved
	Number of students awarded bursaries for full qualifications	17	40	38 (98%)	-2	Under-achieved Two withdrawals from students who got other funding
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	73	220	220 (100%)	-	Achieved
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes from TVET Colleges	-	50	50 (100%)	-	Achieved

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes from UoTs	-	50	50 (100%)	-	Achieved
Career guidance is provided to enable learners to choose relevant subjects for their career choices	Number of career guidance booklets printed and distributed to learners	2 200	2 200	374 (17%)	-1 826	Under-achieved. More career guides were distributed during career exhibitions but learners did not have IDs for reporting
	Number of CDOs placed at institutions of learning or workplaces	69	64	64 (100%)	-	Achieved
Learners are trained on occupational and vocational qualifications through learnerships	Number of youth enrolled in learnership programmes	100	75	75 (100%)	-	Achieved



Programme 5: Supporting ETD Constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Skills development programmes are conducted to build human and institutional capacity within the ETD SETA constituencies	Number of NLPEs supported	-	10	15 (150%)	5	Over-achieved  More NLPEs supported within the allocated budget

Total Discretionary Funds allocated to the Province

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
74 989	10 174	(64 815)



ETDP SETA CEO Ms Sesi Nombulelo Nxesi and the Honourable Deputy Minister DHET engaging stakeholders at the ETDP SETA TVET Colloquium hosted in Johannesburg

### 3.7.5. Limpopo Performance



Mr Isaia Mphaphuli  
Provincial Manager

#### Programme 1: Development of a credible ETD Sector Skills Plan

Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation/ variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/ or variances
A credible Sector Skills Plan is in place that is informed by in-depth research and analysis of the ETD sector	Number of WSPRs received and approved	30	74	50 (68%)	-24	Under-achieved Some levy paying organisations did not submit the WSPRs
	Number of SDF/Sector specialists trained on the Scarce and Critical Skills Guides	316	150	150 (100%)	-	Achieved
	Number of Scarce and Critical Skills Guide printed and distributed	1150	150	172 (115%)	22	Over-achieved Additional guides were distributed over and above the target

## Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Under-qualified Grade R or Foundation Phase teachers are enrolled in relevant qualifications	Number of Grade R/ Foundation Phase teachers enrolled for 2nd or later years	65	65	0 (0%)	-65	Under-achieved  The learners will enrol for 2nd year in June 2016
Teachers are trained on programmes that improve their competencies in order to improve learner performance	Number of primary and secondary school teachers enrolled in subject content and ICT programmes	98	180	160 (89%)	-20	Under-achieved  20 teachers did not attend the scheduled training
	Number of primary and secondary school teachers enrolled in End User Computing Learnership	47	150	150 (100%)	-	Achieved
	Number of teachers in full service and LSEN schools enrolled for braille and sign language facilitation	128	200	184 (92%)	-16	Under-achieved  16 teachers did not attend the scheduled training
TVET lecturers and management are trained to gain appropriate competencies in order to improve student performance	Number of CDOs placed	10	38	38 (100%)	-	Achieved
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of HEIs receiving financial support for staff development	2	2	1 (50%)	-1	Under-achieved  Training delayed in 1 HEI

### Programme 3: Improving public service delivery in the ETD sector

Programme 3: Improving public service delivery in the ETD sector						
Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
To enhance school and library administrative capacity in public schools	Number of unemployed youth placed and trained as administrators	203	641	594 (93%)	-47	Under-achieved The other learners did not attend the training
	Number of school administrators placed in schools for the 2nd or later years	365	641	641 (100%)	-	Achieved
To train national, provincial and district officials to increase the administrative capacity of the critical office-based personnel	Number of national, provincial and district officials enrolled in relevant learning programmes	-	70	57 (81%)	-13	Under-achieved 13 learners did not attend training

### Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations and/or variances
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	4	34	34 (100%)	-	Achieved
	Number of students awarded bursaries for full qualifications	30	30	30 (100%)	-	Achieved
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	109	230	137 (60%)	-93	Under-achieved 93 learners did not meet the criteria

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations and/or variances
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes (graduates and undergraduates)	102	60	60 (100%)	-	Achieved
Career guidance is provided to enable learners to choose relevant subjects for their career choices	Number of career guidance booklets printed and distributed to learners	3 394	2 200	2 396 (109%)	196	Over achieved There was a high demand for career guides
Learners are trained on occupational and vocational qualifications through learnerships	Number of youth enrolled in learnership programmes	110	185	185 (100%)	-	Achieved
PWDs placed in skills programme	Number of PWDs enrolled for skills programme	50	50	50 (100%)	-	Achieved

#### Programme 5: Supporting ETD Constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Skills development programmes are conducted to build human and institutional capacity within the ETDP SETA constituencies	Number of NLPEs supported	30	15	15 (100%)	-	Achieved

#### Total Discretionary Funds allocated to the Province

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
60 429	32 014	(28 415)

### 3.7.6. Mpumalanga Performance



Ms Ntombi Mxenge  
Provincial Manager

#### Programme 1: Development of a credible ETD Sector Skills Plan

Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation/ variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/ or variances
A credible Sector Skills Plan is in place that is informed by in-depth research and analysis of the ETD sector	Number of SDF/ Sector specialists trained on the Scarce and Critical Skills Guide	284 SDF/Sector specialist trained on the Scarce and Critical Skills Guide	100	185 (185%)	85	Over-achieved  More requests for training was received
	Number of Scarce and Critical Skills Guides printed and distributed	100 Scarce and Critical Skills Guides distributed	100	177 (177%)	77	Over-achieved  High demand for the guide

### Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/2016	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Under-qualified Grade R or Foundation Phase teachers are enrolled in relevant qualifications	Number of Grade R/Foundation Phase teachers enrolled on the Grade R Diploma or B.Ed. Foundation Phase degree	-	30	30 (100%)	-	Achieved
	Number of Grade R/Foundation Phase teachers enrolled for 2nd or later years	-	48	48 (100%)	-	Achieved
Teachers are trained on programmes that improve their competencies in order to improve learner performance	Number of primary and secondary school teachers enrolled in End User Computing Learnership	50	100	100 (100%)	-	Achieved
TVET lecturers and management are trained to gain appropriate competencies in order to improve student performance	Number of TVET lecturers and management enrolled in relevant programmes	80	80	80 (100%)	-	Achieved
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of HEIs receiving financial support for staff development	-	1	1 (100%)	-	Achieved

### Programme 3: Improving public service delivery in the ETD sector

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
To train national, provincial and district officials to increase the administrative capacity of the critical office-based personnel	Number of national, provincial and district officials enrolled in relevant learning programmes	-	60	60 (100%)	-	Achieved



#### Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	92	85	85 (100%)	-	Achieved
	Number of students awarded bursaries for full qualifications	20	77	77 (100%)	-	Achieved
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	100	220	142 (65%)	-78	Under-achieved  78 learners did not meet the criteria for enrolment
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes (graduates and undergraduates)	50	50	50 (100%)	-	Achieved
Career guidance is provided to enable learners to choose relevant subjects for their career choices	Number of career guidance booklets printed and distributed to learners	3665	2200	2500 (114%)	-300	Under-achieved  There was a high demand for career guides
	Number of CDOs placed at institutions of learning or workplaces	20	20	20 (100%)	-	Achieved
Learners are trained on occupational and vocational qualifications through learnerships	Number of youth enrolled in learnership programmes	60	30	30 (100%)	-	Achieved
PWDs afforded an opportunity to acquire skills	Number of PWDs awarded bursaries	-	50	39 (78%)	-11	Under-achieved  Recruitment challenges experienced

### Programme 5: Supporting ETD Constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/2016	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Skills development programmes are conducted to build human and institutional capacity within the ETD Seta constituencies	Number of NLPs supported	-	10	10 (100%)	-	Achieved

### Total Discretionary Funds allocated to the Province

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
<b>37 933</b>	<b>3 674</b>	<b>(34 259)</b>

### 3.7.7. Northern Cape Performance



Mr Rama Kistiah  
Provincial Manager

#### Programme 1: Development of a credible ETD Sector Skills Plan

Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation/ variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/ or variances
A credible Sector Skills Plan is in place that is informed by in-depth research and analysis of the ETD sector	Number of WSPRs received and approved	5 WSP/ATR's were collected	6	6 (100%)	-	Achieved
	Number of SDF/Sector specialists trained on the Scarce and Critical Skills Guide	177 SDF/Sector specialist trained on the Scarce and Critical Skills Guide	100	115 (115%)	15	Over achieved More beneficiaries trained within the budget
	Number of Scarce and Critical Skills Guides printed and distributed	817 Scarce and Critical Skills Guides distributed	100	192 (192%)	92	Over achieved More guides distributed due to high demand

### Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations and/or variances
Teachers are trained on programmes that improve their competencies in order to improve learner performance	Number of primary and secondary school teachers enrolled in End User Computing Learnership	50	70	70 (100%)	-	Achieved
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of academics in research or HE institutions enrolled at Masters or PhD levels	-	3	3 (100%)	-	Achieved
	Number of HEIs receiving financial support for staff development	1	1	1 (100%)	-	Achieved

### Programme 3: Improving public service delivery in the ETD sector

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
To train national, provincial and district officials to increase the administrative capacity of the critical office-based personnel	Number of national, provincial and district officials enrolled in relevant learning programmes	-	20	20 (100%)	-	Achieved

#### Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	12	21	19 (90%)	-2	Under-achieved 2 learners did not meet the criteria for renewals
	Number of students awarded bursaries for full qualifications	17	20	20 (100%)	-	achieved
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	80	220	128 (58%)	-92	Under-achieved Some learners did not meet the criteria for admission
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes (graduates and undergraduates)	60	60	60 (100%)	-	Achieved
Career guidance is provided to enable learners to choose relevant subjects for their career choices	Number of career guidance booklets printed and distributed to learners	3 511	2 200	2 414 (110%)	214	Over achieved There was a high demand for career guides
	Number of CDOs placed at institutions of learning or workplaces	8	11	9 (82%)	-2	Under-achieved 2 learners dropped out
Learners are trained on occupational and vocational qualifications through learnerships	Number of youth enrolled in learnership programmes	100	105	105 (100%)	-	Achieved
People with Disability enrolled in skills development programmes	Number of People with Disabilities enrolled in skills programmes	-	50	50 (100%)	-	Achieved  This target was not part of the APP. See section 3.4.6 "changes to planned targets"

### Programme 5: Supporting ETD Constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Skills development programmes are conducted to build human and institutional capacity within the ETD Seta constituencies	Number of NLPEs supported	-	10	10 (100%)	-	Achieved

### Total Discretionary Funds allocated to the Province

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
<b>18 944</b>	<b>3 736</b>	<b>(15 208)</b>

### 3.7.8. North West Performance



Ms Ndumi Msebe  
Provincial Manager

#### Programme 1: Development of a credible ETD Sector Skills Plan

Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation/ variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
A credible Sector Skills Plan is in place that is informed by in-depth research and analysis of the ETD sector	Number of WSPRs received and approved	49 WSPs/ATRs were collected	50	53 (106%)	3	Over achieved More employers submitted WSPRs
	Number of SDF/ Sector specialists trained on the Scarce and Critical Skills Guide	270 SDF/Sector specialist trained on the Scarce and Critical Skills Guide	100	100 (100%)	-	Achieved
	Number of Scarce and Critical Skills Guides printed and distributed	800 Scarce and Critical Skills Guides distributed	100	100 (100%)	-	Achieved

### Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Under-qualified Grade R or Foundation Phase teachers are enrolled in relevant qualifications	Number of Grade R/ Foundation Phase teachers enrolled on the Grade R Diploma or B.Ed. Foundation Phase degree	-	150	50 (33%)	-	Achieved
	Number of Grade R/ Foundation Phase teachers enrolled for 2nd or later years	15	15	13 (87%)	-2	Under-achieved 2 teachers dropped out
TVET lecturers and management are trained to gain appropriate competencies in order to improve student performance	Number of TVET lecturers and management enrolled in relevant programmes	12 Managers supported to register for MPA	5	5 (100%)	-	Achieved
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of academics in research or HE institutions enrolled at Masters or PhD levels	-	14	14 (100%)	-	Achieved
	Number of HEIs receiving financial support for staff development	1	1	1 (100%)	-	Achieved

### Programme 3: Improving public service delivery in the ETD sector

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
To train national, provincial and district officials to increase the administrative capacity of the critical office-based personnel	Number of national, provincial and district officials enrolled in relevant learning programmes	-	50	50 (100%)	-	Achieved



#### Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Number of Learner Career Guides, printed and distributed	Number of career guidance booklets printed and distributed to learners	4 240	2 200	2 326 (106%)	126	Over achieved There was a high demand for the career guides
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	22	20	25 (125%)	5	Over achieved The allocated target was increased
	Number of students awarded bursaries for full qualifications	7	20	20 (100%)	-	Achieved
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	80	220	157 (71%)	-63	Under-achieved Some learners did not meet the minimum requirement for entry
Recognition of prior learning assessments are conducted to enable those previously disadvantaged to gain formal qualifications	Number of unemployed candidates receive qualifications through RPL	200	100	105 (105%)	5	Over achieved There were more unemployed candidates who could be supported to receive qualifications through the RPL
Youth are placed with host employers to enable them to gain relevant workplace experience	Number of youth placed in internship programmes	4	10	15 (150%)	5	Over achieved The allocated target was increased

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	Number of youth placed in workplace experience programmes (graduates and undergraduates)	50	60	60 (100%)	-	Achieved
Career guidance is provided to enable learners to choose relevant subjects for their career choices	Number of CDOs placed at institutions of learning or workplaces	12	22	22 (100%)	-	Achieved
Learners are trained on occupational and vocational qualifications through learnerships	Number of youth enrolled in learnership programmes	105	80	80 (100%)	-	Achieved
Skills development interventions for PWDs	Number of unemployed PWD who are supported through skills programmes	-	50	50 (100%)	-	Achieved

### Programme 5: Supporting ETD Constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations and / or variances
Skills development programmes are conducted to build human and institutional capacity within the ETD P Seta constituencies	Number of NLPes supported	-	10	11 (110%)	1	Over achieved  More NLPes could be supported within the allocated budget

### Total Discretionary Funds allocated to the Province

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
20 845	4 355	(16 490)

### 3.7.9. Western Cape Performance



Ms Fikile Machimana  
Provincial Manager

#### Programme 1: Development of a credible ETD Sector Skills Plan

Strategic Objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation/variance from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
A credible Sector Skills Plan is in place that is informed by in-depth research and analysis of the ETD sector	Number of WSPRs received and approved	268 WSP/ATR's were collected	200	251 (126%)	51	Over achieved  More levy paying organisations submitted WSPRs
To improve the submission of the workplace skills plans, annual training reports, PIVOTAL plans and reports by both levy paying and non-levy paying	Number of SDF/ Sector specialists trained on the Scarce and Critical Skills Guide	20 SDF/Sector specialist trained on the Scarce and Critical Skills Guide	300	53 (18%)	-247	Under-achieved  There was poor attendance at workshops
	Number of Scarce and Critical Skills Guides printed and distributed	1 285 Scarce and Critical Skills Guides distributed	300	281 (94%)	-19	Under-achieved  19 organisations could not attend

## Programme 2: Quality teaching and learning in schools, TVET Colleges and HEIs

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Teachers are trained on programmes that improve their competencies in order to improve learner performance	Number of primary and secondary school teachers enrolled in subject content and ICT programmes	120	100	99 (99%)	-1	Under-achieved. 1 teacher did not attend the training
	Number of primary and secondary school teachers enrolled in End User Computing Learnership	50	100	100 (100%)	-	Achieved
HEI lecturers are trained to gain appropriate competencies in order to improve student performance	Number of HEIs receiving financial support for staff development	2	4	4 (100%)	-	Achieved

#### Programme 4: Access and progression into high level skills and support for work experiential learning

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Bursaries are provided to students to enrol for further and higher education programmes and qualifications	Number of renewed bursaries for students	45	47	32 (68%)	-15	Under-achieved Learners completed their qualifications thus, they were not renewed
	Number of students awarded bursaries for full qualifications	43	20	27 (135%)	7	Over achieved The allocated target was increased
Opportunities to rewrite matric are provided to unsuccessful matric students to enable them to access further learning opportunities	Number of youth provided with a second chance to improve their matric results	250	220	220 (100%)	-	Achieved
Recognition of prior learning assessments are conducted to enable those previously disadvantaged to gain formal qualifications	Number of unemployed candidates receive qualifications through RPL	-	120	118 (98%)	-2	Under-achieved 2 learners dropped out
Youth are placed on work integrated learning programmes to enable them to gain relevant workplace experience	WPE - TVET Colleges	51	50	50 (100%)	-	Achieved
	WPE- University of Technology	65	70	129 (184%)	59	Over achieved More were learners supported within the allocated budget
	Youth placed in Internships	2	4	2 (50%)	-2	Under-achieved Learners opted for other funding
Career guidance is provided to enable learners to choose relevant subjects for their career choices.	Number of career guidance booklets printed and distributed to learners	2 264	2 200	2 993 (136%)	793	Over achieved Additional guides were distributed due to the high demand
	Number of CDOs placed at institutions of learning or workplaces	16	40	30 (75%)	-10	Under-achieved 10 CDOs dropped out

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Learners are trained on occupational and vocational qualifications through learnerships	Number of youth enrolled in learnership programmes	60	75	75 (100%)	-	Achieved
Support for people with disabilities	Number of people with disabilities trained on skills development programmes	-	50	50 (100%)	-	Achieved

#### Programme 5: Supporting ETD Constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Skills development programmes are conducted to build human and institutional capacity within the ETDP SETA constituencies	Number of NLPs supported	-	10	10 (100%)	-	Achieved

#### Total Discretionary Funds allocated to the Province

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
21 400	5 374	(16 026)

3.7.10. Constituency Support Performance



Mr Ineeleng Molete  
Head of Department

Actual Achievements

Programme 5: Supporting ETD Constituencies for skills development

Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/ or variances
Skills development programmes are conducted to build human and institutional capacity within the ETD P SETA constituencies	Number of Trade Union Federations supported	280 beneficiaries (118 full qual. & 162 part qual.)	3	3 (100%)	-	Achieved
	Number of Political Parties supported	101 beneficiaries (30 + 71)	10	4 (40%)	-6	Under-achieved  Only 4 political parties participated in skills development and could be supported
	Number of Youth Cooperatives supported	-	18	14 (78%)	-4	Under-achieved  3 Youth Cooperatives did not meet the criteria
	Number of Private Training Providers supported (APPETD and non-APPETD)	113 beneficiaries	1	1 (100%)	-	Under-achieved  There was a delay in the procurement process



Strategic Objectives	Performance Indicators	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations and/or variances
Skills development programmes are conducted to build human and institutional capacity within the ETDP SETA constituencies	Number of Independent Schools Associations supported	137 beneficiaries (53 + 84)	2	1 (50%)	-1	Under-achieved  1 association accepted the support
	Support provided to HEIs through the partnership with HESA	HELM programme implemented and 2 SDF forums supported	1	1 (100%)	-	Achieved
	Number of Research Organisations supported	17 beneficiaries	3	2 (67%)	-1	Under-achieved  1 research organisation did not meet the criteria
	Number of Teacher Union Institutes supported	5	5	4 (80%)	-1	Under-achieved.  1 teacher union did accept the support
	Number of SETAs, Quality Assurance and Professional Bodies supported	20	10	5 (50%)	-5	Under-achieved  5 SETAs did not take up the support

### Support for Political parties

Four political parties paying levies to the SETA, namely, African National Congress (ANC), Democratic Alliance (DA), Inkatha Freedom Party (IFP) and South African Communist Party (SACP) were supported through part and full qualifications.

### Youth Cooperatives

- A total of 14 Cooperatives from all provinces were recruited and were trained by the North West University in the Entrepreneurial Skills Programme. The post-training support was offered by the South African Council for Graduates Cooperative and the purpose is to be assisted with funding to receive training on how best to manage their Cooperatives.

### Supporting private training providers (APPETD and non-APPETD)

- APPETD - 100 beneficiaries from various member organisations were supported on the Assessment Practitioner Skills Programme
- Six lecturers from Monash University were assisted with funding to register for various qualifications with different institutions

### Supporting independent schools associations

- Three organisations of the National Independent Schools Associations were supported, namely, South African Montessori Association, Association of Muslim Schools and Association of Christian Schools International.

Research organisations supported

- Two research organisations were supported, namely, Human Science Research Council and Ntshangalala

Support for Teacher Union Institutes

- Four teacher unions were supported through their Institutes. The teacher Unions being: National Professional Teachers Organisation (NAPTOSA), National Teachers' Union (NATU), Professional Educators Union (PEU) and South African Democratic Teachers Union (SADTU) including the National Tertiary Education Union (NTEU).

Supporting SETAs, Quality Assurance and Professional Bodies

- Four SETAs namely the Chemical Industries Education and Training Authority (CHIETA), Local Government Sector Education and Training Authority (LGSETA), Wholesale and Retail (W&RSETA) and Manufacturing Engineering and Related Services Sector Education and Training Authority (MERSETA) as well as the Education Labour Relations Council (ELRC) and the South African Qualifications Authority (SAQA)

Total Discretionary Funds allocated to Constituency Support

2015/16		
Budget	Actual Expenditure	Over/Under Expenditure
R'000	R'000	R'000
20 800	3 247	(17 553)

NB: Support for NLPE's budget is located under provincial targets

4 Revenue collection

Sub-programme Name	2014/15			2015/16		
	Budget	Actual Income	(Over)/ under collection	Budget	Actual Income	(Over)/ under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Skills development levies	340 461	344 586	4 125	354 079	383 509	(29 429)
Provincial contributions	99311	186 869	87 558	315 456	361 975	(46 519)
Penalties and interest	4822	12 495	7 673	5 015	13 159	(8 144)
Investment income	8 102	27 503	19 401	8 250	33 250	(25 000)
Other	-	85	85	-	711	(711)
Total	452 696	571 538	118 842	682 800	792 603	(109 803)

## 5 Capital Investment

Asset categories	2014/15			2015/16		
	Budget	Actual expenditure	(Over)/under	Budget	Actual expenditure	(Over)/under
	R'000	R'000	R'000	R'000	R'000	R'000
Audio visual	62	8	54	220	31	189
Computer equipment	1 790	248	1 542	1 500	2 474	(974)
Computer software	5 000	-	5 000	2 000	381	1 619
Furniture and fittings	1 648	8	1 640	500	11	489
Kitchen equipment	45	-	45	80	13	67
Leasehold improvements	930	-	930	400	-	400
Minor assets	321	-	321	100	2	98
Office equipment	432	44	388	200	1 110	(910)
Assets under construction	-	1 307	(1 307)	-	1 080	(1 080)
<b>Total</b>	<b>10 228</b>	<b>1 615</b>	<b>8 613</b>	<b>5 000</b>	<b>5 102</b>	<b>(102)</b>

# PART C :

## Governance

At the cutting edge of skills development



## 1 Introduction

The ETDP SETA is a public entity established as a Schedule 3A of the Public Financial Management Act (PFMA) and is one of the 21 Sector Education and Training Authorities (SETAs) established by the Minister of Education and Training through the amended Skills Development Act of 1998. It is governed by the Standard Constitution which is approved by the Minister and Gazetted by Parliament.

The Accounting Authority and its structures abide by corporate governance principles that are embodied in the various legislative frameworks, regulations and reports, such as, the Companies Act and King III Report. The point of accountability is diffused within the entire Accounting Authority and this heightens the need for the principles of Good Corporate Governance which are observed by the Accounting Authority of the ETDP SETA.

## 2 Portfolio Committees

The Portfolio Committee on Higher Education and Training has a distinct role of exercising oversight on Higher Education public entities' performance, including the SETAs.

The ETDP SETA made a presentation to the Portfolio Committee on the 27th May 2015 on the Annual Performance Plan 2015/2016. A presentation was also made to the Select Committee on Education and Recreation on the 26th November 2015.

## 3 Executive Authority

The Executive Authority in the SETA as prescribed in the Approved Constitution is with the Minister of Higher Education and Training. It is the Minister that appoints members of the Accounting Authority. Furthermore the Minister determines its remuneration as per the tariffs of the National Treasury.

The ETDP SETA, on an annual basis, signs a service level agreement, submits the Sector Skills Plan and Annual Performance Plan to the Minister. Quarterly reports are submitted based on the targets attained. In addition to the requests, the Executive Authority in the year under review has requested confirmation of Schedule 4 of the Constitution that deals with representation. This confirmation was provided and accepted by the Executive Authority.

## 4 The Accounting Authority/The Board

### 4.1 Introduction

The Standard Constitution is the basis on which the ETDP SETA's Accounting Authority is established. The Accounting Authority provides strategic leadership and guidance. The functions and powers of the Accounting Authority are outlined in the Constitution

as follows:

- (a) Govern and manage the SETA
- (b) Ensure that the SETA achieves the objectives contemplated in clause 5 of the Constitution and performs the functions contemplated in clause 6 of the Constitution
- (c) Provide effective leadership and ensure that the SETA implements the goals of the NSDS III and the Performance Agreement with the Minister
- (d) Set strategic direction for the SETA
- (e) Liaise with stakeholders
- (f) Ensure that the SETA complies with the relevant statutory requirements and the requirements of this Constitution
- (g) Manage institutional risk
- (h) Monitor the performance of the SETA
- (i) Apply for the establishment of the SETA in terms of section 9(1) of the Act, read together with the Regulations regarding the Establishment of Sector Education and Training Authorities, 7 September 1999, as amended by General Notice R106 in the Government Gazette 27254 of February 2005

### 4.2 Role of the Accounting Authority

The functions and powers of the Accounting Authority are outlined in the ETDP SETA's Constitution.

The role of the Accounting Authority is:

1. To set a strategic direction for the ETDP SETA and manage institutional risk
2. To provide effective leadership and ensure that the ETDP SETA implements the goals of the NSDS III and the performance agreement with the Minister of Higher Education and Training;
3. To monitor the performance of the ETDP SETA and ensure compliance with relevant statutory requirements and the requirements of the ETDP SETA Constitution
4. To perform its fiduciary responsibilities as per the PFMA

### Accounting Authority Charter:

The ETDP SETA Accounting Authority complies with the Charter that was approved in May 2014.

The Charter clearly outlines the Accounting Authority's responsibility with regards to:

- The adoption of strategic plans
- Monitoring of operational performance and management
- Determination of policy processes to ensure the integrity of the public entity risk management and internal controls

- Communication policy, and director selection, orientation and evaluation

The Accounting Authority convenes every quarter to ensure that their responsibilities as outlined in the Charter, are realised.

4.3 Composition of the Accounting Authority

The ETDP SETA has 15 members on the Accounting Authority, made up of the following constituent organisations. All members have been nominated by their constituent principals and thereafter submitted to the Executive Authority for approval.

The Ministerial Appointees are appointed directly by the Minister.

Constituency	Organisation
Ministerial Appointees	Accounting Authority Chairperson (1) Ministerial appointees (2)
Organised Labour	SADTU (3) COSATU (1) NEHAWU (1) NTEU/PEU/other Federations (1)

Constituency	Organisation
Government Departments and Organised Levy Paying Employers	DHET (1)
	DBE (2)
	HESA (1)
	APPETD (1)
	NAISA/LIASA/SANGOCO (1)

4.4 Governance structures of the ETDP SETA, includes Committees and Chambers:

The Accounting Authority utilises certain governance structures that are established in terms of its Constitution, they are:

1. The Executive Committee
2. The Audit Committee
3. The Finance Committee
4. The Human Resource Committee
5. The Remuneration Committee
6. Quality Assurance Permanent Committee
7. Five Chamber Committees:
  - Higher Education and Research
  - Technical and Vocational Education and Training
  - Schooling
  - Provisioning
  - Early Childhood Development and Adult Education

#### 4.5 Qualifications and Expertise of the AA members

Name	Designation	Qualification	Area of expertise	Accounting Authority Directorships	ETDP SETA committees or task teams
Ms. Shirley Mabusela	Chairperson	Post Graduate Diploma in Advanced Social Work Bachelor of Social Work Management Diploma	Human Rights Development Work Training in ECD	Director of the following: Bethlehem Hydro, Hydro WSA and Batlou Consulting	ETDP SETA Executive Committee
Mr. Sipho Khuzwayo	Ministerial appointee	Master of Arts	Human Capital Development	Thembaletu Trust	None
Ms. Maryna Marais	Ministerial appointee	Bachelor of Commerce	Management Accounting	Association of Colleges South Africa	None
Mr. Lucas Maphila	Accounting Authority member	Higher Education Diploma	Education and Union Movement	Old Mutual Education Trust	ETDP SETA Quality Assurance Committee
Ms. Veronica Hofmeester	Accounting Authority member	Bachelor of Education Bachelor of Arts	Education and Union Movement Educational Psychology	-	ETDP SETA Executive Committee ETDP SETA Schooling Chamber
Mr. Zola Saphetha	Accounting Authority member	National Diploma: Public Administration	Trade Unionism	Chairperson of the Provincial Alliance Education Advisory Board of the Centre for Higher Education Transformation South African Human Rights Commission Education Forum National Economic Development and Labour Council (NEDLAC); Development Chamber: Education Task Team	ETDP SETA Executive Committee
Mr. John Landman	Accounting Authority member	Bachelor of Journalism Bachelor of Fine Arts Master of Fine Arts	Geotechnical Systems Specialist Information Technology	-	ETDP SETA Audit Committee
Ms. Simone Geyer	Accounting Authority member	Bachelor of Arts (BA), LL.M (Labour Law)	Human Resource Development and Negotiations	-	ETDP SETA Executive Committee
Mr. Nkosinathi Ngcobo	Accounting Authority member	Master of Science (MSc)	Human Resource Development	-	-

Name	Designation	Qualification	Area of expertise	Accounting Authority Directorships	ETDP SETA committees or task teams
Dr. Diane Parker	Accounting Authority member (Resigned in October 2015)	PhD in Education	Curriculum Development	-	-
Ms. Khanyisile Fakude	Accounting Authority member (Resigned in October 2015)	National Diploma in Human Resource (incomplete)	Human Resource Management	COSATU Provident Fund Accounting Authority at NBC	ETDP SETA Quality Assurance Committee
Ms. Cynthia Reynders	Accounting Authority member	Master in Business Administration	Financial Management	-	-
Ms. Mandi Wallace	Accounting Authority member	Bachelor's Degree in Training and Development Training Development Diploma Training Management Diploma	Skills Training and Development	-	ETDP SETA Executive Committee ETDP SETA HE & R Chamber ETDP SETA HR Committee HESA: SFD Chair
Mr. Mandla Mthembu	Accounting Authority member	BA (Hons) MA in Applied Linguistics and Policy Studies	Policy Analysis and Development Strategic Management Organisational Development and Scenario Planning Research, Training and Development	Chairperson of the Obed Mlaba Foundation Trust Director of Policy and Government Relations at Accelerated Education Enterprises Managing Director at ZOE SOZO ENTERPRISE	ETDP SETA Constitution Committee Task Team ETDP SETA Schooling Chamber ETDP SETA Audit Committee
Mr. Bhabhali Ka Maphikela Nhlapo	Accounting Authority member	BA (Social Work), Post Graduate Diploma (Global Labour Studies)	Skills Training and Development	Unemployment Insurance Fund Ordinary Board Member: National Skills Authority Deputy Chairperson: Leondale High School Governing Board Secretary	ETDP SETA Quality Assurance Committee
Dr. Whitfield Green	Accounting Authority member	PhD Didactics	Teaching and Learning	Board of South African Mathematics Foundation	ETDP SETA TVET Chamber



## 4.6 Accounting Authority Meetings Attendance

Five meetings were held during the financial year.

Name	Designation	Date of appointment	Date resigned	Number of meetings attended
Ms Shirley Mabusela	Chairperson	April 2011		5
Mr Sipho Khuzwayo	Member	April 2011		5
Ms Maryna Marais	Member	April 2011		1
Mr Lucas Maphila	Member and EXCO	July 2011		3
Ms Veronica Hofmeester	Member	April 2011		4
Mr Zola Saphetha	Member and EXCO	July 2014		2
Mr John Landman	Member	May 2014		5
Ms Simone Geyer	Member and EXCO	April 2011		4
Mr Nkosinathi Ngcobo	Member	April 2011		4
Dr Diane Parker	Member	April 2011	Resigned in Oct 2015*	0
Ms Khanyisile Fakude	Member	April 2011	Resigned in Oct 2015*	0
Ms Cynthia Reynders	Member	October 2014		2
Ms Mandi Wallace	Member and EXCO	April 2011		5
Mr Mandla Mthembu	Member	November 2011		5
Mr Oupa Bodibe	Alternate	July 2011		3
Dr Whitfield Green	Alternate	April 2011		2
Mr Bhabhali ka Maphikela Nhlapo	Alternate	October 2015		1
Mr Vusi Amos Monyela	Alternate	June 2015		2
Mr Alfred Maluleke	Alternate	August 2015		1
Vacancy Labour				

\* Dr W Green replaced Dr D Parker

\* Mr BKM Nhlapo replaced Ms K Fakude

## 4.7 Accounting Authority Committees and Chambers

### 4.7.1 Executive Committee Meeting Attendance

Name of members	Number of meetings held	Number of meetings attended
Ms Shirley Mabusela (Chairperson)	5	5
Ms Mandi Wallace	5	4
Ms Simone Geyer	5	5
Ms Veronica Hofmeester	5	5
Mr Zola Saphetha	5	1
Mr Amos Monyela (Alternate to Mr Saphetha)	5	2

Mr Monyela attended 2 meetings in place of Mr Saphetha as an alternate official.

### 4.7.2 Finance Committee Meetings Attendance

Name of members	Number of meetings held	Number of meetings attended
Mr Sipho Sukati (Chairperson)	6	6
Mr Nick Nicholls CA (SA)	6	6
Ms Manoshni Perumal	6	4
Ms Gugu Mthombeni*	6	1
Mr Phumlani Duma*	6	1

\*Ms Mthombeni and Mr Duma joined the committee in October 2016.

### 4.7.3 Human Resources Committee Meetings Attendance

Name of members	Number of meetings held	Meetings attended
Mr Enoch Rabotapi	3	3
Ms Mandi Wallace	3	2
Mr Jonavon Rustin	3	3
Mr Mbulelo Mandlana	3	3

### 4.7.4 Audit Committee Meetings Attendance

Name	Qualification	Internal/External	Position In ETDP SETA	Date appointed	Date resigned	Number of meetings held	Number of meetings attended
Mr. Vusi Mokwena (Chairperson)	CA(SA)	External	N/A	1 Mar 2012		9	9
Ms. Pumla Mzizi	CA(SA)	External	N/A	1 Mar 2012		9	8
Mr. Mandla Mthembu		Internal	Board representative	1 April 2015		9	9
Mr. John Landman		Internal	Board representative	1 April 2015		9	9

### 4.7.5 Quality Assurance Committee Meetings Attendance

Name of Members	Number of meetings held	Number of meetings attended
Mr. Mandla Msweli (Chairperson)	4	4
Mr. David Shasha	4	4
Dr. Nirmala Gopal	4	4
Dr. Vishnu Abhilak	4	4
Mr. Silas Mpungose	4	4
Mr. Bhabhali ka Maphikela Nhlapo*	4	1

\*Mr Nhlapo was appointed in October 2015.

### Chamber Meetings Attendance

The Chambers of the ETDP SETA perform functions of the ETDP SETA delegated to them by the Accounting Authority in terms of the Constitution.

Chambers are set up as advisory structures to the Accounting Authority and provide a platform for debates, discussions and engagements on education, training and development. They enhance policy development and implementation in the ETD sector. The ETDP SETA has identified five chambers, namely:

- Adult Education and Training (AET)/Early Childhood Development Chamber
- Schooling Chamber
- Technical Vocational Education and Training Chamber
- Higher Education and Research Chamber
- ETD Quality Provisioning Chamber

In addition to other functions determined by the Accounting Authority, chambers must ensure that skills needs for various sectors are researched, identified and information communicated to all constituencies.

#### 4.1.1 Adult Education and Training and Early Childhood Development (ECD) Chamber

Name of Members	Number of meetings held	Number of meetings attended
Mr. Jonavon Rustin (Chairperson)	4	4
Ms. Raisibe Tshweu	4	3
Ms. Marie- Louise Samuels	4	2
Ms. Victoria Mokgatle	4	2
Mr. Augustus Dludlu	4	4
Mr. Leonard Saul	4	2
Mr. Archie Mokonane	4	4
Ms. Meryl Anne Hewitt Fourie	4	4
Mr. Diseko Gopane	4	4
Mr. David Diale	4	3
Mr. Tsela Moloi	4	4
Ms. Ruby Shasha	4	4
Ms. Inez Petersen	4	4
Ms. Gcotyelwa Xaba	4	4
Ms. Yvonne Dos Santos	4	1
Ms. Cathy van Vuuren resigned in October 2015	4	1
Ms. Natalie Gross was appointed in November 2015)	4	2
Mr. Mpho Komana	4	1
Kedisaleitse Motlhakoe	4	1

#### 4.1.2. Schooling Chamber

Name of Members	Number of meetings held	Number of meetings attended
Mr. Haroon Mohamed (Chairperson)	4	3
Mr. Oupa Bodibe (Co-Chairperson)	4	2
Ms. Nobantu Pasiya	4	3
Ms. Ezzy Lukhaimane	4	4
Ms. Roseline Tyler	4	3
Ms. Jeanette Moema (Alternate: Mr. Shashi Nankoo sent to attend on behalf)	4	3
Ms. Nosipho Malope	4	3
Ms. Sussan Malima	4	2
Mr. Duma Ncanywa	4	4
Mr. Tsatsi Montso	4	3
Mr. Skhumbuzo Manganye	4	3
Mr. Mahmood Moosa	4	4
Mr. Mandla Mthembu	4	3
Mr. Ntjhotjho Adam Mosia	4	4
Mr. Basil Manuel	4	3
Ms. Gugulethu Mbele	4	2
Maryna Besseling	4	3
Faseega Solomon	4	4
Gaelebale BB Mahumapelo.	4	4
Brenda Ndelu	4	4
Honjiswa Mrwebi (replaced Ms Mandisa Mvoko in May 2015)	4	4
Veronica Hofmeester	4	3

Name of Members	Number of meetings held	Number of meetings attended
Hema Hariram (replaced Mr. Robert Naape in February 2015)	4	3
Ruth Ledwaba	4	3
Hendrik de Kock	4	3

#### 4.1.3. TVET/TVET Chamber

Name of Members	Number of meetings held	Number of meetings attended
Thamsanqa Mbalo (Chairperson)	4	3
Patricia Garza (Co-Chairperson)	4	2
Kubera Naidoo (Resigned in June 2015)	4	1
Linda Ingram (Appointed in May 2015)	4	3
Nthabiseng Kotsokoane	4	4
Maurice Mopeli	4	3
Daniel Stander	4	4
Zweli Ngodi	4	3
Takalani Ratshilumela	4	4
Sibusiso Lekhulen	4	3
Burton Malgas (Dr)	4	3
Sylvia Nkanyuza (Dr)	4	4
Moonilall Kooblal (Dr) (Appointed in June 2015)	4	3
Madeline Trollope (Appointed in June 2015)	4	3
Mike Mashinini	4	4
Whitfield Green (Dr)	4	2
Moses Peo	4	4
Samuel Fenyane (Deceased, December 2015. Replaced by Ms Brenda Ndelu)	4	2
Brenda Ndelu	4	1

#### 4.1.4. Higher Education and Research Chamber

Name of Members	Number of meetings held	Number of meetings attended
Nirmala Gopal (Dr) (Chairperson)	4	3
Amanda Wallace	4	3
Mantshego Selepe	4	3
Manoshni Moodley	4	3
Leo Doria	4	3
Louwrens Strydom (Resigned in January 2016)	4	3
Lindelwa Mbingeleli	4	4
Derek Heradien	4	2
Renny Somnath	4	3
Christabel Guma	4	3
Silas Mpungose	4	4
Mr Ntsako Nombelani (Appointed in September 2015)	4	2
Vincent Mtyende	4	4
Shine-On Hadebe (Prof)	4	1
Ryno van Rooyen	4	3
Hannelie van Rensburg	4	2

Name of Members	Number of meetings held	Number of meetings attended
Grant Abbot ( Appointed in September 2015)	4	0
Shaheeda Essack (Dr)	4	4
Ingrid Thomson	4	4
Angelina Magabane	4	3

#### 4.1.5. ETD Quality Provisioning Chamber

Name of members	Number of meetings held	Number of meetings attended
Gavin de Bruyn (Chairperson)	4	4
Norman Kemp (Prof)	4	4
Naphtali Molohe	4	4
Vonani Mathonsi	4	3
Annamarie Goosen	4	4
David Shasha	4	4
Babette Le Roux	4	3
Harry Mangwathe	4	2
Mandlawenkosi Msweli	4	4
Ben Machipi	4	3
Roy Raju (appointed in October 2015)	4	2
Linda Ingram (appointed in October 2015)	4	2
Brenda Mbatha(appointed in February 2016)	4	0
Christinah Phatlane (appointed in September 2015)	4	0

#### Remuneration of the Accounting Authority members

Name	Meeting fees	Annual Accounting Authority Fees	Other expenses: (Travel expense)	Total
Shirley Mabusela	21 800.65	0	0	21 800.65
Sipho Khuzwayo	16 949.00	0	0	16 949.00
Maryna Marais	3 229.14	0	0	3 229.14
Lucas Maphila	9 687.42	0	0	9 687.42
Veronica Hofmeester	12 916.56	0	1 212.20	14 128.76
Zola Saphetha	6 458.28	0	1 626.00	8 084.28
John Landman	16 145.70	0	5 873.00	22 018.70
Simone Geyer	0	0	717.60	717.60
Nkosinathi Ngcobo	3 229.14	0	8 847.44	12 076.58
Khanyisile Fakude (Resigned in September 2015)	0	0	0	0
Bhobhalikamaphikela Nhlapo (Appointed 15 October 2015)	0	0	0	0
Cynthia Reynders	9 687.42	0	0	9 687.42
Mandi Wallace	16 145.70	0	4 412.78	20 558.48
Mandla Mthembu	18 345.70	0	2 286.92	20 632.62
Diane Parker (Dr) (Resigned in October 2015)	0	0	0	0
Whitfield Green (Dr) (Appointed in October 2015)	0	0	0	0
Oupa Bodibe	6 458.28	0	488.00	6 946.28
Vusi Amos Monyela	9 687.42	0	1 968.32	11 655.74
Alfred Mafuleka	0	0	359.84	359.84

**Chamber and Committee Chairpersons attending Accounting Authority meetings**

Name	Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
Sipho Sukati	0	0	26 285.66	26285.66
Vusi Mokoena	16 324.32	0	0	16324.32
Mandla Msweli	4 152.95	0	11 604.00	15756.95
Nirmala Gopal (Dr)	16 611.80	0	1 366.40	17978.2
Thamsanqa Mbalo	4 152.95	0	2 590.20	6743.15
Jonavon Rustin	20 764.75	0	0	20764.75

**Executive Committee Remuneration**

Name	Meeting fees)	Other allowance	Other expenses: (Travel expense)	Total
Shirley Mabusela	21 800.65	0	0	21 800.65
Mandi Wallace	12 916.56	0	3 007.62	15 924.18
Veronica Hofmeester	16 145.70	0	317.20	16 462.90
Zola Sapetha	3 229.14	0	0	3 229.14
Vusi Amos Monyela	0	0	273.28	273.28

**Quality Assurance Committee Remuneration**

Name	Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
Mandla Msweli	0	0	4 772.00	4772.00
David Shasha	20 989.41	0	8 023.56	29012.97
Nirmala Gopal (Dr)	20 182.13	0	1 268.80	21450.93
Silas Mpungose	19 374.84	0	976.00	20350.84
Paul Beard (Prof)	0	0	0	0
Vishnu Abhilak (Dr)	0	0	0	0
Bhabhali ka Maphikela Nhlapo	0	0	0	0
Oupa Bodibe	19 374.84	0	1 464.00	20838.84

**Audit Committee Remuneration**

Name	Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
Vusi Mokwena	81 621.60	0	0	81 621.60
Pumla Mzizi	55 506.19	0	0	55 506.19
Mandla Mthembu	22 603.98	0	4 658.26	27 262.24
John Landman	22 603.98	0	5 491.50	28 095.48
Trudy Guma	3 229.14	0	0	3 229.14
Dawood Coovadia	13 060.28	0	1 733.20	14 793.48

## Finance Committee

Name	Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
Sipho Sukati	0	0	38 569.70	38569.7
Manoshni Perumal	16 145.70	0	1 036.10	17181.8
Nick Nicholls	45 710.98	0	0	45 710.98
Phumlani Duma	0	0	0	0
Gugu Mthombeni	0	0	131.76	131.76

## Risk Management Committee

Name	Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
Mzi Dondolo (Chairperson)	0	0	1 635.00	1 635.00
Senior Management	0	0	0	0

## Human Resource Committee

Name	Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
Jonavon Rustin	4 036.43	0	0	4 036.43
Mandi Wallace	4 843.97	0	747.72	5 591.69
Mbulelo Mandlana	4 843.97	0	0	4 843.97
Enoch Rabotapi	0	0	0	0

## AET/ECD Chamber

Name	Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
Jonavon Rustin (Chairperson)	16 611.80	0	0	16 611.80
Raisibe Tshweu	9 687.42	0	4 041.16	13 728.58
Marie Louise Samuels	0	0	0	0
Augustus Dlodlu	12 916.56	0	3 830.00	16 746.56
Leonard Saul	6 458.28	0	0	6 458.28
Kathy van Vuuren (resigned in October 2015)	3 229.14	0	122.00	3 351.14
Natalie Gross (Appointed in November 2015)	0	0	0	0
Archie Mokonane	12 916.56	0	3 924.00	16 840.56
Kedisalelse Mothlakoe	6 458.28	0	0	6 458.28
Inez Petersen	12 916.56	0	468.48	13 385.04
Yvonne Dos Santos	3 229.14	0	195.20	3 424.34
Diseko Gopane	12 916.56	0	4 135.33	17 051.89
David Diale	0	0	0	0
Tsela Moloi	0	0	0	0
Meryl Anne Hewett-Fourie	12 916.56	0	1 160.00	14 076.56
Mpho Komana	3 229.14	0	122.00	3 351.14
Vicky Mokgatle	0	0	0	0
Gcotyelwa Xaba	12 916.56	0	5 163.32	18 079.88
Ruby Shasha Motaung	0	0	0	0

## Higher Education and Research Chamber

Name	Accounting Authority fees and Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
Nirmala Gopal (Dr) (Chairperson)	11 535.04	0	683.20	12 218.24
Mandi Wallace	11 535.04	0	747.72	12 282.76
Christabel Guma	6 458.28	0	3 253.20	9 711.48
Mantshego Selepe	9 687.42	0	390.40	10 077.82
Manoshni Perumal	6 458.28	0	1 005.66	7 463.94
Silas Mpungose	12 916.56	0	1 659.20	14 575.76
Oscar Eybers (Resigned in July 2015)	0	0	0	0
Leo Doria	9 687.42	0	761.08	10 448.50
Renny Somnath	9 687.42	0	258.64	9 946.06
Vincent Mtyende	12 916.56	0	292.80	13 209.36
Louwrens Strydom (Resigned in Jan 2016)	9 687.42	0	480.64	10 168.06
Ryno van Rooyen	9 687.42	0	2 327.04	12 014.46
Ingrid Thomson	12 916.56	0	0	12 916.56
Lindelwa Mbingeleli	12 916.56	0	1 298.08	14 214.64
Derrick Heradien	6 458.28	0	0	6 458.28
Grant Abbott	0	0	0	0
Ntsako Nombelani	6 458.28	0	0	6 458.28
Shine-on Hadebe (Prof)	0	0	0	0

## TVET Chamber

Name	Accounting Authority fees and Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
Thamsanga Mbalo (Chairperson)	0	0	1 720.80	1720.8
Nthabiseng Kotsokoane	12 916.56	0	1 690.88	14607.44
Titus Williams	12 916.56	0	131.76	13048.32
Sylvia Nkanyuza	12 916.56	0	413.20	13329.76
Takalani Ratshilumela	12 916.56	0	971.97	13888.53
Maurice Mopeli	12 916.56	0	1 922.40	14838.96
Daniel Stander	12 916.56	0	5 103.00	18019.56
Moses Peo	12 916.56	0	1 707.20	14623.76
Sibusiso Lekhuleni	9 687.42	0	434.32	10121.74
Zweli Nqodi	9 687.42	0	0	9687.42
Brenda Ndelu	3 229.14	0	0	3229.14
Munilaal Kooblall (Dr)	9 687.42	0	0	9687.42
Burton Malgas (Dr)	0	0	0	0
Linda Ingram	6 458.28	0	810.26	7268.54
Madeline Trollope	9 687.42	0	0	9687.42
Samuel Fenyane	9 687.42	0	1 383.08	11070.5



## Provisioning Chamber

Name	Accounting Authority fees and Meeting fees	Other allowance	Other expenses: (Travel expense)	Total
David Shasha	12 916.56	0	8 424.96	21 341.52
Ben Machipi	12 916.56	0	351.36	13 267.92
Henry Mangwathe	0	0	990.64	990.64
Vonani Mathonsi	6 458.28	0	0	6 458.28
Thuli Mndawe	0	0	0	0
Mandla Msweli	0	0	9 465.05	9 465.05
Babette Le Roux	6 458.28	0	0	6 458.28
Norman Kemp	9 687.42	0	0	9 687.42
Ntebo Leepile	0	0	0	0
Anna Marie Goosen	0	0	317.20	317.20
Veronica Hofmeester	0	0	0	0
Linda Ingram	3 229.14	0	0	3 229.14
Roy Raju	0	0	0	0

## Schooling Chamber

Name	Accounting Authority fees and Meeting fees)	Other allowance	Other expenses: (Travel expense)	Total
Mandla Mthembu	9 687.42	0	1 652.88	11 340.30
Eezy Lukhaimane	0	0	0	0
Basil Manuel	9 687.42	0	0	9 687.42
Maryna Besselling	9 687.42	0	267.42	9 954.84
Faseega Solomon	9 687.42	0	0	9 687.42
Hema Hariram	9 687.42	0	910.08	10 597.50
Sussan Malima	0	0	0	0
Gaelebale Mahumapelo	12 916.56	0	0	12 916.56
Skhumbuzo Manganye	0	0	0	0
Oupa Bodibe	6 458.28	0	488.00	6 946.28
Nosipho Malope	0	0	292.20	292.20
Gugulethu Mbele	6 458.28	0	3 581.28	10 039.56
Mahmood Moosa	12 916.56	0	1 560.32	14 476.88
Ruth Ledwaba	9 687.42	0	0	9 687.42
Veronica Hofmeetser	9 687.42	0	0	9 687.42
Honjiswa Mrwebi	12 916.56	0	551.44	13 468.00
Brenda Ndelu	12 916.56	0	240.00	13 156.56
Ntjhotjho Mosia	12 916.56	0	7 382.80	20 299.36
Hendrik De Kock	9 687.42	0	1 957.46	11 644.88
Anthony Akal (Dr)	12 916.56	0	333.76	13 250.32
Sussan Malima	0	0	1 011.88	1 011.88
Ezzy Lukhaimane	0	0	2 814.00	2 814.00

## 5 Risk Management

The ETDP SETA risk management is guided by the Board approved Risk Management Policy and Framework. The Risk Management Committee is a management committee that deals with the implementation of the policy and the framework, and reports directly to the Audit Committee. The committee is comprised of senior management of the organisation and other members where specific expertise is required. The Risk Management Committee is chaired by the independent Chairperson.

Risk Management is a company-wide process that focuses on risks and opportunities including those that are strategic, operational and information technology related risks. Risks are not limited to sudden, abrupt events but can arise from gradual changes over time. In order to be highly effective, enterprise risk management must be integrated into the business processes in a way that provides timely and relevant risk information to management to allow for informed decisions.

The risk assessment of the organisation is performed annually in the first quarter of the financial year and the Risk Management Unit performs follow-ups on the implementation of the risk mitigation plans to ensure that there is implementation of the plans to manage the risks and reduce the exposure, whether it is operational or financial.

The Risk Management Unit followed up on the implementation of the risk mitigation plans and reported monthly to the Risk Management Committee and quarterly progress to the Audit Committee which provides an independent oversight on the effectiveness of risk management at ETDP SETA. The committee recommends the risk management quarterly reports to the Board for approval.

## 6 Internal Controls

The senior management of the organisation, as a collective, is charged with the responsibility of ensuring that there are adequate internal controls in the organisation. Individual managers are however responsible for the controls within their business units. Managers should identify challenges that have a potential to hinder performance and put in place controls that will address those challenges.

## 7 Internal Audit and Audit Committee

Key activities and objectives of the internal audit:

The internal audit function is to assist the Accounting Authority in achieving the objectives of the ETDP SETA by evaluating and developing recommendations for enhancement and improvement of processes.

For the period under review, the following assignments were

completed and final reports issued:

- Human Resources Management
- Supply Chain and Expenditure Management
- Asset Management
- Follow-up on the Auditor-General's findings (including matters raised on Information Technology)
- ICT Governance Review
- Performance Information (Quarter 1 and Quarter 2)
- Skills Plan Implementation (Learnerships and Skills Programmes)
- Follow-up on Internal Audit findings – Governance and Compliance
- Commitment Schedule - Phase 1 and Phase 2

Key activities and objectives of the Audit Committee:

The Audit Committee ensures that the ETDP SETA carries out its responsibilities as they relate to:

- Financial, management and other reporting practices
- Giving strategic guidance and assistance in respect to accounting policies and procedures
- Internal controls and management of risks
- Monitoring of the risk management policy and plan
- Compliance with laws, regulations and ethics
- Financial reporting risks
- Fraud and IT risks as they relate to financial reporting
- Sustainability reporting and all related risks

## 8 Compliance with Laws and Regulations

The ETDP SETA is a public entity which is charged with a responsibility to manage some public funds in the ETD sector. It is therefore required to comply with certain public laws and regulations without deviation. Some of the laws and regulations that the ETDP SETA adheres to are among others, the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) as amended, the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended, National Treasury Regulations, the Skills Development Act, 2008 (Act No. 97 of 1998) as amended in 2008, the Skills Development Levies Act, 1999 (Act No. 9 of 1999), the Grant Regulations and NSDS III.

## 9 Fraud and Corruption

A Fraud Prevention Plan was approved in May 2015 and is presented annually for approval. The Fraud Prevention Plan has been implemented as follows:

- Fraud Prevention Plan and Policy has been communicated to all staff and placed on the intranet
- Fraud Reporting Hotline has been established via the Deloitte hotline

- Fraud risks have been communicated to all staff members
- Register of fraud is maintained in the Office of the CEO
- Declaration of interests by all employees are signed once a year
- Fraud alerts are reported to the Hotline and received by the Audit Committee Chairperson

Deloitte manages the TIP-OFF anonymous whistle blowing hotline. All tip-offs are reported to the Audit Committee Chairperson.

TIP-OFF anonymous whistle blowing cases are reported to the Accounting Authority via the Audit Committee report and these cases are also reported to the CEO and Senior Management for follow-up.

## 10 Minimising Conflict of Interest

An annual mandatory disclosure of interest is required from the staff and governance structure members of the organisation.

Governance structure members are required to adhere to the code of conduct set out in the ETDP SETA's Constitution. The SCM policy forbids governance structure members from participating in the bidding process.

All service providers, suppliers and vendors are required to complete standard bidding documents to participate in any transaction. A register of declaration of interest is circulated in all meetings to enable the members to withdraw in transactions or activities where they have interests.

## 11 Code of Conduct

The Code of Conduct of the ETDP SETA is outlined in Annexure 2 of its Constitution. It is applicable to the Accounting Authority, committees and chambers. The Code of Conduct for staff is part of the Human Resource Policy of the organisation.

## 12 Health, Safety and Environmental Issues

The ETDP SETA has developed Health, Safety and Wellness policies and these are part of the Human Resource Policy. These policies are among many other endeavours made by the organisation to ensure staff productivity.

## 13. Audit Committee Report

### Audit Committee Responsibilities

The Audit Committee is responsible for the review of the following:

- The effectiveness of the internal control system
- The effectiveness of the internal audit function
- The risk areas of the ETDP SETA's operations to be covered in the scope of internal and external audit
- The adequacy and reliability of the Performance and Financial information provided by management
- Any accounting and auditing concerns identified as a result of internal and external audits
- The ETDP SETA's compliance with legal and regulatory provisions
- The activities of the internal audit function, including its annual work programme, co-ordination with external auditors, the reports on significant Investigations and the responses of management to specific recommendations
- Investigations and the responses of management to specific recommendations
- A review of the annual financial statements and the opinion expressed by the Auditor-General thereon.

### Effectiveness of Internal Control

The Audit Committee has reviewed the internal controls for effectiveness and adequacy. Our assessment of internal controls is that they need improvement. This is consistent with the reports of internal auditors as well as the management report of the Auditor-General South Africa.

### Quality of Management and Monthly/Quarterly Reports Submitted in Terms of Legislation

The Audit Committee received and reviewed quarterly financial and performance reports. Where performances were below the Annual Performance Plan targets,

management provided reasons for such under-performance and put in place plans to improve identified performance deficiencies.

### Evaluation of the Public Entity's Financial Statements

The Audit Committee evaluated the annual financial statements presented in the annual report. The annual financial statements fairly present the financial performance, financial position and results of financial operations.

## Principal Activities of the Audit Committee during 2014/15

The Audit Committee undertook the following activities (amongst others) during the financial year:

- Reviewed strategic and operational risk management controls in the SETA
- Reviewed the final risk register prepared by the ETDP SETA management
- Reviewed quarterly operational and financial performance information prepared by the ETDP SETA's management for final approval by its Board
- Reviewed and approved the risk-based internal audit plan prepared by internal auditors
- Reviewed the Audit Committee Charter to ensure its continuing relevance and presented the same to the Board for their final approval
- Reviewed and approved the Internal Audit Charter
- Received periodic internal audit reports on their findings
- Conducted a peer review as well as a review of the internal audit function
- Attended Board meetings to raise any concerns that the Audit Committee might have had
- Received anonymous whistle-blowing reports from an independent service provider and followed up the same with management where relevant.

## Internal Audit

The Internal Auditors of the ETDP SETA conducted reviews of reports on Predetermined Objectives, commitment schedules, Skills Plan implementation (Learnership and Skills Programme), Supply Chain Management, Human

Resources Management, ICT governance reviews, Asset management and follow-ups on the Auditor-General's Management Report. Recommendations were made and incorporated into procedures and controls of the organisation.

## External Audit

There are no unresolved issues raised by the Auditor-General.

There are no additional matters that we wish to raise pertaining specifically to the ETDP SETA.

## Conclusion

This report must be read together with the annual report.



**Mr Vusi Mokwena: CA (SA)**

Audit Committee Chairperson  
ETDP SETA

**Date:** 29 July 2016

# PART D :

## Human Resources

At the cutting edge of skills development



# 1. Introduction

## 1.1 Overview of Human Resources

This Annual Report captures progress made on the strategic objectives that the ETDP SETA set itself regarding the Human Resources part of Governance and Legal Services, as contained in the 2015/16 Annual Performance Plan and contained in the following statement:

"Enhancing organisational management and administration for quality service delivery."

## 1.2 HR Priorities and Impact

The following objectives were achieved during the year under review:

Strategic Objectives	Expected outcomes/impact	Progress and accomplishments
The quality of service delivery and performance in the ETDP SETA is improved through the implementation of quality systems and the monitoring thereof within all business units (M&E)	Quality review and filling of critical posts to enhance the capacity of business units Placement of 7 candidates on talent management	Appointments were done in line with the organogram that was approved by the Board 8 candidates were identified and placed on talent management programme
Sound legal management, support and advisory services are provided to the organisation	Litigations against the ETDP SETA reduced	Systems were put in place and cases were attended to and resolved without litigation, except for one case that was referred to the CCMA
Effective and efficient governance structures in place	All governance structures in place and functional	Board and all Board Sub-committees are functioning optimally

## 1.3 Employee Performance Management and Framework

The Performance Management Development System (PMDS) of the ETDP SETA is functioning and efforts are in place to improve and strengthen the system.

## 1.4 Employee wellness programme

The ETDP SETA has in place an Employee Assistance Programme to identify and place employees who need assistance. During the reporting period two employees were identified and placed into a rehabilitation programme.

## 1.5 Policy development

The ETDP SETA has developed policies and standard operating procedures that are reviewed on a regular basis.

## 1.6 Achievements

- There has been general Labour Peace with no disruptions during the period under review
- A staff survey was conducted and analysed

## 1.7 Challenges identified

Limited staff turnover resulting from uncertainty caused by feelings of insecurity linked to the SETA landscape.

## 1.8 Future Human Resources plans

It is the plan of the ETDP SETA to strengthen and improve the recruitment strategy as well as develop an effective retention strategy.

## 2. Human Resource Oversight Statistics

### *Personnel Cost by programme*

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel Exp. as a % of Total Exp.	No. of Employees	Average Personnel Cost per Employee (R'000)
Salaries	488 443	71 189	15%	117	608
Reimbursements	1 046	-	-	-	-
Performance rewards	1 589	-	-	-	-
<b>Total</b>	<b>491 078</b>	<b>71 189</b>	<b>15%</b>	<b>117</b>	<b>608</b>

### *Personnel Cost by salary band*

Level	Personnel Expenditure (R'000)	% of Personnel Exp. to total Personnel Cost	No. of Employees	Average Personnel Cost per employee (R'000)
Top Management	7 189	10%	5	1 438
Senior Management	5 519	7%	6	1 000
Professional qualified	14 618	21%	26	562
Skilled	33 523	48%	66	508
Semi-skilled	8 638	12%	22	393
Unskilled	1 704	2%	13	131
<b>Total</b>	<b>71 189</b>	<b>100%</b>	<b>117</b>	<b>608</b>

### *Performance Rewards per band*

Programme	Performance Rewards (R'000)	Personnel Expenditure	% of Performance Rewards to total Personnel Cost
Top Management	145	7 189	2%
Senior Management	54	5 519	1%
Professional qualified	322	14 618	2%
Skilled	866	33 523	3%
Semi-skilled	184	8 626	2%
Unskilled	18	1 704	1%
<b>Total</b>	<b>1589</b>	<b>71 189</b>	<b>2%</b>

### *Training Costs*

Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Avg. Training Cost per Employee (R'000)
70968	974	1.4%	41	24

### Employment and Vacancies

2014/2015	2015/2016			
No. of Employees	Approved Posts	No. of Employees	Vacancies	% of Vacancies
106	139*	117	22	15.8%

\*9 positions were not filled due to operational reasons

	2014/2015	2015/2016			
Programme	No. of Employees	Approved Posts	No. of Employees	Vacancies	% of Vacancies
Top Management	3	5	4	1	20
Senior Management	6	5	5*	0	0
Professional qualified	20	24	23	1	4.16
Skilled	45	62	53	9	14.5
Semi-skilled	28	40	30	10	25
Unskilled	4	3	2	1	33.3
<b>Total</b>	<b>106</b>	<b>139</b>	<b>117</b>	<b>22</b>	<b>15.8</b>

\*1 Senior Management post is outsourced

### Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at the end of the period
Top Management	5	0	1	4
Senior Management	4	1	0	5
Professional qualified	20	4	2	22
Skilled	45	13	12	46
Semi-skilled	28	11	2	37
Unskilled	4	0	1	3
<b>Total</b>	<b>106</b>	<b>29</b>	<b>18*</b>	<b>117</b>

\*Two employees left because of expiration of contract

### Reasons for Staff Leaving

Reason	Number	% of total number of Staff Leaving
Death	1	5
Resignation	13	65
Dismissal	2	10
Retirement	2	10
Ill health	0	0
Expiry of contract	1	5
Other	1	5
<b>Total</b>	<b>20</b>	<b>100</b>



### Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written Warning	4
Dismissal	2

### Equity Target and Employment Equity Status

MALE								
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	-	0	-	0	-	0	-
Senior Management	2	-	0	-	1	-	0	-
Professional qualified	9	-	0	-	2	-	1	-
Skilled	15	-	1	-	3	-	0	-
Semi-skilled	3	-	0	-	0	-	0	-
Unskilled	2	-	0	-	0	-	0	-
<b>Total</b>	<b>33</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>1</b>	<b>-</b>

FEMALE								
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	-	0	-	0	-	0	-
Senior Management	2	-	0	-	0	-	0	-
Professional qualified	8	-	0	-	1	-	2	-
Skilled	26	-	3	-	0	-	4	-
Semi-skilled	13	-	4	-	0	-	0	-
Unskilled	10	-	1	-	0	-	0	-
<b>Total</b>	<b>61</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>6</b>	<b>-</b>

DISABLED STAFF				
	Male		Female	
Levels	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professional qualified	1	-	1	-
Skilled	-	-	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
<b>Total</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>

# PART E :

## Financial Information

At the cutting edge of skills development



# 1 Report of the Auditor-General to Parliament on the Education and Training Development Practices SETA

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the Education and Training Development Practices SETA (ETDP SETA) set out on pages 110 to 148 which comprise the 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 Board of Directors, which constitutes the Accounting Authority, is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practices (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999, (Act No.1 of 1999) (PFMA) and the Skills Development Act, 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 the 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 ETDP SETA 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 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) 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 on these matters.

### 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 2: Quality teaching and learning in schools, TVET colleges and HEIs on pages 23 to 26
  - Programme 3 :Improving public service delivery in the ETD sector on pages 26 to 28
  - Programme 4 : Access and progression into high level skills and support for work experiential learning on pages 28 to 31
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 selected programmes.

**Additional matter**

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 matter:

Achievement of planned targets

13. Refer to the annual performance report on pages 19 to 83 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 2: Quality teaching and learning in schools, TVET colleges and HEIs; programme 3: Improving public service delivery in the ETD sector and programme 4: Access and progression into high level skills and support for work experiential learning. 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. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

**Annual financial statements, performance and annual reports**

16. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA. Material misstatements of commitments identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

**Internal control**

17. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the

findings on compliance with legislation included in this report.

## Leadership

### Oversight responsibility

18. The entity did not have sufficient monitoring controls to ensure that expired contracts in the commitment schedule are monitored and closed in a timely manner.

### Policies and procedures

19. The policies and standard operating procedures in place do not adequately address the risk of contracts expiring before all services have been provided and ensuring an efficient and timely resolution.
20. Discretionary contracts do not include time clauses that require the other party to provide information timely to ensure closure of contracts.

*Auditor General*

Pretoria

31 July 2016



*Auditing to build public confidence*


## 2 Education, Training and Development Practices Sector

### Education and Training Authority

#### Annual Financial Statements

for the year ended 31 March 2016

The Annual Financial Statements for the year ended 31 March 2016 have been approved by the Accounting Authority in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) on 25 May 2016 and are signed on its behalf:



---

Ms Shirley Mabusela  
Accounting Authority Chairperson  
ETDP SETA

**Date:** 29 July 2016



---

Ms Sesi Nombulelo Nxesi  
Chief Executive Officer  
ETDP SETA

**Date:** 29 July 2016

---

# CONTENTS

<b>Page</b>	
Statement of Financial Performance .....	112
Statement of Financial Position .....	113
Statement of Changes in Net Assets .....	114
Cash Flow Statement.....	115
Statement of Comparison of Budget and Actual Amounts.....	116
Notes to the Annual Financial Statements.....	117

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
<b>REVENUE</b>			
Revenue from non-exchange transactions	3	745 483	531 144
Revenue from non-exchange transactions: penalties and interest		13 159	12 495
Interest income	4	33 250	27 503
Other income	5	711	283
<b>Total revenue</b>		<b>792 603</b>	<b>571 425</b>
<b>EXPENSES</b>			
Consultancy Fees		(20 323)	(8 642)
Impairment Expense		(49)	–
Repairs and Maintenance		(1 493)	(1 825)
Loss on Disposal of Assets		(30)	–
QCTO Expense		(1 334)	(936)
Mandatory and Discretionary Grants	6	(343 876)	(310 367)
General Administration Expenses	7	(48 091)	(41 983)
Employee Costs	7.1	(71 189)	(60 852)
National Skills Fund Expense	9	(2 000)	(173 475)
Depreciation and Amortisation	10, 11	(2 693)	(2 684)
<b>Total expenses</b>		<b>(491 078)</b>	<b>(600 765)</b>
<b>NET SURPLUS/(DEFICIT) FOR THE PERIOD</b>	2	<b>301 525</b>	<b>(29 340)</b>



## STATEMENT OF FINANCIAL POSITION

as at 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	6 428	4 919
Intangible assets	11	2 762	1 942
		<b>9 190</b>	<b>6 861</b>
<b>Current assets</b>			
Cash and cash equivalents	12	740 297	475 705
Consumables	13	2 569	153
Receivable from non-exchange transactions	14	1 060	1 611
Receivable from exchange transactions	15	3 262	3 944
		<b>747 188</b>	<b>481 413</b>
<b>TOTAL ASSETS</b>		<b>756 378</b>	<b>488 274</b>
<b>LESS : LIABILITIES</b>			
<b>Current liabilities</b>			
Payable from non-exchange transactions	16	34 042	11 504
Payable from exchange transactions	17	37 367	23 791
TVET Infrastructure Funding Payable	18	3 681	14 724
National Skills Fund Liability	19	–	63 396
Accrued employee entitlements	20	7 343	5 474
Provisions for exempt employers		3 035	–
		<b>85 468</b>	<b>118 889</b>
<b>TOTAL LIABILITIES</b>		<b>85 468</b>	<b>118 889</b>
<b>NET ASSETS</b>		<b>670 910</b>	<b>369 385</b>
<b>RESERVES</b>			
Administration reserve		9 190	6 861
Employer grant reserve		25 099	13 849
Discretionary reserve		636 621	348 675
		<b>670 910</b>	<b>369 385</b>

## STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2016

	Note	Administration reserve R'000	Employer grant reserve R'000	Discretionary reserve R'000	Unappropriated Surplus/(Deficit) R'000	Total R'000
<b>Balance as at 31 March 2014</b>		7 958	22 865	367 902	–	398 725
Net surplus per Statement of Financial Performance		–	–	–	(29 340)	(29 340)
Allocation of employer grant reserve		–	(22 865)	22 865	–	–
Allocation of unappropriated surplus for the period		43 617	13 849	(86 806)	29 340	–
Excess reserves transferred to Discretionary reserve		(44 714)	–	44 714	–	–
<b>Balance at 31 March 2015</b>		<b>6 861</b>	<b>13 849</b>	<b>348 675</b>	<b>–</b>	<b>369 385</b>
Net surplus per Statement of Financial Performance		–	–	–	301 525	301 525
Allocation of unappropriated surplus for the period	2	28 867	25 099	247 559	(301 525)	–
Excess reserves transferred to Discretionary reserve		(26 538)	(13 849)	40 387	–	–
<b>Balance at 31 March 2016</b>		<b>9 190</b>	<b>25 099</b>	<b>636 621</b>	<b>–</b>	<b>670 910</b>

## CASH FLOW STATEMENT

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating activities</b>			
<b>Cash receipts from stakeholders</b>		759 891	542 894
Levies, interest and penalties received		759 194	542 610
Other cash receipts from stakeholders		697	283
<b>Less: Cash paid to stakeholders, suppliers and employees</b>		(524 143)	(547 935)
Grants and project payments		(300 642)	(433 096)
Compensation of employees		(69 701)	(59 950)
Payments to suppliers and other		(153 800)	(54 890)
Cash generated in operations		235 748	(5 041)
Interest Income		33 224	27 503
<b>Net cash inflow from operating activities</b>	21	268 972	22 461
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, plant and equipment		(3 641)	(308)
Purchase of Intangible Assets		(1 461)	(1 307)
Reclassification to other income		665	–
Proceeds from insurance claims		57	43
<b>Net cash outflow from investing activities</b>		(4 380)	(1 572)
<b>Net increase in cash and cash equivalents</b>		264 592	20 890
<b>Cash and cash equivalents at beginning of the year</b>	12	475 705	454 816
<b>Cash and cash equivalents at end of the year</b>	12	<b>740 297</b>	<b>475 705</b>

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The budget is prepared using the same basis of accounting as the financial statements. The budget is prepared for the same period as the financial statements.

	2015/16 Initial Budget R'000	2015/16 Adjustments	2015/16 Final Budget R'000	2015/16 Actual R'000	2015/16 Variance R'000	2015/16 Reference
<b>REVENUE</b>						
Skills Development Levy: income	674 550	–	674 550	758 642	84 092	Note 29
Investment income	8 250	–	8 250	33 250	25 000	Note 29
Other income	–	–	–	711	711	
<b>Total revenue</b>	<b>682 800</b>	<b>–</b>	<b>682 800</b>	<b>792 603</b>	<b>109 803</b>	
<b>EXPENSES</b>						
Consultancy Fees	19 795	4 606	24 401	(20 323)	4 078	Note 29
Impairment Expense	–	–	–	(49)	(49)	
Repairs and Maintenance	3 251	(1 398)	1 853	(1 493)	360	
Loss of Disposal Assets	–	–	–	(30)	(30)	
QCTO Expenses	1 334	–	1 334	(1 334)	–	
Mandatory and Discretionary	373 409	–	373 409	(343 876)	29 533	
General Administration Expenses	64 577	(12 186)	52 391	(48 091)	4 300	
Employee Costs	55 283	6 779	62 062	(71 189)	(9 127)	Note 29
National Skills Fund Expense	–	–	–	(2 000)	(2 000)	
Depreciation and Amortisation	927	2 199	3 126	(2 693)	433	
<b>Total expenses</b>	<b>518 576</b>	<b>–</b>	<b>518 576</b>	<b>(491 078)</b>	<b>27 498</b>	
<b>Net surplus for the period</b>	<b>164 224</b>	<b>–</b>	<b>164 224</b>	<b>301 525</b>	<b>137 301</b>	

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

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

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with the effective South African Standards of Generally Recognised Accounting Practice (Standards of GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

#### 1.2 Currency and level of rounding

These financial statements are presented in South African rands, as this is the currency in which all entity transactions are denominated. Furthermore, all figures presented are rounded to the nearest thousand.

#### 1.3 Revenue recognition

Skills Development Levy transfers are recognised when it is probable that future economic benefits will flow to the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA) and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training (DHET) either makes an allocation or payment, whichever comes first, to the ETDP SETA as required by section 8 of the Skills Development Levies Act, No. 9 of 1999. The Skills Development Levy transfer is measured at the fair value of the consideration received. Contributions from the Departments of Basic Education (DBE) are recognised when cash is received.

##### 1.3.1 Levy income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act No. 9 of 1999, registered member companies of the ETDP SETA pay a skills development levy of 1% of their total payroll cost to the South African Revenue Service (SARS).

80% of skills development levies are paid over to the ETDP SETA (net of the 20% contribution to the National Skills Fund (NSF)).

Levy income is recognised at the earlier of the allocation of monies by the DHET to the ETDP SETA or when cash is received.

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

Revenue is adjusted for inter SETA transfers 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 Standard Operating Procedure issued in October 2006 by the Department of Labour.

When a new employer is transferred to the ETDP SETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.

Employers who have annual payrolls below R500 000 have been exempted from further payment of skills development levies. In cases where payments have been made by these employers in error, an accrual has been made for the refund of the levies covering a period of five years (Prior year: 5 years).

##### 1.3.2 Contributions by the Departments of Education

The Provincial and National Departments of Education contribute 30% of their annual training budgets to the ETDP SETA, as per a Cabinet decision. The 30% receipt is utilised for Administration (one third) and Discretionary Projects (two thirds).

Contributions by the Departments of Education are recognised as revenue when and in the period they are actually received.

##### 1.3.3 Interest and penalties

Interest and penalties are recognised at the earlier of the allocation by the Department of Higher Education and Training to the ETDP SETA or when cash is received.

### 1.3.4 Government grants and other donor income

Conditional government grants and other conditional donor funding received are recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the period necessary to match the grants with the related costs which they are intended to compensate. Unconditional grants received are recognised when the amounts have been received.

### 1.3.5 Investment Income

Interest from investments is recognised when the bank has credited the investment with interest due in line with the maturity date of the investment. Interest from call account is accrued on a time proportion basis as advised by the banks at the reporting date.

## 1.4 Grants and project expenditure

A registered organisation may recover a maximum of 20% of its total levy payment as a Mandatory Grant (excluding penalties and interest) by complying with the criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Levies Act No. 9 of 1999. Grants and project expenditure are measured at the amounts incurred. These amounts represent the fair value of the transactions.

### 1.4.1 Mandatory grant payments

Mandatory grant expenditure is recognised when the submission by a member organisation of a Workplace Skills Plan (WSP) and the Annual Training Report (ATR) within the agreed cut off period has been approved by the ETDP SETA for payment. In the case where a WSP/ATR has been approved and transfers from the DHET have been received but actual payment has not been made, an accrual is made for the amounts payable. These grants are measured at the amounts paid/payable which represent the fair value of the transaction. The amount payable is 20% of the levies paid to SARS by the member organisation and remitted to ETDP SETA by the DHET.

### 1.4.2 Discretionary grants and project payments

Discretionary grants relate to the 49.5% of levies paid to SARS by member organisations and remitted to ETDP SETA by the DHET plus surplus from administration budget, interest earned from the banks and forfeited Mandatory grants. This grant is used to fund training and skills enhancing programmes in the sector. The project expenditure is recognised when the training or the skills enhancing programme has been delivered in accordance with the contract of agreement between the ETDP SETA and the training institution or provider. These grants are measured at the amounts paid/payable which represent the fair value of the transaction.

### 1.4.3 QCTO Expense

An amount determined by the Minister based on QCTO related income received, as per section 2(4) of the Grant Regulations issued in terms of Government Gazette 35940.

### 1.4.4 TVET Infrastructure Funding expense

In terms of the Skills Development Circular No. 08/2013 SETAs are required to contribute funds to the National Skills Fund for TVET college infrastructure development. Funding agreements between the National Skills Fund and each individual SETA outlines the details of each SETAs contribution as per the Skills Development Circular. There are no conditions or restrictions for the SETA and the funding is not refundable.

The TVET College infrastructure development payment is treated as a non-exchange transaction and is recognised as an expense in the period that the payment is incurred or when the funding becomes payable by the SETA as outlined in the agreement, whichever occurs first.

A contractual obligation is triggered on the date that the funding agreement is signed and a liability is recognised to the extent of the amount outstanding.

### 1.4.5 National Skills Fund expense

In terms of the SETA Grant Regulations 3(11) and (12), any uncommitted Discretionary funds must be transferred to the National Skills Fund. This payment is treated as a non-exchange transaction and is recognised as an expense in the period in which it is incurred as outlined in the SETA Grant Regulations.

The obligation is triggered at year end and the liability is recognised to the extent of the amount outstanding. The amount is calculated as the excess of 5% of total accumulated discretionary funding that is not committed at year end.

## 1.5 Irregular and fruitless and wasteful expenditure

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

- The PFMA,
- The Skills Development Act

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

All irregular and fruitless and wasteful expenditure is charged against income in the period in which it is incurred.

## 1.6 Consumables

Consumables are prepaid stationery, refreshments and cleaning materials and are recognised as an asset at cost on the date of acquisition and are subsequently recognised in surplus or deficit as they are consumed.

## 1.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and adjusted for any impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items. No assets are held with the primary objective of generating a commercial return, hence, all assets are classified as non-cash-generating. Depreciation is calculated on the straight-line method to write off the cost of each asset to estimated residual value over its estimated useful life as noted below. The assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

	Rates
• Audiovisual equipment	20 %
• Computer equipment	33%
• Kitchen equipment	15%
• Leasehold improvements	15%
• Office furniture and fittings	15%
• Office equipment	20 %
• Minor assets	100%
• Motor vehicle	20 %

Each part of an item of Property, plant and equipment is depreciated separately. Depreciation commences when the items of Property, plant and equipment are available for use and ceases at the earlier

of the date that asset is classified as held for sale or included in a disposal group classified as held for sale and the date that the asset is derecognised.

Gains and losses on disposal of Property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the operating surplus/deficit.

## 1.8 Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and adjusted for any impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the item. No assets are held with the primary objective of generating a commercial return, hence all assets are classified as non-cash-generating. All software is commercially purchased and no labour component is applicable that may require capitalisation. Amortisation is calculated on the straight-line method to write off the cost of each asset to its estimated residual value over its estimated useful life as noted below. Useful lives and residual values of assets are re-estimated annually to finite periods. The assets are then amortised over their re-assessed useful lives.

	Rates
• Computer software	33%
• Intangible assets under construction	

Until an intangible asset is available for use, it is classified as an asset under construction. Assets under construction are measured at cost.

## 1.9 Leasing

Leases of Property plant and equipment where ETDP SETA has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at inception of the lease at the lower of fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. The corresponding rental obligations net of finance charges, are charged to liability. The interest element is charged to the Statement of Financial Performance over the lease period. Leases, where a significant portion of risks and rewards of ownership are retained by the lessor, are classified as operating leases. Operating costs are charged against operating income on a straight line basis over the period of the lease.

## 1.10 Retirement benefit costs

The entity operates a defined contribution plan, the assets of which are held in separate trustee-administered funds. The plan is generally funded by payments from the entity and employees and is managed by external fund managers determined by the members of the fund.

Payments to defined contribution retirement benefit plans are charged to the Statement of Financial Performance in the year to which they relate. When an employee has rendered a service during a period, ETDP SETA recognises the contribution payable to a defined contribution plan in exchange for that service: (a) as a liability after deducting any contributions already paid. If the contribution already paid exceeds the contribution due for the service, the ETDP SETA shall recognise that excess as an asset to the extent that it will lead to a reduction in future payments and (b) as an expense.

The rules of the defined contribution plan determine the following in respect of contributions:

- Contribution by employee = 7,5% of retirement funding income
- Contribution by employer = 7,5% of retirement funding income

## 1.11 Provisions

Provisions are recognised when the ETDP SETA 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. The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

### 1.11.1 Provisions for Discretionary grants and commitments

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.

## 1.12 Financial instruments

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

Financial instruments are initially measured at fair value, including transactional costs. Subsequent to initial recognition, these instruments are measured as set out below:

### 1.12.1 Financial assets

ETDP SETA's principal financial assets are receivables and cash and cash equivalents

#### Accounts and other receivables

Receivables are subsequently measured at their amortised cost using the effective interest rate method and reduced by appropriate allowances for estimated irrecoverable amounts which represents fair value.

#### Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

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

### 1.12.2 Financial liabilities

The ETDP SETA's principal financial liabilities are accounts payable and other payables.

All financial liabilities are measured at amortised cost, comprising original debts less principal payments and amortisations which represents fair value.

Gains and losses arising from a change in the fair value of financial instruments, other than available for sale financial assets, are included in surplus or deficit in the period in which it arises.

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

The fair values at which financial instruments are carried at the reporting date have been determined using available market values. Where market values are not available, fair values have been calculated by discounting the expected future cash flows at the prevailing interest rates. The fair values have been estimated using available market information and appropriate methodologies but are not necessarily indicative of the amounts that the ETDP SETA could realise in the



normal course of business. The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair value due to the short term trading cycles of these items.

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

### 1.13 Net Assets

This is represented by reserves as per the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).

The following reserves are utilised :

- Administration reserve
- Employer grant reserve
- Discretionary reserve

Member employer company levy payments are set aside in terms of the Skills Development Act and the Regulations issued in terms of the Act, for the purpose of:

	2015/16 %	2014/15 %
Administration costs of the ETDP SETA	10,5	10,5
Including 0.5% payable to QCTO		
Employer grants	20	20
Discretionary grants and projects	49,5	49,5
	80	80

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

Interest and penalties received from SARS as well as interest received on investments are utilised for Discretionary grants and projects. Other income received is utilised in accordance with the stipulations of the funder.

The net surplus/deficit is allocated to the Administration reserve, the Employer grant reserve and the Discretionary reserve, based on the above.

After retaining an amount to cover future depreciation of assets, the surplus funds in the Administration reserve are moved to the Discretionary reserve at year end. Employer grant reserve funds that are not provided for specific grants are moved to the Discretionary reserve. Accruals are made for grants to be paid from levies that have not been received at reporting date.

### 1.14 Impairment of assets

At each reporting period, the ETDP SETA assesses whether there is any indication that an asset may be impaired. If any such indication exists, the ETDP SETA estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost to sell and its value in use.

If the recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is the impairment loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is immediately recognised in surplus or deficit.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is immediately recognised in surplus or deficit.

### 1.15 Revenue and expenses from exchange and non-exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the ETDP SETA directly in return for services rendered, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where ETDP SETA received revenue from another party without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.16 Comparative figures

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

1.17 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Where such a situation exists, the nature and type of transactions and relationships between parties are disclosed in the notes to the Annual Financial Statements.

Senior Management staff and members of the Accounting Authority are considered to be Key Management and no transactions take place between these staff members and the ETD P SETA other than the payment of emoluments. Senior Management emoluments are disclosed in the Accounting Authority report. No relationship exists between close members of family of Key Management and the ETD P SETA. No loans are made by the ETD P SETA to Key Management.

1.18 Significant adjustments and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented and the related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future may differ from these estimates. These judgements and estimates include:

**Impairment testing:** Management uses fair value less cost to sell in identifying the assets that may have been impaired. Provisions: Management uses available information to determine an estimation for provisions. These are measured at management's best estimate of the expenditure required to settle the obligation at reporting date.

**Fair value measurement of revenue and financial instruments:** The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for ETD P SETA's similar financial instruments.

11.19 New Standards and interpretations

1.19.1 Standards issued and effective

The entity has not applied the following standards, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2015 or later periods, as they are not yet relevant to the entity's operations and have not had any impact on the current period's annual financial statements:

Standard/Interpretation:	Effective date	Expected Impact:
<b>Grap 18:</b> Segment Reporting	01 April 2015	This Standard prescribes the disclosure to present more specific and detailed information about major activities undertaken by an entity during a particular period, along with the resources allocated to those activities. ETD P SETA already reports on revenue and expenditure per segment. Although the format of the reporting could change, we do not anticipate that it will be major.
<b>GRAP 105:</b> Transfers of functions between entities under common control	01 April 2015	The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. It requires an acquirer and a transferor that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger. It is expected that there will be no significant impact on current and future disclosures.

Standard/Interpretation:	Effective date	Expected Impact:
<b>GRAP 106:</b> Transfers of functions between entities not under common control	01 April 2015	The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger. It is expected that there will be no significant impact on current and future disclosures.
<b>GRAP 107:</b> Mergers	01 April 2015	The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger. It is expected that there will be no significant impact on future disclosures.
<b>Directive 11:</b> Changes in measurement bases following the initial adoption of standards of GRAP	01 April 2015	The objective of this Directive is to permit an entity to change its measurement bases following the initial adoption of Standards of GRAP. The change is based on the principles in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. This Directive should therefore be read in conjunction with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

### 1.19.2 Standards not yet effective or relevant

The entity has not applied the following Standards which are not yet effective.

Standard/Interpretation:	Effective date	Expected Impact:
<b>GRAP 20:</b> Related parties	Not yet determined	This Standard prescribes the disclosure of information relevant to draw attention to the possibility that the entity's financial position and surplus/deficit may have been affected by the existence of related parties. It is not expected that this Standard will significantly impact future disclosures.
<b>GRAP 32:</b> Service Concession Arrangements: Grantor	Not yet determined	The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor, a public sector entity. It is expected that there will be no significant impact on current and future disclosures.
<b>GRAP108:</b> Statutory Receivables	Not yet determined	This Standard prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables. It is not expected that this Standard will significantly impact future disclosures.
<b>GRAP109:</b> Accounting for Principals and Agents	Not yet determined	The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.
<b>IGRAP17:</b> Service Concession Arrangements where a Grantor controls a significant residual interest in an asset	Not yet determined	This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements. No expected significant impact on current and future disclosures.

## 2. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES:

	Administration reserve R'000	Employer grant reserve R'000	Discretionary reserve R'000	2015/16 R'000	2014/15 R'000
<b>Total revenue</b>	<b>174 069</b>	<b>94 489</b>	<b>524 045</b>	<b>792 603</b>	<b>571 425</b>
Skills development levy: income					
Admin levy income (DHET)	50 328	–	–	50 328	45 210
Grant levy income (DHET)	–	94 489	238 691	333 180	299 065
Skills development levy: penalties and interest	–	–	13 159	13 159	12 495
Admin levy – DBE and DHET	123 696	–	238 279	361 975	186 869
Investment income	–	–	33 251	33 251	27 503
Other income	45	–	665	710	283
<b>Total expenses</b>	<b>145 202</b>	<b>69 390</b>	<b>276 486</b>	<b>491 078</b>	<b>600 765</b>
Administration expenses	143 868	–	–	143 868	115 986
QCTO expense	1 334	–	–	1 334	936
Employer grants and project expenses	–	69 390	274 486	343 876	310 367
NSF expense	–	–	2 000	2 000	173 476
<b>Net surplus/(deficit) per Statement of Financial Performance</b>	<b>28 867</b>	<b>25 099</b>	<b>247 559</b>	<b>301 524</b>	<b>(29 340)</b>

Project expense is recognised when the training has been delivered in accordance with the contract. These relate to the portfolio of evidence, uploading of learners onto the learner data base and certification. Due to possibility of learner drop outs and the uncertainty around the time by which a training provider will contractually be able to provide a portfolio of evidence of the successful completion of training, no accruals or provisions are made in the financial statements. Instead, the funds are reported as commitments.

### 3. NON-EXCHANGE SKILLS DEVELOPMENT LEVY INCOME

	2015/16 R'000	2014/15 R'000
The total levy income per the Statement of Financial Performance is as follows:		
Levy income: Administration	174 024	160 255
Levies received	174 024	160 255
Levies received from levy payers	50 328	45 185
Government levies received	123 696	115 045
Inter SETA transfers in	–	26
Inter SETA transfers out	–	(1)
Levy income: Employer Grants	94 489	84 016
Levies received	94 489	84 016
Levies received from levy payers	94 489	83 970
Inter SETA transfers in	–	47
Inter SETA transfers out	–	(1)
Levy income: Discretionary Grants	476 970	286 873
Levies received	476 970	286 873
Levies received from levy payers	238 691	214 935
Government levies received	238 279	71 824
Inter SETA transfers in	–	117
Inter SETA transfers out	–	(3)
	745 483	531 144

### 4. INVESTMENT INCOME FROM EXCHANGE TRANSACTIONS

	2015/16 R'000	2014/15 R'000
<b>Interest income</b>		
Accrued	197	171
Bank deposits	33 053	27 332
	33 250	27 503

## 5. OTHER INCOME FROM NON-EXCHANGE TRANSACTIONS

	2015/16 R'000	2014/15 R'000
Mandatory grants received	119	94
Insurance recoveries	57	24
Legal fees	–	166
Other	535	–
	<b>711</b>	<b>283</b>

## 6. MANDATORY AND DISCRETIONARY GRANTS

	2015/16 R'000	2014/15 R'000
Mandatory grants	69 390	70 167
Discretionary grants and projects	274 486	240 200
	<b>343 876</b>	<b>310 367</b>

## 7. ADMINISTRATION EXPENSES

	2015/16 R'000	2014/15 R'000
Building related costs		
Operating rentals – buildings	9 695	9 707
Security and cleaning	1 779	1 457
Water and electricity	2 200	2 184
Remuneration to members of the Audit Committee	199	156
Meeting and Board fees	1 173	1 456
Auditors' remuneration	2 349	2 431
External audit fees	1 900	1 732
Internal audit fees	449	698
Staff training and development	995	869
Recruitment	1 143	727
Stationery and consumables	945	723
Other administration costs		
Advertising, marketing and promotions, communication	4 123	2 750
Legal fees	97	12
Travel and subsistence	11 805	9 648
Courier fees	447	604
Hire of equipment	3 882	2 140
Insurance	756	607
Bank charges	420	346
Workshops and AGM	937	754
Staff relocation	1 502	517
Printing and postage	29	338
Refreshments and catering	1 503	1 232
Telephone and cellular phone	1 544	1 694
Liability discounting	–	1 573
Other	568	57
<b>Total per Statement of Financial Performance</b>	<b>48 091</b>	<b>41 983</b>
<b>7.1 Employee Cost</b>		
Salaries and wages	66 279	56 618
Basic salaries	59 257	48 908
Pension contributions: employee	3 132	2 615
Non-pensionable allowance	1 070	806
Leave payments	2 820	4 289
Overtime payments	–	–
Employer contributions	4 910	4 234
Medical aid contributions	1 578	1 423
Pension contributions: defined contribution plan	3 132	2 615
UIF	200	196
	71 189	60 852
<b>Allocation of cost of employment</b>		
Administration expenses	71 189	60 852

## 8. FET INFRASTRUCTURE FUNDING EXPENSE

	2015/16 R'000	2014/15 R'000
Expensed during the year	—	—
	<b>—</b>	<b>—</b>

Liability raised in the 2013/14 financial year as a response to a Directive from the Department of Higher Education and Training to pay an unconditional payment to the National Skills Fund over a period of two years in quarterly tranche payments for the purposes of TVET infrastructure.

## 9. NATIONAL SKILLS FUND EXPENDITURE

	2015/16 R'000	2014/15 R'000
Uncommitted funds relating to 2013/14 surrendered to the National Skills Fund	—	110 079
Uncommitted funds relating to 2014/15 provided for surrender to the National Skills Fund	—	63 396
World Skills Forum	2 000	—
	<b>2 000</b>	<b>173 475</b>



## 10. PROPERTY, PLANT AND EQUIPMENT

### For the year ended 31 March 2016

	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
ETDP SETA assets			
Computer equipment	7 717	(4 947)	2 770
Office furniture and fittings	4 879	(3 373)	1 506
Office equipment	2 364	(1 116)	1 248
Audiovisual equipment	509	(345)	164
Kitchen equipment	75	(47)	28
Leasehold improvements	1 826	(1 194)	632
Motor vehicle	428	(371)	57
Minor assets	328	(305)	23
<b>Balance at end of year</b>	<b>18 126</b>	<b>(11 698)</b>	<b>6 428</b>

### For the year ended 31 March 2016

	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
ETDP SETA assets			
Computer equipment	5 477	(4 191)	1 286
Office furniture and fittings	5 032	(2 915)	2 117
Office equipment	1 348	(965)	383
Audiovisual equipment	481	(304)	177
Kitchen equipment	64	(43)	21
Leasehold improvements	1 826	(986)	840
Motor vehicle	428	(376)	52
Minor assets	347	(304)	43
<b>Balance at end of year</b>	<b>15 004</b>	<b>(10 085)</b>	<b>4 919</b>

There is no Property, plant and equipment that is pledged as security.

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

Movement summary 2015/16	Carrying amount 2015 R'000	Additions at cost R'000	Disposals at net book value R'000	Impairment R'000	Depreciation R'000	Depreciation change in estimate R'000	Carrying amount 2016 R'000
<b>ETDP SETA assets</b>							
Computer equipment	1 286	2 474	(23)	(19)	(2 141)	1 193	2 770
Office furniture and fittings	2 117	11	(6)	(23)	(589)	(4)	1 506
Office equipment	383	1 110	(1)	(3)	(438)	197	1 248
Audiovisual equipment	177	31	–	4	71	31	164
Kitchen equipment	21	13	–	–	(11)	5	28
Leasehold improvements	840	–	–	–	(200)	(8)	632
Motor vehicle	52	–	–	–	(7)	12	57
Minor assets	43	2	–	–	(44)	22	23
<b>Balance at end of year</b>	<b>4 919</b>	<b>3 641</b>	<b>(30)</b>	<b>(49)</b>	<b>(3 501)</b>	<b>1 448</b>	<b>6 428</b>

Movement summary 2014/15	Carrying amount 2014 R'000	Additions at cost R'000	Disposals at net book value R'000	Impairment R'000	Depreciation R'000	Depreciation change in estimate R'000	Carrying amount 2015 R'000
<b>ETDP SETA assets</b>							
Computer equipment	2 166	248	(13)	–	(1 266)	151	1 286
Office furniture and fittings	2 753	8	(7)	–	(642)	5	2 117
Office equipment	549	44	(2)	–	(219)	11	383
Audiovisual equipment	248	8	–	–	(79)	–	177
Kitchen equipment	30	–	–	–	(9)	–	21
Leasehold improvements	1 109	–	–	–	(276)	7	840
Motor vehicle	109	–	–	–	(57)	–	52
Minor assets	64	–	(3)	–	(24)	6	43
<b>Balance at end of year</b>	<b>7 028</b>	<b>308</b>	<b>(25)</b>	<b>–</b>	<b>(2 572)</b>	<b>180</b>	<b>4 919</b>

## 11. INTANGIBLE ASSETS

For the year ended 31 March 2016

### ETDP SETA assets

Computer software

Assets under Construction

Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
2 860	(1 886)	974
1 788	–	1 788
<b>4 648</b>	<b>(1 886)</b>	<b>2 762</b>

For the year ended 31 March 2015

### ETDP SETA assets

Computer software

Assets under Construction

Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
2 688	(2 053)	635
1 307	–	1 307
<b>3 995</b>	<b>(2 053)</b>	<b>1 942</b>

Movement summary 2015/16	Carrying amount 2015 R'000	Additions at cost R'000	Disposals at net book value R'000	Reclassification R'000	Amortisation R'000	Amortisation in change of estimate R'000	Carrying amount 2016 R'000
<b>ETDP SETA assets</b>							
Computer software	635	381	–	598	(820)	180	974
Assets under Construction	1 307	1 080	–	(598)	–	–	1 788
	<b>1 942</b>	<b>1 461</b>	<b>–</b>	<b>–</b>	<b>(820)</b>	<b>180</b>	<b>2 762</b>

Movement summary 2014/15	Carrying amount 2014 R'000	Additions at cost R'000	Disposals at net book value R'000	Reclassification R'000	Amortisation R'000	Amortisation in change of estimate R'000	Carrying amount 2015 R'000
<b>ETDP SETA assets</b>							
Computer software	930	–	–	–	(296)	1	635
Assets under Construction	–	1 307	–	–	–	–	1 307
	<b>930</b>	<b>1 307</b>	<b>–</b>	<b>–</b>	<b>(296)</b>	<b>1</b>	<b>1 942</b>

## 12. CASH AND CASH EQUIVALENTS

	2015/16 R'000	2014/15 R'000
Cash at bank and on hand	124 121	45 600
Cash at bank	124 091	45 578
Cash on hand	30	22
Short term investments	616 176	430 105
Cash and cash equivalents at end of year	<b>740 297</b>	<b>475 705</b>

The security of cash and cash equivalents is ensured by only contracting with the top four financial institutions, as prescribed by National Treasury. The carrying value, at which cash and cash equivalents are disclosed, approximates their fair values.

As required in National Treasury regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 6.5% (Prior year: 5.7%).

## 13. CONSUMABLES

	2015/16 R'000	2014/15 R'000
Consumables	2 569	153
	<b>2 569</b>	<b>153</b>

## 14. RECEIVABLE FROM NON-EXCHANGE TRANSACTIONS

	2015/16 R'000	2014/15 R'000
Employer receivables	1 436	1 613
less: provision for doubtful receivables	(611)	(157)
Staff debtors	100	15
Inter SETA transfers receivable	135	140
	<b>1 060</b>	<b>1 611</b>

### 14.1 Employer Receivables

	2015/16 R'000	2014/15 R'000
Opening balance	1 613	2 162
Realised during the year	(188)	(572)
Charged to income	11	23
<b>Closing balance</b>	<b>1 436</b>	<b>1 613</b>

## 15. RECEIVABLE FROM EXCHANGE TRANSACTIONS

	2015/16 R'000	2014/15 R'000
Deposits	2 281	2 281
Interest receivable	197	171
Sundry receivables	1 023	1 278
Prepayments	–	894
less : provision for doubtful receivables	(239)	(680)
	<b>3 262</b>	<b>3 944</b>

## 16. PAYABLE FROM NON-EXCHANGE TRANSACTIONS

	2015/16 R'000	2014/15 R'000
Skills development grants payable	34 037	9 164
Inter SETA transfers payable	5	5
Levies refundable to small employers	–	2 335
	<b>34 042</b>	<b>11 504</b>

## 17. PAYABLE FROM EXCHANGE TRANSACTIONS

	2015/16 R'000	2014/15 R'000
Project creditors	30 314	11 954
Trade payables	2 004	1 791
Accruals	2 955	6 436
Payroll creditors	1 735	2 115
Liability resulting from straight line valuation of leases	359	1 495
	<b>37 367</b>	<b>23 791</b>

## 18. TVET INFRASTRUCTURE FUNDING PAYABLE

	2015/16 R'000	2014/15 R'000
Payable:		
Not later than one year	3 681	13 151
Later than one year and not later than five years	–	–
Adjustment due to discounting	–	1 573
	<b>3 681</b>	<b>14 724</b>

## 19. NATIONAL SKILLS FUND LIABILITY

	2015/16 R'000	2014/15 R'000
Payable due to the Minister's determination based on the Grants Regulations	–	63 396
	<b>–</b>	<b>63 396</b>

In August 2015, the Labour Court declared regulation section 3 (11) of the 2012 Grant Regulations regarding the surplus surrender to be invalid and was set aside to be effective on the 31 March 2016 and based on the fact that no surplus surrender was recorded for the current year.

## 20. ACCRUED EMPLOYEE ENTITLEMENTS

	Employee leave R'000	Employee bonus R'000	2015/16 R'000	2014/15 R'000
Open carrying amount	3 461	2 013	5 474	4 572
Amounts utilised during the period	(2 820)	(2 157)	(4 977)	(5 691)
Charged to income during the period	3 342	3 504	6 846	6 593
Closing carrying amount	3 983	3 360	7 343	5 474

The liability for the payment of leave pay is accrued and is calculated as number of leave days accumulated at the daily pay rate per payroll.

An accrual is made for the payment of a 13th Cheque at the end of November for those employees who have opted to take a 13th Cheque and is calculated each month as the number of employees involved times one twelfth of their 13th Cheque. This is accumulated to date of payment.

## 21. RECONCILIATION OF NET CASH FLOW FROM NET SURPLUS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS

	2015/16 R'000	2014/15 R'000
Net (deficit)/surplus as per Statement of Financial Performance	301 525	(29 340)
Adjusted for non-cash items:		
Depreciation/Amortisation	2 693	2 684
Impairment	49	
Profit on disposal of Property, plant and equipment	30	29
Proceeds on disposal of fixed assets (insurance claim)	(57)	(42)
Reallocation to other income	(665)	–
Adjusted for working capital changes:		
Decrease/(Increase) in receivables	1 234	(653)
Decrease/(Increase) in consumables	(2 417)	–
Increase /(Decrease) in payables	(33 420)	49 785
Net cash inflow/(outflow) from operations	268 972	22 461

## 22. COMMITMENTS

### 22.1 Discretionary reserve

Of the balance of R636 million available in the Discretionary reserve at the end of March 2016, the commitments detailed below of R427 million have been made for projects and skills priorities. Expenses that relate to these commitments are included in grant expenses in the Statement of Financial Performance. A request for the accumulation of these funds has been made to National Treasury.

Prior Year Commitments					
Programme 1	Sub-Programme	Actual Commitment	Payments	Financial Adjustments	B/d
Sector Skills Plan (SSP) Update	1,1	1 762	–	(647)	1 115
Development/revision of the Scarce and Critical Skills Guide	1,4	33	–	(33)	–
Annual Stakeholder Survey conducted	1,8	1 200	(1 200)	–	–
<b>Total Beneficiaries</b>		<b>2 995</b>	<b>(1 200)</b>	<b>(680)</b>	<b>1 115</b>

Programme 2	Sub-Programme	Actual Commitment	Payments	Financial Adjustments	B/d
Support for programme development on post graduate diploma in vocational education and training of FET lecturers	2,1	4 718	(1 611)	(2 334)	773
FET Senior Management Personnel trained in Leadership and Management (MBA/ MBL/Executive Management Development Programmes) – 2nd Year	2,2	1 358	(512)	(808)	38
FET lecturers supported to gain industry exposure (WIL)	2,3	3 258	(1 043)	(2 135)	80
FET lecturer development on scarce and critical skills programmes (SIP 14 Project)	2,4	9 980	(4 679)	(980)	4 321
FET LEC-Coaches, Assessors, Moderators	2,5	338	(219)	(119)	–
Induction training of FET College Councils	2,8	680	(680)	–	–
Career Development Officers in FET Colleges	2.10a	5 212	(2 959)	(2 096)	157
Support for TVET OECD Ministerial Review Project	2.10b	1 685	(1 638)	(47)	–
313 Career Development Support in FET colleges	2.10c	460	(355)	(105)	–
Support for HEIs for lecturer development	2,11	10 854	(7 572)	(1 745)	1 537
<b>Total Beneficiaries</b>		<b>38 543</b>	<b>(21 268)</b>	<b>(10 369)</b>	<b>6 906</b>

<b>Programme 3</b>	<b>Sub-Programme</b>	<b>Actual Commitment</b>	<b>Payments</b>	<b>Financial Adjustments</b>	<b>B/d</b>
Support for Grade 10-12 teachers: Subject content and methodology – [Maths, Phy. Science, Accounting, Economics, Life Sciences]	3,1	16 301	(10 657)	(3 046)	2 598
Support for Grade 10-12 teachers: End– User Computing + Equipment	3,2	14 596	(7 909)	(1 922)	4 765
B-ED Foundation Phase/Grade R Teacher Training (New intake) (NSFAS) LP, KZN & EC [Rhodes & CPUT]	3,3	7 993	(4 969)	(2 652)	372
B-ED Re-registration	3.3a	1 431	(922)	(509)	–
PGOE	3.3b	3 750	(2 134)	(1 616)	–
Support for teachers in LSEN schools	3,4	5 616	(4 344)	(487)	785
Support for SMT and District Personnel – Full Qualification	3,5	489	–	(489)	–
	3,6	5 752	(2 865)	(2 467)	420
TEACHER AWARDS – BURSARIES TOP	3,7	699	–	(699)	–
<b>Total Beneficiaries</b>		<b>56 627</b>	<b>(33 800)</b>	<b>(13 887)</b>	<b>8 940</b>

<b>Programme 4</b>	<b>Sub-Programme</b>	<b>Actual Commitment</b>	<b>Payments</b>	<b>Financial Adjustments</b>	<b>B/d</b>
Revision, printing and distribution of Learner Career Guides	4,1	1 369	–	(761)	608
Full Qualifications (Degree) – Bursaries renewed annually	4,2	15 392	(7 167)	(8 157)	68
Full Qualifications (Degree) – First/New intake (NSFAS)	4,3	8 627	(5 513)	(3 114)	–
Top Achievers	4,4	6 460	(2 747)	–	3 713
FET (Workplace Experience)	4,5	16 133	(14 140)	(892)	1 101
UoTs (Workplace Experience)	4,6	1 300	(1 026)	(274)	–
Second Chance/Grade 12 Re-write Programme	4,7	2 400	(1 589)	(547)	264
FET WORKPLACE EXPERIENCE	4,9	500	–	(500)	–
SECOND CHANCE MATRIC REWRITES	4,11	1 142	(476)	(666)	–
<b>Total Beneficiaries</b>		<b>53 323</b>	<b>(32 658)</b>	<b>(14 911)</b>	<b>5 754</b>

<b>Programme 5</b>	<b>Sub-Programme</b>	<b>Actual Commitment</b>	<b>Payments</b>	<b>Financial Adjustments</b>	<b>B/d</b>
Increased youth employability through Internships	5,1	4 211	(2 457)	(1 333)	421
Unemployed youth enrolled in Learnerships	5.6a	4 373	(3 629)	–	744
Research Chair Inters – PhD	5,2	1 503	(764)	(623)	116
Research Chair Inters – Masters	5,3	2 060	(217)	(1 843)	–
School Administration Assistants/Internship	5,4	8 797	(2 920)	(5 246)	631
NQF Level 4 COMDEV and ECD qualification RPL Pilot Project	5,5	5 715	(2 154)	–	3 561
Unemployed youth enrolled in Learnerships [Environmental Studies, Youth Development, Library Practice, ECD, COMDEV, ABET]	5,6	39 165	(32 129)	(1 397)	5 639
Additional support for 250 Unemployed people with disabilities	5,8	2 582	(453)	(1 177)	952
<b>Total Beneficiaries</b>		<b>68 406</b>	<b>(44 723)</b>	<b>(11 619)</b>	<b>12 064</b>



<b>Programme 6</b>	<b>Sub-Programme</b>	<b>Actual Commitment</b>	<b>Payments</b>	<b>Financial Adjustments</b>	<b>B/d</b>
Support for Trade Unions beneficiaries	6,1	16 181	(4 983)	(7 715)	3 483
Support for Trade Unions beneficiaries – Part Qualifications	6.1a	1 097	(806)	(291)	–
Support for Political Parties beneficiaries	6,2	1 111	(728)	(383)	–
Support for Political Parties beneficiaries	6.2a	922	(603)	(319)	–
Support for NLPes	6,3	1 600	(1 016)	(445)	139
Support for beneficiaries from Private Training Providers (i.e. APPETD & Non-APPETD member organisations)	6,4	416	(256)	(119)	41
Support for APPETD	6,5	981	(710)	(271)	–
Support for beneficiaries from Independent Schools	6,6	373	(135)	(238)	–
Support for beneficiaries from Independent Schools	6.6a	1 591	(1 342)	(249)	–
Support for HEIs in partnerships with HESA	6,7	987	(956)	(31)	–
Support for Research Organisation beneficiaries	6,8	588	(108)	(480)	–
Support for LIASA beneficiaries and other non-LIASA affiliated libraries	6,9	114	(113)	(1)	–
Support for SGB beneficiaries as employers	6.10	–	–	–	–
Support for Teacher Unions Institutes	6,11	3 960	(2 181)	(1 579)	200
Support for SETAs paying levies to the ETDP SETA and Professional Bodies beneficiaries	6,12	100	–	(100)	–
<b>Total Beneficiaries</b>		<b>30 021</b>	<b>(13 937)</b>	<b>(12 221)</b>	<b>3 863</b>

<b>Programme 7</b>	<b>Sub-Programme</b>	<b>Actual Commitment</b>	<b>Payments</b>	<b>Financial Adjustments</b>	<b>B/d</b>
Occupational qualifications developed and completed	7,3	132	(128)	(4)	–
Review of VET	7,4	2 320	–	(2 320)	–
Impetus Qualification Development	7,5	692	(299)	(363)	30
Running of Assessment Centres (including RPL projects)	7,6	2 400	–	(900)	1 500
RPL Centre set-up	7,9	874	–	(874)	–
Feasibility study	7,11	71	–	(71)	–
<b>Total Beneficiaries</b>		<b>6 489</b>	<b>(427)</b>	<b>(4 532)</b>	<b>1 530</b>

<b>Programme 8</b>	<b>Sub-Programme</b>	<b>Actual Commitment</b>	<b>Payments</b>	<b>Financial Adjustments</b>	<b>B/d</b>
Skills Prog Bursaries	9s	71 670	(12 170)	–	59 500
Total Beneficiaries		71 670	(12 170)	–	59 500
<b>Total Beneficiaries Prior Year</b>		<b>328 074</b>	<b>(160 183)</b>	<b>(68 218)</b>	<b>99 673</b>

Current Year Commitments				
Programme 2	Actual Commitment	Payments	Financial Adjustments	B/d
Number of Grade R/Foundation Phase learners enrolled in relevant qualifications	21 372	–	–	21 372
Grade R/Foundation Phase teachers supported for 2nd or later years	3 350	–	–	3 350
Number of primary and secondary school teachers who enrol in subject content and ICT skills	51 304	(935)	–	50 369
Number of teachers in full service schools enrolled in special needs programmes	13 705	(275)	–	13 430
Primary and secondary teachers enrolled in end user computing learnership	21 853	(1 850)	–	20 003
Number of TVET lecturers and management enrolled in relevant programmes	9 311	(1 103)	–	8 208
Number of TVET lecturers placed in WIL programmes	–	–	–	–
Number of academics in research or HE institutions trained at Masters level	1 100	–	–	1 100
Number of academics in research or HE institutions trained at PhD level	900	–	–	900
Financial support for HEIs towards lecturer and staff development	11 105	(2 106)	–	8 999
<b>Total Beneficiaries</b>	<b>134 000</b>	<b>(6 269)</b>	<b>–</b>	<b>127 731</b>

Programme 3	Actual Commitment	Payments	Financial Adjustments	B/d
Number of school administrators placed in schools for the 2nd year	51 936	(43 939)	(1 332)	6 665
Number of school administrators trained	3 746	(409)	–	3 337
Number of national, provincial and district officials enrolled in relevant learning programmes	56 210	(479)	–	55 731
<b>Total Beneficiaries</b>	<b>111 892</b>	<b>(44 827)</b>	<b>(1 332)</b>	<b>65 733</b>

<b>Programme 4</b>	<b>Actual Commitment</b>	<b>Payments</b>	<b>Financial Adjustments</b>	<b>B/d</b>
Number of renewed bursaries for students	22 679	(5 875)	–	16 804
Number of students awarded bursaries for full qualifications	33 502	(6 424)	–	27 078
Number of youth provided with a second chance to improve their Matric results	6 000	–	–	6 000
Number of unemployed candidates receive qualifications through RPL	6 300	(1 664)	–	4 636
Number of youth placed in internship programme	9 025	(3 510)	–	5 515
Number of students from TVET Colleges placed in workplace experience programmes	24 168	(14 536)	–	9 632
Number of students from UoTs placed in workplace experience programmes	5 985	(4 632)	–	1 353
Number of CDOs placed at institutions of learning or workplaces	17 034	(10 358)	–	6 676
Number of youth enrolled in learnership programmes	42 680	(11 871)	–	30 809
Skills Programme for PWDs	14 347	(675)	–	13 672
<b>Total Beneficiaries</b>	<b>181 720</b>	<b>(59 545)</b>	<b>–</b>	<b>122 175</b>

<b>Programme 5</b>	<b>Actual Commitment</b>	<b>Payments</b>	<b>Financial Adjustments</b>	<b>B/d</b>
Training and development of Trade Union beneficiaries	1 689	(873)	–	816
Training and development of Political Parties beneficiaries	1 972	(1 128)	–	844
Training and development of NLPes beneficiaries in part qualifications	1 915	(300)	–	1 615
Skills Development Support for Youth Cooperatives	2 700	–	–	2 700
Training and development of APPETD beneficiaries in skills learning programmes	1 153	–	–	1 153
Training and development of Independent Schools beneficiaries	1 391	(270)	–	1 121
Support for HEIs in partnerships with HESA	760	(366)	–	394
Training and development of Research Organisation beneficiaries in full qualifications	580	(110)	–	470
Teacher Unions Institutes receive financial support for approved interventions	2 463	(203)	–	2 260
Training and development of beneficiaries from SETAs paying levies to the ETDP SETA and Professional Bodies	1 473	(294)	–	1 179
<b>Total Beneficiaries</b>	<b>16 096</b>	<b>(3 544)</b>	<b>–</b>	<b>12 552</b>
Provision of sound legal support and advisory services to the organisation	118	(118)	–	
<b>Total Beneficiaries Current Year</b>	<b>443 826</b>	<b>(114 303)</b>	<b>(1 332)</b>	<b>328 191</b>
<b>Total Beneficiaries</b>	<b>771 900</b>	<b>(274 486)</b>	<b>(69 550)</b>	<b>427 864</b>

## 22.2 Administration reserve

Administration reserve

Reserve retained to cover the carrying values of Property, plant and equipment/Intangible assets which will be depreciated in future years.

2015/16 R'000	2014/15 R'000
9 190	6 861

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

2015/16 R'000	2014/15 R'000
------------------	------------------

### 22.3.1 Operating Leases

Buildings

Not later than one year

Later than one year and not later than five years

2 838	10 849
-	2 855
2 838	13 704

Details of operating lease agreements:

<u>Geographic area</u>	<u>Service</u>	<u>Commencement date</u>	<u>Termination date</u>	<u>Option to renew</u>	<u>Escalation % p.a</u>
Bedfordview, Johannesburg	Rental	17 October 2011	30 June 2016	Yes	8
Nelspruit	Rental	1 May 2011	30 June 2016	Yes	8.5
Potchefstroom	Rental	1 June 2011	30 June 2016	Yes	8
Kimberley	Rental	1 July 2011	30 June 2016	Yes	8
East London	Rental	1 July 2013	30 June 2016	No	10
Cape Town	Rental	1 August 2011	30 June 2016	No	9
Durban	Rental	1 October 2013	30 June 2016	Yes	10
Polokwane	Rental	1 December 2011	30 June 2016	Yes	8
Bloemfontein	Rental	1 October 2012	30 June 2016	Yes	8
Braamfontein, Johannesburg	Rental	1 August 2012	30 June 2016	Yes	10

## 23 CONTINGENCIES

	2015/16 R'000	2014/15 R'000
--	------------------	------------------

### 23.1 RETENTION OF CASH SURPLUSES

In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain cash surpluses that were realised in the previous financial year without obtaining the prior written approval of National Treasury. During September 2015, National Treasury Issued Instruction No. 3 of 2015/16 which gave more detail to the surplus definition. According to this instruction, a surplus is based on the cash flow from operating activities and net investing activities in financial assets.

As of the 31st March 2016 the cash flow from operating activities and net investing activities was:

Cash flow from Operating Activities	268 972	22 461
Cash flow from net investing activities in Financial Assets	-	-
<b>Surplus/(Deficit)</b>	<b>268 972</b>	<b>22 461</b>

A submission has been made to the National Treasury on the 31st May 2016 to retain this surplus.

### 23.2 EXPIRED CONTRACTS WITH SERVICE PROVIDERS

The SETA has agreements with service providers which did not meet the definition of commitments in terms of the Grant Regulations, however, due to possible obligations, these amounts have been disclosed as contingencies and total R16.8 million.

## 24 RISK MANAGEMENT

### 24.1 General

In the course of its operations, the ETDP SETA is exposed to interest rate, liquidity risk and market risk. In order to monitor these risks, the ETDP SETA has developed a risk management strategy in terms of Treasury Regulation 28.1. Below is the ETDP SETA's risk management process.

### 24.2 Operational risk

Operational risk is the risk of loss arising from system failure, human error or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The ETDP SETA cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risk, the ETDP SETA is able to manage risk. Controls include effective segregation of duties, monitoring, authorisation, reconciliation, staff education and risk assessment processes.

### 24.3 Liquidity risk

This risk is managed via proper working capital management, expenditure management, actual versus forecast cash flows and the cash management policy. Adequate reserves in support of existing commitments and liquid resources are maintained. The table below provides an analysis of ETDP SETA's financial liabilities into their maturity groupings as per the Statement of Financial Position. These amounts are not discounted as they are as per contracts:

	Not later than one month R'000	later than one month but not later than three months R'000	later than three months but not later than one year R'000	later than one year but not later than five years R'000
<b>March 2016</b>				
Trade and other payables	37 367	34 042	11 024	-

<i>Not later than one month</i>	<i>later than one month but not later than three months</i>	<i>later than three months but not later than one year</i>	<i>later than one year but not later than five years</i>
<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>

**March 2015**

Trade and other payables

23 791	11 504	83 594	-
--------	--------	--------	---

## 24.4 Interest risk

ETDP SETA manages its interest risk by spreading its funds over the four major banks in which it uses current account, call account and short term investments. A cash management system is used for monitoring bank balances. The sensitivity of surplus funds to interest rates is dependant on the prime rates variations. At the reporting date, the prime rate was 10.50% (Prior year: 9.25%).

Floating rate		Non-interest bearing	
Amount R'000	Effective interest rate % p.a.	Amount R'000	Total R'000

FOR THE YEAR ENDED

31 MARCH 2016

Financial assets

Cash	740 267	6.50	30	740 297
Accounts receivable	3 262		1 060	4 322
<i>Total financial assets</i>	<b>743 529</b>		<b>1 090</b>	<b>744 619</b>

Financial liabilities

Accounts payable	(37 367 )		(45 066 )	(82 433)
<i>Total financial liabilities</i>	<b>(37 367)</b>		<b>(45 066)</b>	<b>(82 433)</b>

FOR THE YEAR ENDED

31 MARCH 2015

Financial assets

Cash	475 683	5.70	22	475 705
Accounts receivable	3 944		1 611	5 555
<i>Total financial assets</i>	<b>479 627</b>		<b>1 633</b>	<b>481 260</b>

Financial liabilities

Accounts payable	(23 791)		(95 098 )	(118 889)
<i>Total financial liabilities</i>	<b>(23 791)</b>		<b>(95 098)</b>	<b>(118 889)</b>

#### 24.5 Credit risk

Financial assets which potentially subject ETDP SETA to the risk of non-performance by counter parties and thereby to concentration of credit risk, consist mainly of cash and cash equivalents and accounts receivable. Except for the global economic meltdown which may impact on the income received from the levy paying organisations, no events occurred during the year that may impact on the accounts receivable.

The ETDP SETA management 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 31.2. The ETDP SETA's exposure is continuously monitored by a Finance Committee convened in accordance with the PFMA.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The ETDP SETA does not have any material exposure to any individual or counter-party. The ETDP SETA's concentration of credit risk is limited to the Education, Training and Development industry in which the ETDP SETA operates. No events occurred in the industry 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 debt where applicable.

#### 24.6 Market risk

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

#### Fair values

The ETDP SETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables, and account and other payables. No financial instruments were carried at an amount in excess of their fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

No financial asset or liability was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial instruments.

## 24 GOING CONCERN

The ETDP SETA has been re-established to operate from 01 April 2016 to 31 March 2018.

## 25 RELATED PARTY TRANSACTIONS

#### 25.1 Transactions with other SETAs.

Inter SETA transactions arise due to the movement of employers from one SETA to another. No other transactions occurred during the year with other SETAs.

All transactions were at arm's length.

The parent entity of all SETAs is the Department of Higher Education and Training.

	2015/16 R'000		2014/15 R'000	
	Amount of the transaction	Amount receivable/(payable)	Amount of the transaction	Amount receivable/(payable)
<b>Received</b>	-	140	50	140
SERVICES SETA	-	72	-	72
FASSET	-	51	50	51
CONSTRUCTION SETA	-	2	-	2
HEALTH & WELFARE SETA	-	15	-	15
<b>Paid</b>	-	-5	-	-5
MICT SETA	-	-1	-	-1
FASSET	-	-2	-	-2
FP&M SETA	-	-2	-	-2
<b>Total</b>	-	135	50	135

## 25.2 Transactions with other related parties

The ETDP SETA recognises that related party transactions can present potential or actual conflicts of interest, it is therefore the policy of the ETDP SETA that at the time of evaluating contractual engagements, the contracting parties are requested to provide evidence of company registrations and ownership/directorship. All the stakeholders are also requested to declare their interests prior to start of all official meetings.

Related party	Nature of relation- ship	Transaction type	2015/16		2014/15	
			R'000	Amount of the transaction	Amount payable	R'000
<i>Payables</i>						
HESA	Levy payer	Mandatory grant	25	18	30	7
SACE	Levy payer	Mandatory grant	31	21	—	—
SADTU	Levy payer	Mandatory grant	47	23	—	—
NAPTOSA	Levy payer	Mandatory grant	10	6	—	7
BANK SETA	Levy payer	Mandatory grant	40	11	—	—
FP&M SETA	Levy payer	Mandatory grant	30	18	—	—
LG SETA	Levy payer	Mandatory grant	24	26	—	—
W&R SETA	Levy payer	Mandatory grant	131	14	—	—
MICT SETA	Levy payer	Mandatory grant	40	19	—	—
NAPTOSA	Levy payer	Discretionary grant	—	—	—	12
HESA	Levy payer	Discretionary grant	956	—	—	—

## 25.3 Remuneration of Key Management

### 25.3.1 Chief Executive Officer

	2015/16 R'000	2014/15 R'000
Basic Remuneration	1 940	1 787
Pension	157	142
Medical	–	–
Total Guaranteed Cost to Company	2 097	1 929
Performance Bonus	118	73
<b>Total Guaranteed and unguaranteed remuneration</b>	<b>2 215</b>	<b>2 002</b>

### 25.3.2 Chief Financial Officer

Basic Remuneration	655	983
Pension	52	69
Medical	14	40
Total Guaranteed Cost to Company	721	1 092
Performance Bonus	–	31
<b>Total Guaranteed and unguaranteed remuneration</b>	<b>721</b>	<b>1 123</b>

### 25.3.3 Chief Operations Officer

Basic Remuneration	1 225	315
Pension	59	19
Medical	23	–
Total Guaranteed Cost to Company	1 307	334
Performance Bonus	27	–
<b>Total Guaranteed and unguaranteed remuneration</b>	<b>1 334</b>	<b>334</b>



### 25.3.4 Chief Information Officer

	2015/16 R'000	2014/15 R'000
Basic Remuneration	1 291	1 187
Pension	—	—
Medical	—	—
Total Guaranteed Cost to Company	1 291	1 187
Performance Bonus	—	—
Total Guaranteed and unguaranteed remuneration	<b>1 291</b>	<b>1 187</b>

### 25.3.5 Chief Corporate Governance Officer

Basic Remuneration	462	58
Pension	—	—
Medical	—	—
Total Guaranteed Cost to Company	462	58
Performance bonus	—	—
Total Guaranteed and unguaranteed remuneration	<b>462</b>	<b>58</b>

## 25.4 Remuneration of Accounting Authority Members

Name	Meeting fees	Other expenses: (Travel expense)	Total
Shirley Mabusela	21 801	—	21 801
Sipho Khuzwayo	16 949	—	16 949
Maryna Marais	3 229	—	3 229
Lucas Maphila	9 687	—	9 687
Veronica Hofmeester	12 917	1 212	14 129
Zola Saphetha	6 458	1 626	8 084
John Landman	16 146	5 873	22 019
Simone Geyer	—	718	718
Nkosinathi Ngcobo	3 229	8 847	12 076
Khanyisile Fakude (Resigned in September 2015)	—	—	—
Bhabhalikamaphikela Nhlapo (Appointed 15 October 2015)	—	—	—
Cynthia Reynders	9 687	—	9 687
Mandi Wallace	16 146	4 413	20 559
Mandla Mthembu	18 346	2 287	20 633
Diane Parker (Dr) (Resigned in October 2015)	—	—	—
Whitfield Green (Dr) (Appointed in October 2015)	—	—	—
Oupa Bodibe	6 458	488	6 946
Vusi Amos Monyela	9 687	1 968	11 655
Alfred Mafuleka	—	360	360

26. CHANGE IN ESTIMATES

In terms of the requirements of GRAP 17, the useful lives of assets were reviewed at year end. Where the remaining useful life expectations of certain assets differs from previous estimates, an adjustment for an over or underestimation is processed in the asset register. The effect of the change in the useful lives of assets in future periods could not be reasonably determined.

	2015/16 R'000	2014/15 R'000
10	1 628	181

27. EVENTS AFTER THE REPORTING DATE

No significant events occurred after the reporting date which required further disclosure in the annual financial statements.

28. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

FRUITLESS AND WASTEFUL EXPENDITURE

Opening Balance

Amount raised in the year

Amount condoned in the year

Closing Balance

—	31
58	—
—	(31)
58	—

29. Explanation of material variances between actual results and approved budget

Legislation requires that ETDPSETA annually, in September, submit a budget to the Minister for approval. Any subsequent changes required to the initial budget are approved by the Accounting Authority on recommendation of the Finance Committee.

Variances of 10% and above are considered material and are explained below:

Levies

Skills development levy income is 12.5% higher than budgeted as some government departments contributed more than what SETA had invoiced.

Investment income

Investment Income is 303% higher than the budgeted amount due to higher than expected cash balances throughout the financial year. Process delays resulted in commitments not realising as cash payments.

Consultancy Fees

Consultancy fees are less than the budgeted amount as lesser amounts were paid to research chairs than anticipated as not all the planned tranches were paid due to a delay in completion of deliverables.

Employee Costs

Employee costs are overspent by 14% as a decision to improve capacity in provincial offices was made during the year, and there was a change in the organisation structure during the year.

30. Segment Reporting

ETDPSETA reports to management on the basis of three functional segments, namely, Administration, Mandatory and Discretionary. Management uses these segments in determining strategic objectives and allocating resources. The reporting of these segments is also appropriate for external reporting purposes.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The geographical segments have not been disclosed as the necessary information required is not readily available and the cost to develop would be excessive. Information about the surplus, assets and liabilities reconciliations per functional segment is as follows:

<b>2016</b>	Administration <b>R'000</b>	Mandatory <b>R'000</b>	Discretionary <b>R'000</b>	Unallocated	Total 2015/16 <b>R'000</b>
<i>Total segment revenue</i>	<b>174 069</b>	<b>94 489</b>	<b>524 045</b>	–	<b>792 603</b>
<b>Revenue from non-exchange transactions</b>					
Skills development levy: income	<b>174 023</b>	<b>94 489</b>	<b>476 970</b>	–	<b>745 482</b>
Skills development levy: penalties and interest	–	–	<b>13 159</b>	–	<b>13 159</b>
<b>Revenue from exchange transactions</b>					
Investment income	–	–	<b>33 251</b>	–	<b>33 251</b>
Other income	<b>46</b>	–	<b>665</b>	–	<b>711</b>
<i>Total segment expenses</i>	<b>145 202</b>	<b>69 390</b>	<b>276 486</b>	–	<b>491 078</b>
Administration expenses	<b>143 868</b>	–	–	–	<b>143 868</b>
QCTO expense	<b>1 334</b>	–	–	–	<b>1 334</b>
Employer grants and project expenses	–	<b>69 390</b>	<b>274 486</b>	–	<b>343 876</b>
NSF expense	–	–	<b>2 000</b>	–	<b>2 000</b>
<b>Total Surplus</b>	<b>28 867</b>	<b>25 099</b>	<b>247 559</b>	–	<b>301 525</b>
<b>ASSETS</b>					
Non-current assets	9 190	–	–	–	9 190
Consumables	2 569	–	–	–	2 569
Account receivables from non-exchange transactions	100	960	–	–	1 060
Account receivables from exchange transactions	3 262	–	–	–	3 262
Cash and cash equivalents (Unallocated asset)	–	–	–	740 297	740 297
<b>Total assets</b>	<b>15 121</b>	<b>960</b>	<b>–</b>	<b>740 297</b>	<b>756 378</b>
<b>Liabilities</b>					
Trade and other payables from non-exchange		34 042	–	–	34 042
Trade and other payables from exchange transactions	7 053		30 314	–	37 367
TVET Infrastructure Funding Payable	–	–	3 681	–	3 681
National Skills Fund Liability	–	–	–	–	–
Provision for exempt employers		3 035			3 035
Accrued employee entitlements	7 343		–	–	7 343
<b>Total liabilities</b>	<b>14 396</b>	<b>37 077</b>	<b>33 995</b>	<b>–</b>	<b>85 468</b>

**2015**

Administration R'000	Mandatory R'000	Discretionary R'000	Unallocated	Total 2015/16 R'000
-------------------------	--------------------	------------------------	-------------	------------------------

*Total segment revenue* **160 538** **84 016** **326 869** **–** **571 423**

**Revenue from non-exchange transactions**

Skills development levy: income	<b>160 255</b>	<b>84 016</b>	<b>286 873</b>	–	<b>531 144</b>
Skills development levy: penalties and interest	–	–	<b>12 495</b>	–	<b>12 495</b>

**Revenue from exchange transactions**

Investment income	–	–	<b>27 501</b>	–	<b>27 501</b>
Other income	<b>283</b>	–	–	–	<b>283</b>

*Total segment expenses*

	<b>116 922</b>	<b>70 167</b>	<b>413 675</b>	–	<b>600 764</b>
Administration expenses	<b>115 986</b>	–	–	–	<b>115 986</b>
QCTO expense	<b>936</b>	–	–	–	<b>936</b>
Employer grants and project expenses	–	<b>70 167</b>	<b>240 200</b>	–	<b>310 367</b>
NSF expense	–	–	<b>173 475</b>	–	<b>173 475</b>

**Total Surplus**

<b>43 616</b>	<b>13 849</b>	<b>(86 806)</b>	–	<b>(29 340)</b>
---------------	---------------	-----------------	---	-----------------

**ASSETS**

Non-current assets	6 861	–	–	–	6 861
Consumables	153	–	–	–	153
Account receivables from non-exchange transactions	15	1 596	–	–	1 611
Account receivables from exchange transactions	3 944	–	–	–	3 944
Cash and cash equivalents (Unallocated asset)	–	–	–	475 705	475 705

**Total assets** **10 973** **1 596** **–** **475 705** **488 274**

**Liabilities**

Trade and other payables from non-exchange	–	11 504	–	–	11 504
Trade and other payables from exchange transactions	11 837	–	11 954	–	23 791
TVET Infrastructure Funding Payable	–	–	14 724	–	14 724
National Skills Fund Liability	–	–	63 396	–	63 396
Accrued employee entitlements	5 474	–	–	–	5 474

**Total liabilities** **17 311** **11 504** **90 074** **–** **118 889**



# PROVINCIAL CONTACT DETAILS

## Head Office

24 Johnson Road  
Riverwoods Office Park  
Bedfordview,  
Johannesburg 2008

Private Bag X105  
Melville, 2109

Tel: (011) 372 3300  
Fax: (011) 453 0695

[info@etdpseta.org.za](mailto:info@etdpseta.org.za)  
[www.etdpseta.org.za](http://www.etdpseta.org.za)

## Eastern Cape

Waverley Office Park  
3-33 Philip Frame Road  
Chiselhurst  
East London, 5200  
Tel: (043) 726 8314  
Fax: (043) 726 8302



## Mpumalanga

Streak Office Park  
Block B, 1st Floor  
6 Streak Street  
Nelspruit, 1201  
Tel: (087) 700 8113  
Fax: (013) 752 2917

## Free State

163 Nelson Mandela Drive  
Sanlam Building  
Bloemfontein, 9300  
Tel: (051) 430 5072  
Fax: (051) 430 5080



## Northern Cape

6A Long Street  
Bobby's Walk Building  
Kimberley, 8300  
Tel: (053) 832 0051/2  
Fax: (053) 832 0047

## Gauteng

33 Hoofd Street  
Forum 4, 2nd floor  
Braampark Office Park  
Braamfontein  
Johannesburg, 2091  
Tel: (011) 403 1301/2/3/6  
Fax: (086) 614 8781



## North West

78 Retief  
Cnr Peter Mokaba Street  
Sparkling Office Park  
Potchefstroom, 2531  
Tel: (018) 294 5280  
Fax: (018) 294 5719

## KwaZulu-Natal

Anton Lembede Street  
(333 Smith Street)  
Durban Bay House  
12th Floor, Suite 1203  
Durban, 4001  
Tel: (031) 304 5930/2  
Fax: (031) 301 9313



## Western Cape

2 Old Paarl Road  
Sunbel Building  
Office 205, 2nd Floor  
Belville, 7530  
Tel: (021) 946 4022  
Fax: (021) 946 4043

## Limpopo

29 Hans van Rensburg Street  
Kwane Chambers, Office No: 01  
Polokwane, 0700  
Tel: (015) 295 9303  
Fax: (015) 295 9301



RP 164/2016  
ISBN 978-1-77018-806-8

