



SASSETA

• annual REPORT
2008/9



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA

Contents

Page

Vision and Mission	2
Chairperson's Report	4
Chief Executive Officer's Report	6
Chief Financial Officer's Comment	8
Skills Planning and Research	9
Projects and Learnerships	11
Education and Training Quality Assurance (ETQA)	14
Marketing and Communications	16
Staffing and Staff Profile	17
Sasseta Board 2008-2009	19
SASSETA Annual Performance Reports: NSDS objectives 2009-2010	20
Report of Audit Committee	25
Report of Auditor General to Parliament	27
Audited Annual Financial Statements	31
Glossary of Terms	74

25 August 2009

Vision

To be the leaders in skills development for safety and security

Mission

Education and training authority that ensures quality provision of skills development and qualifications for South African citizens in the safety and security environment through effective and efficient partnerships

Annual Report of the SASSETA for the year ending 31 March 2009



Zongezile Baloyi, Chief Executive Officer, SASSETA
(Safety and Security Sector Education and Training Authority)

It is my pleasure and privilege to present to you the Annual Report of the SASSETA for the financial year ended 31 March 2009



Minister MMS Mdladlana, Minister of Labour

CHAIRPERSON'S REPORT

On behalf of the members of the SASSETA Board, I am delighted to present our 2008/9 financial year Annual Report. Our efforts continue to accelerate the delivery of Skills Development interventions for the Safety and Security Sector. The enthusiasm and commitment demonstrated by our entire sector stakeholders – namely Police, Corrections, Defence, Justice & Constitutional Development, Statutory Intelligence, Private Security and the Legal Services constitute a visible realisation of national skills development outcomes and responds to the National Skills Development Strategy of South Africa.

As I reflect over the past year we also acknowledge the distinctive work undertaken by the SASSETA with regard to high level Skills Development implementation programmes aimed at assisting the broad Government intentions to overhaul the entire Criminal Justice System, improving human resource capacity of all Safety & Security Institutions, effective rehabilitation programmes, improving functioning of courts, partnering with the private security industry in the fight against crime and transforming the legal profession.

The work of the SASSETA Board during the financial year under review has been incremental in scope with regard to:

- Setting Strategic Framework for the SETA,
- Committing the SETA annual SLA with the Executive Authority,
- Entrenching the contribution of our sector to NSDS,
- Providing overall organisational oversight in terms of Seta performance,
- Strategic financial Management,
- 2008/9 Budget and Business Plan approval,
- Compliance reporting, and
- Governance and Policy Review.

The Board, through its own initiative, embarked on an exercise aimed at establishing dialogue around changes in skills development; particularly on the future Seta Landscape and the Seta re-establishment process, with a view to formulating a policy position of our sector in these crucial national discussion documents currently unfolding and keeping our Governance members informed on all issues forming part of skills development national dialogue.

SASSETA Board committees also played a critical role in performing delegated work on behalf of the Board with regard to attending major governance issues that needed the attention of Board. The scheduled Board meetings for the financial year 2008/9 as per the approved year planner, as well as the Special Board meetings called to deal with urgent compliance issues, largely contributed to Board effectiveness and quarterly monitoring of SETA performance..

The Board resolution to extend the mandate of the SASSETA Audit Committee to formally include risk issues, has also significantly enhanced governance accountability.

The Audit and Risk Committee reports have been a standing agenda item at Exco and Board meetings respectively and, as the SASSETA Board, we note with gratitude the active involvement of the Auditor-General (AG) and representatives in our Audit & Risk Committee meetings. The work of the Audit & Risk committee has had a direct value adding impact to Board deliberations especially in the area of reviewing SASSETA quarterly performance information that serves as a basis for enabling the Board to monitor performance.

The Board is also gratified to see the immeasurable work that has been taking place in all the seven chambers of SASSETA, thereby, providing an important vehicle to focus on sub-sector skills development issues, monitoring the actual implementation of projects within the sub-sectors and conveying that information to the Board.

A solid base has been established and cemented, given the combined contribution of all SASSETA governance structures. This is evident in the increased maturity amongst all constituency representation within the SETA: all share the intension to achieve national skills development objectives in this country.

The SASSETA Board had taken a conscious decision to review the overall Discretionary Grant funding model with the sole aim to fast track skills development service delivery in our sector. We envisage that this move will result in significant improvement in the delivery of our programmes that will have spill over effects in the new financial year 2009/10 financial year.

I would like to reiterate my profound appreciation to all Board members for the support and commitment they have demonstrated in providing strategic guidance to the SETA and finally to extend my sincere appreciation to all our SASSETA staff for their continued efforts, dedication and hard work.

Yours in skills development,



GJ Kruser
Chairperson: SASSETA Board

CHIEF EXECUTIVE OFFICER'S REPORT

The Safety and Security Sector Education & Training Authority (SASSETA) is pleased to report that the financial year 2008/9 once again heralded substantial progress and many accomplishments in our drive to deliver our commitments towards the National Skills Development Strategy and responding to skills requirements including the scarce and critical skills in the Safety and Security Sector.

During the fiscal year 2008/9 we continued to reach significant milestones in terms of those areas requiring interventions emanating from the previous financial year, as well as in our overall contribution to the national priority areas of the National Skills Development Strategy 2005- 2010.

Engagement with Safety and Security Sector

We have witnessed a solid interaction with our sector skills development facilitators across all the safety and security sub-sectors with the sole intention of ensuring that skills development interventions support national and sectoral growth, development and transformational priorities. The targeted marketing drive that was conducted during the financial year under review enabled us to reach a high number of Skills Development Facilitators who were exposed to, among other benefits, the Sector Skills planning process, and the use of sector guides and codes, thereby improving the qualitative aspects of WSP's and ATR's submitted.

Improvements in ABET participation levels

The overall assessment of ABET implementation posed many unique challenges across all the Seta's, and the previous year's actual performance achievement was no exception for SASSETA. The actual achievement for ABET during this reporting year indicates major progress showing an increase of 47 per cent enrollment of ABET Learners coupled with 63 per cent completion rates.

SASSETA recognises the Institute of Sectorial or Occupational Excellence (ISOE)

Our SETA has exceeded expectation in this regard; currently the SETA has conferred the status of ISOE to seven institutions: Five of these are Training Institutions within the South African Police Services with one Training College located in the Department of Defense and Military Veterans. In terms of this specific indicator of the NSDS target, each SETA is expected to recognise at least five ISOE's during the lifespan of the strategy.

Learning Programmes

A total of 10, 312 Learners (6, 777 employed and 3, 553 unemployed) entered our learning programmes with 95 per cent completion rate. Gratifyingly, a large majority of these unemployed learners have been absorbed into sustainable employment within Government & private security agencies. The former Minister of Finance (Mr. Trevor Manuel) during the 2009/10 Budget Speech indicated that a total of R5.4 billion has been earmarked by Government to improve the entire Criminal Justice System with the intention of increasing police officials from 183 000 to 204 000 in 2011/12 including employment of additional officials in other law enforcement agencies. Our Learning programmes will respond to these key Government initiatives as many recruited individuals will undergo training in learning programmes within the primary focus of SASSETA.

The SETA has not yet determined the impact of the on-going global economic crisis particularly to the extent to which it will affect absorption of learners into the Learning Programmes within the Private Security Industry.

Provincial Presence

During the year under review, SASSETA has recorded an improvement in the area of Provincial linkages. This is one of the crucial key result areas of the National Skills Development Strategy objectives, where our overall measurement has improved through intensified interaction with provincial stakeholders, via information sessions and imbizo campaigns.

Efforts have also been made to participate more effectively in the Provincial Skills Development Forums (PSDF's) and we have made visible progress in the Eastern Cape, Free State and Mpumalanga PSDF's participation. SASSETA will seriously evaluate the feasibility of establishing fully fledged provincial or regional offices, post the recertification process, to enable the organisation to establish a solid national base.

Consistent Performance

In terms of the Department of Labour's annual performance oversight monitoring, we have over the last three financial years recorded performance levels above average. We envisage a quantum leap as we accelerate delivery in the final year 2009/10 of the NSDS 2.

In the context of the above-indicated achievements we also note that accelerated effort must be undertaken to address arrears where there has been slow delivery and minimal impact. The SETA has moved within this current financial year to fast track implementation of the New Venture Creation project across the Safety & Security chambers and we have begun to roll out this programme with significant success at the initial stages.

Extensive work remains to be done in support of Transformational issues in our sector, particularly regarding the targeting of small BEE firms and BEE co-operatives that need to be supported by skills development initiatives. We intend to prioritise this element with the necessary attention it deserves.

The Board of SASSETA initiated a process of investigating the best practice discretionary grant model with a view to create efficiencies in the disbursement of grants and improved skills development project implementation. It is expected that this initiative will have a positive impact in turning around our service delivery capacity and positioning the organisation to better serve the needs of our stakeholders.

SASSETA has, during this financial year, dealt satisfactorily with all compliance issues raised by the Executive Authority and adhered to the provisions of the Service Level Agreement entered into with the Executive Authority.

SASSETA has forwarded its application for recertification as per the applicable regulations. Our recertification application was widely and overwhelmingly supported by our stakeholders all insisting that our reason for existence as a SETA is warranted. We are looking forward to the new SETA Landscape and are anticipating our activities accompanying this process.

Our Board, stakeholders and staff members of SASSETA have also given their support and welcomed the recent political transition that has resulted in SETA'S falling under the Department of Higher Education & Training.

We await the new challenges of the 2009/2010 financial year with keen anticipation and know that we have the enthusiasm, commitment and determination to improve on our current achievements.



Zongezile Baloyi
Chief Executive Officer

CHIEF FINANCIAL OFFICER'S COMMENT

Performance Information

According to PFMA section 55(2) (a), the Accounting Authority (Board) has additional responsibilities to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of SASSETA. It is against this background that the Auditor-General will issue an opinion on the Performance Information in the new financial year (2009/10).

Administrative Revenue and Expenditure

Operational expenditure amounted to R48.3 million (2007/08: R42.8 million) against revenue collected of R58.7 million (2007/08: R49.6 million). This means that administrative surplus transferred to Discretionary Reserve amounted to R10.4 million (2007/08: R6.8 million) and therefore we were within the 10% limit on administration costs.

Project Expenditure

SASSETA funded project expenditure amounted to R47.4 million (2007/08: R46.3 million) against revenue of R29.6 million (2007/08: R25.3 million). This reflects the fact that National Treasury granted SASSETA permission to use unappropriated surplus from previous financial years to fund projects for the attainment of NSDS targets.

Audit Report

The SETA maintained its unqualified audit opinion status it received in the preceding financial years, without any emphasis of matter. This is an improvement from the previous financial year because, despite the fact that we received an unqualified audit opinion, there was also an emphasis of matter. The Auditor-General's audit opinion is contained in the Audit Report.

Financial Management

We remain committed to the sound management of funds in terms of the PFMA, Treasury Regulations and other relevant legislations in order to maintain an unqualified audit report. In the new financial year, we will intensify the rolling out of projects, while maintaining the financial discipline required by PFMA. The control environment will be improved in order to reduce risk of financial mismanagement.

Appreciation

I would like to extend my appreciation to the staff for positively contributing to the unqualified audit opinion through their day to day activities that, when combined, contribute overwhelmingly towards the sustainability of SASSETA. A special appreciation, as well, to the Finance Team that spent long hours ensuring that our financial reporting is of high standard.



Mr. Luvuyo Mboniswa
Chief Financial Officer

SKILLS PLANNING AND RESEARCH

SASSETA's Department Skills Planning and Research is responsible for the development of the Sector Skills Plan (SSP); Mandatory Grants Applications Evaluation & Analysis; Skills Development Facilitators' (SDF) training; and Sector Research

NOTABLE ACHIEVEMENTS

Sector Skills Plan Update

The SASSETA undertook a comprehensive Training Needs Assessment (TNA) for the Legal Services and Private Security Industries to verify relevant organisational information, but more importantly, to establish the skills development needs of these sectors in order to allow SASSETA to create skills plans that would address the scarce and critical skills gap.

Data obtained from the TNA and Workplace Skills Plans (WSP) and Annual Training Reports (ATR's) was used to update the Sector Skills Plan (SSP) as well as the Scarce and Critical Skills list. The SSP was submitted to the Department of Labour (DoL) by 31 August 2008 as required in terms of the Service Level Agreement (SLA) with DoL. In addition it was also uploaded to the DoL's Employment Services of South Africa (ESSA) system.

Skills Development Facilitator (SDF) Training

Success Indicator 1.2 of the National Skills Development Strategy (NSDS) requires that each SETA should develop a sector guide to ensure that the list of scarce and critical skills is disseminated widely among learners. To meet this requirements a sector guide was developed and 371 SDFs were trained in the use of the guide through face-to-face workshops in eight provinces. Topics which covered during the workshops included:

1. Organising Framework for Occupations (OFO) codes.
2. Scarce and Critical Skills List.
3. Completion of the Workplace Skills Plan and Annual Training Report. Attendance in the various provinces was as shown in the table below.

Province	Number
Gauteng	108
North West	15
Free State	37
Mpumalanga	19
Limpopo	25
Eastern Cape	20
Western Cape	63
KwaZulu-Natal	84
Total	371

Mandatory Grants

	Received	Approved	Paid	Change in Seta
Small	272	30	128	3
Medium	154	15	108	5
Large	241	24	154	3
Total	667	69	390	11

SASSETA Chambers

Seven chambers of the SASSETA have been fully constituted; they are Correctional Services; Defence; Intelligence; Justice, Legal, Private Security, and South African Police Services. A successful capacity building session was held from 2 to 5 March 2009 where members attended a workshop on the Skills Development Act, Quality Council on Trade & Occupations (QCTO), ETQA Procedures and Learnerships. Each of the seven chambers held four meetings as stipulated in the SASSETA constitution.

Adult Basic Education and Training (ABET)

Adult Basic Education and Training (ABET) is an area which still requires focus as the SASSETA was unable to achieve its intended targets. Several projects that involve numerous learners have been approved and an increased participation is anticipated in the 2010/2011 financial year. A brief status report on ABET per chambers is given below.

Chamber	Status
Policing	<ul style="list-style-type: none"> A provider has been appointed to continue training for 300 learners
Defence	<ul style="list-style-type: none"> A second provider has signed a contract to train 100 learners.
Justice	<ul style="list-style-type: none"> A provider has been appointed to continue train to 100 learners that had already written exams. A second provider has been contracted to conduct placement assessment for 100 learners.
Private Security	<ul style="list-style-type: none"> All learners wrote exams and the relevant certification ceremonies were held. A second provider has been appointed to continue with the above mentioned learners to the next levels. Only 100 learners will be accommodated for this project.
Intelligence	<ul style="list-style-type: none"> A contract has been signed with the employer.

PROJECTS AND LEARNERSHIPS

PROJECTS

Project Management Approach

Our consistent implementation of the SASSETA project management methodology has seen the emergence of Project Managers that are neither bureaucrats nor technocrats that cling to rules and formulae, but are champions who challenge the status quo, set goals that extend the limits of their team capabilities, rely more on judgment and intuition than on calculation and are not afraid to take risks, when necessary.

A total of 159 projects from seven chambers of SASSETA were managed from the Project Management Office together with Project Managers from respective departments, eg. Learnerships and ETQA. External Project Managers, referred to as Project Champions, played a critical role.

The following key factors ensured that the implementation of all these projects is enhanced:

- **Business Case:** The business case is the justification of the project and a listing of the expected benefits.
- **Critical Success Factors:** These are the indicators which must be used to calculate the success at the end of the project.
- **Planning:** Time spent planning is time well spent. All the projects have plans with sufficient detail so that everyone involved knows where the project is going. The critical information includes clearly documented project milestones. Deliverables and payments are linked to these outputs.
- **Team motivation:** Involvement of the team members throughout the project and by planning frequent milestones accelerate progress.
- **Avoiding Scope Creep:** This is the most common reason projects run over budget and deliver late. Our methodology makes provision for change request to ensure compliance with the specification and the final product.
- **Risk Management:** SASSETA has been able to produce a risk log with action plans loaded on our Enterprise Project Management System.
- **Project Closure and Lessons Learnt:** The last phase plays a critical role in ensuring that the project delivers in terms of the critical success factors. Lessons learnt are also being documented in the Enterprise Project Management System to serve as guidelines for future similar projects.

LEARNERSHIPS

In addition to the 50 Registered Learnerships as at the close of the last financial year; we have registered 3 new learnerships; namely:

- New General Security Officers Learnership
- Electronic Security Installation Practices Learnership
- Specialist Security Practices Learnership

Learnerships focussing on scarce and critical skills in the sector were implemented. It is the first time in the history of the SASSETA that we have implemented the New Venture Creation Learnership within the Corrections; Legal and Private Security field. We have grown from these projects and implementation of training in this regard will be more streamlined in the new financial year.

Another achievement was the implementation of the Forensic Science Learnership in the South African Police Services in November 2008 where previously disadvantaged individuals were presented with the opportunity to explore this specialised area of investigations.

Other implemented learnerships include the Contact Centre Learnership (65 learners), Auxiliary Social Workers Learnership (51 learners), General Security Officers Learnership (405 learners), Internal Auditing Learnership (7 learners), Basic Policing Learnership (3391), Correctional Science Learnership (2899), Paralegal Learnership (138), Candidate Attorney Learnership (33), Joint and Multi Operations Learnership and the Multinational Safety (76), OD ETDP Learnership NQF 4 (76); Court Interpreting Learnership (100), Sheriffs Learnership (100), Forensic Science Learnership (100) and Security Operations Management Learnership(27). We completed several learnerships and celebrated graduations with our learners on a national basis.

Skills programme

Various Skills Programs were implemented including General Security Officer Skills Programs, Information Technology Skills Programs, Project Management, Assessor Training, Moderator Training, Verifier Training, Mentor Training, Financial and Accounting Skills Programs were implemented.

Apprenticeships

It should be noted that Apprenticeship Training began for the first time at SASSETA in the year under review. We have registered 307 learners from the Defence and South African Police Service for both S13 and S28 Apprenticeships.

The trades involved include: Diesel Mechanics, Electricians, Welders, Motor Mechanics, Brick layering, Plumbers, Painters, Carpenters and Site Supervisors.

Internships

SASSETA funded training related to Internships (137 interns) and Workplace Experiences Grants (36 learners). Several learners completed prior to close of the year under review while others were still being training as at 31 March 2009.

Bursaries

As regards the issues of bursaries for both employed and unemployed learners, SASSETA provided bursaries for 35 learners for various fields of study.

Registered Learnerships

The current registered learnerships are as follows:

Title of Qualification/Learnership	NQF Level	NLRD ID No	Registration Number
Law Enforcement Sheriffing	5	49336	19Q190016231205
National Diploma: Defensive Mission Control	5	49853	29Q290015432405
National Diploma: Joint & Multi Operations	6	49783	29Q290014322426
National Diploma: Legal Interpreting	5	50023	29Q290012282405
National Diploma: Applied Military Intelligence	5	49852	29Q290013272405
National Certificate: Multi-National Safety & Security Operations Management	5	49337	29Q29001619225
National Certificate: Paralegal Practice	5	49597	Q290002231315
National Certificate: Resolving of Crime	5	49118	Q290001301225
National Diploma: South African Special Forces Operations	5	48879	Q290003XX2975
National Diploma: Statutory Intelligence: Counter Level 6	6	49100	Q290006XX2586
National Diploma: Statutory Intelligence: Analysis Level 6	6	49102	Q290005XX2596

National Diploma: Statutory Intelligence Collection Level 6	6	49104	Q290004XX3766
National Diploma: Paralegal Practice for Commercial Sector Level 5	5	49598	Q290007393865
National Diploma: Paralegal Practice for Community Based Sector Level 5	5	49598	Q290011393735
National Diploma: Paralegal Practice for Non-Governmental Sector Level 5	5	49598	Q2900103937355
National Diploma: Paralegal Practice for Private Sector Level 5	5	49598	Q290008382475
National Diploma: Paralegal Practice for Public Sector Level 5	5	49598	Q290009393695
Advanced Electronic Security Technician Level 5	5	23593	Q190011292405
Basic Policing Training Level 5	5	20496	Q190009002407
Attorneys Practice	7		29Q290034211367
Corrections Science Level 4	4	24197	Q19190014231204
Corrections Science Level 5	5	48553	Q19190015362405
Diploma: Court Services Management Level 5	5		Q190013532405
Electronic Security Technician Level	4	190010	Q190010XX1204
General Security Officer's Learnership Level 3(L)	3	22490	Q190005321353
Post Graduate Certificate: Trade Mark Practice Level 7	7	22254	Q190012001207
Further Education & Training Certificate Statutory Intelligence Level 4	4	48868	Q060021XX157
National Certificate: Aircraft Electrician Level 5	5		Q06002000360
National Certificate: Aircraft Instruments Worker Level 5	5		Q060019003605
National Certificate: Aircraft Mechanic Level 5			
National Certificate: Statutory Intelligence Level 5	5	48667	Q060022XX1495
Further Education and Training Certificate (FETC): Statutory Intelligence	4		Q06060021XX1574
Further Education and Training Certificate: Use of Firearms	4	21854	Q290017221524
Further Education and Training Certificate: Firearms Maintenance	4	49739	Q290018221304
National Certificate: Family Law	5	50265	Q290030231205
National Certificate: Criminology	5	49709	Q290019191345
Human Resources Management and Practices Support	4	49691	29Q290031331404
Human Resources Management and Practices	5	49692	29Q290032402495
National Certificate: Navigation	5	49950	29Q290033261345
National Diploma: Electronic Warfare	5	50500	
National Certificate: Forensic Science	5	57651	29Q290035341905
Aviation Security Specialist	4		29Q290024181534
Further Education and Training Certificate: Specialist Security Practices	4		29Q290020371434
Armed Response Security Specialist	4		29Q290022181654
Patrol Dog Security Specialist	4		29Q290027181604
Security Supervisory Specialist	4		29Q290021191484
Close Protection Specialist	4		29Q290025181854
Assets in Transit Specialist	4		29Q290023181634
Special Events Security Specialist	4	22491	29Q290026201584
Control Room Operator Specialist	4		29Q290028181484
Investigations Specialist	4		29Q290029191434
Further Education and Training Certificate: Firearm Training	4	50480	
National Certificate: Information Technology	5		

EDUCATION AND TRAINING QUALITY ASSURANCE (ETQA)

Introduction

This report reflects the activities in the ETQA department until 31 March 2009

- The SASSETA ETQA was audited by the South African Qualifications (SAQA) during 2008 and, based on the audit findings, it was decided to re-accredit the SASSETA ETQA until 26 September 2011.
- ETQA Policies were reviewed and adopted by the Executive Committee on 18 March 2009.

Institute of Sectorial & Occupational Excellence (ISOE)

SASSETA has, as part of the NSDS targets objective 5 Success Indicator 5.1, successfully exceeded this target and has recognised seven Institutes of Sectorial & Occupational Excellence institutions (ISOE's) namely: SAPS: Basic Training Provision Bisho, Chatsworth, Graaff-Reinet, Outsoar, Philippi, Pretoria West and South African Defence Intelligence College (SADIC) of which two institutions were accorded the ISOE statuses during the financial year under review.

Verifications, Monitoring & Quality Assurance of Learner Achievements

Verifications consist of several options, of which the primary purpose is to safe-guard learner interests through effective, economic and efficient collation and evaluation of information related to the achievement of quality objectives, monitoring the provision of education and training by accredited providers on the safety and security sector in terms of sub regulation 9(1)(c) of the ETQA Regulations, and identification of practices that put learners at risk.

A total of 143 verifications, more than double the figure of last year, were conducted during the 2008/2009 financial year:

- Monitoring: 60
- QUALA: 49
- Irregularities: 10
- Verification: 24

The ETQA is in the process of reviewing the areas of verifications, monitoring & quality assurance of learner achievements internally and externally specifically with regard to creating a mindset shift from a focus of compliance to a process of achieving performance objectives.

Accreditation

A key challenge that the ETQA continued to face is the relationship between education and training requirements SASSETA compared to PSIRA requirements. Incompatibilities between different pieces of legislation remain an issue that has marginalised the system. These in turn created problems for providers who experienced difficulties in accreditation, registration of assessors and moderators and with program approval in terms of ETQA accreditation requirements. It is hoped that some of the legislative incompatibilities and anomalies will be addressed before the end October 2009 with the promulgation of new legislation.

SASSETA and PSIRA imbizo's were successfully conducted throughout the various provinces during the period October 2008 to December 2008 on sensitising the Private Security Industry on the process of aligning Grades to Unit standards (Skills Programs). As at 21 March 2009 a total of 205 training providers were accredited against the new qualification 58577 which includes the new skills programs.

SMME Support

The SASSETA ETQA conducted advocacy campaigns and consultation sessions in the various provinces where PSIRA offices are located. The emphasis of the advocacy campaign and consultation sessions was to encourage SMME ETD providers to comply with the accreditation requirements and to identify barriers to their inclusion in quality assurance processes and meeting ETQA accreditation criteria. This was also a follow up to the imbizo's that were conducted during the period October 2008 to December 2008. A total of 209 SMME providers were consulted and served as a means of creating visibility in the various provinces, providing targeted support to emerging providers, raising the level of quality and relevance of education and training, and promoting quality among constituent providers. The ETQA has planned to conduct these visits on a quarterly basis.

Development of Learning Material

The material for the Qualification 57713 Specialist Security Practices is in its final stages of approval: FET: Electronic Security Installation Practices ID 58697 136 Credits: The following areas of specialisation are being developed as part of the qualification. The anticipated date of completion for all learning material is October 2009.

- SAQA ID 60570-Access Control
- SAQA ID 60573-Alarm System
- SAQA ID 60569:CCTV
- 60571: Gate Automation

SASSETA in consultation with the Government Security Regulator, a section within the SAPS (NKP), develop the applicable unit standard. Training providers that meet the accreditation requirements are being supplied the complete learning material by SASSETA at no cost.

PSIRA SASSETA Database alignment

Meetings were held between PSIRA and the SASSETA ETQA regarding the database alignment in terms of the Memorandum of Undertaking between SASSETA and PSIRA. A task team was established comprising members of SASSETA and PSIRA inclusive of technical experts from both parties. A proposal was submitted pertaining to the findings of the task team that revealed the alignment is viable and can be conducted within a month's timeframe. A decision was taken to postpone implementation pending the approval of the proposed PSIRA regulations and SASSETA's recertification.

Sheriffs Introductory course

The SASSETA responded to the sheriffs' industry needs and developed identified unit standards that will address their requirements. The development of the skills program for sheriffs is an historic event, providing the sheriffing sector with minimum entry requirements and the key competencies that are required to function in the industry while promoting transformation.

MARKETING AND COMMUNICATIONS

The marketing and communications department of SASSETA is responsible for the promotion of the organisation in terms of its benefits to and activities in the various market sectors it serves.

Building corporate awareness with its various public markets, the organisation participated in a number of industry specific exhibitions on a national basis including the well-known Securex exhibition in Johannesburg that showcased the services and advancements in the national and international security markets. Other promotional events participated in were the SABC career faire aimed at school leavers, various exhibitions held by the Department of Education and public exhibits such as the Letaba, Polokoane, Pretoria show and the Soweto Music Festival.

The SASSETA corporate Newsletter - Montgwedi Thutong (meaning, together for education) was published quarterly, distributed to the various stakeholder groups and linked to the website: www.sasseta.org.za.

The SASSETA website was upgraded into a more functional, modern and easier to navigate information tool. Further enhancements will be applied in the new financial year that aim to improve the marketing functionality of the site and provide extended end-user information.

Chamber	Task
Correctional services	<ul style="list-style-type: none"> ▪ Learner graduation ceremonies in Kroonstad (Free State) ▪ Disability Day - Eastern Cape
South African Police Services	<ul style="list-style-type: none"> ▪ Sectoral or Occupational excellence events in Chatsworth, Philiipi, Bisho and Pretoria ▪ Launch of the Forensic Science Learnership ▪ National Trainers Conference ▪ Graduation ceremonies in Public Administration, Human Resources and Marketing Management. ▪ ABET (Adult Basic Education and Training) graduation ceremonies in North West, Limpopo, Mphumalanga, Free State and KwaZulu-Natal provinces.
Private Security	<ul style="list-style-type: none"> ▪ Numerous road shows conducted (Imbizo's) to facilitate Training Provider accreditation and improve communications between PSIRA and SASSETA
All Skills Development Facilitators (SDF)	<ul style="list-style-type: none"> ▪ Marketing drive in eight provinces to educate SDF's in completion of WSP and ATR documentation
South African National Defence Force	<ul style="list-style-type: none"> ▪ Chaplains' Conference (Cape Town)
Department of Justice	<ul style="list-style-type: none"> ▪ Court Management Graduation Ceremony (Pretoria)
Legal	<ul style="list-style-type: none"> ▪ Workshop in Skills Development Facilitating

The past year also saw the SASSETA reception area remodelled, enhancing the organisational image by presenting a clean, modern and professional point of entry.

The next financial year will see an increase in targeted marketing aimed to achieve corporate objectives and grow revenue.

SASSETA BOARD



Policing Services Chamber: Director N Mbekela, Snr. Supt. D Sibisi and Inspector E Mogotsi



Justice Chamber: Mr. J. Ganger and Ms. H. Lebaka



Defence Chamber: Mr. D. Peter, Brig. Gen. H.M. Zobane, Lt. J. Sape and Brig. Gen. D. Sehurutshi



Corrections Chamber: Mr. M. Mashibini, Ms. C. Maponyane and Mr. A. Smit



Legal Chamber: Mr. E. Boshoff, Dr. N. Maharaj and Mr. W. Mokoena



Private Security Chamber Mr. T. Proudfoot



Mr. J. Nel, Mr. X. Mashukuca and Mr. J. Sithole

Board members not featured on this page

Ms. P. Molefe. Policing Chamber: Div. Comm. G. Kruser. Justice Chamber: Mr. B. Ntshangase, Ms. H. Van Niekerk. Corrections Chamber: Mr. G. Ramotsoto. Legal Chamber: Mr. V. Nel. Private Security Chamber: Ms. A. Maoko, Mr. P. Nephawe, Mr. D. Masekela.

SASSETA ANNUAL PERFORMANCE REPORT

NSDS OBJECTIVES 2008 - 2009

Objective 1: Prioritising and communicating critical skills for sustainable growth, development and equity.

Indicator 1.1: Skills development supports national and sectoral growth, development and equity priorities.	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Sector skills plan is signed off by 31 August 2008 .	SETA Sector Skills Plan was signed off by 31 August 2008 .
COMMENTS: Target achieved.	
Indicator 1.2: Information on critical skills is widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
300 SDFs or Sector Specialists trained in the use of the guide for the sector for the year.	371
COMMENTS: Concerted marketing effort ensured that there was a huge demand for the SDF training. Workshops were conducted in 8 provinces.	

Objective 2: Promoting and accelerating quality training for all in the workplace.

Indicator 2.1: By March 2010 at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed.	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
The target for the large firms is 170 .	116

The target for medium firms is 94 .	89
<p>COMMENTS: There were low levels of participation by companies for the current reporting period. The SASSETA is currently employing new strategies to ensure a high level of participation for the next reporting period.</p>	
<p>Indicator 2.2: By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.</p>	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
376 small levy paying firms to receive WSP/ATR grants, free courses and support	173
<p>COMMENTS: There were low levels of participation by companies for the current reporting period. The SASSETA is currently employing new strategies to ensure a high level of participation for the next reporting period.</p>	
<p>Indicator 2.5: Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured.</p>	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Target for the sector is 50 small BEE firms.	0
Target for the sector is 5 BEE co-operatives.	0
<p>COMMENTS: Grants were made available but there was no response to advertisements that were placed in national newspapers. A new SMME strategy is being finalised for approval by the Board.</p>	
<p>Indicator 2.7: By March 2010 at least 700 000 workers have achieved ABET Levels 4.</p>	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Target for the sector is 3,200 learners to enter ABET levels 1-4.	1,538
Target for the sector is 1,600 learners to complete ABET levels 1-4.	1,020
<p>COMMENTS: The target could not be met due to limited funding and diverse challenges within the sub-sectors.</p>	
<p>Indicator 2.8: By March 2010 at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.</p>	

SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Target for the sector is 3,320 learners to enter programmes.	6,777
Target for the sector is 1,660 learners to complete programmes.	4,667
COMMENTS: The target was exceeded and that was due mainly because of high enrolments for skills programmes	

Objective 3: Promoting employability and sustainable livelihoods through skills development.

Indicator 3.2: By March 2010 at least 2,000 non-levy paying enterprises, NGOs, CBOs, and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a target of 75% success rate.

SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Target for the sector is 190 NLPEs.	27
Target for the sector is 6 NGOs.	0
Target for the sector is 2 CBOs.	0
Target for the sector is 2 Co-ops.	0
COMMENTS: Target not met. The sector is still fragmented and a strategy has been put in place to achieve more in this indicator.	

Objective 4: Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment.

Indicator 4.1: By March 2010 at least 125,000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.

SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Target for the sector 3,520 unemployed people to enter learning programmes.	3,535

Target for the sector is 1,760 unemployed people to successfully complete learning programme	5,090
COMMENTS: The high rate of enrolments led to the high completions rate.	
Indicator 4.2: 100% of learners in critical skills programmes covered by the sector agreements from FET and HET institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment.	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Target for the number of learners assisted to gain work experience is 75 .	24
Target for the number of learners to become self employed or employed is 53 learners.	0
COMMENTS: Limited funding allocated in this area led to the shortfall.	
Indicator 4.3: By March 2010 at least 10,000 young people trained and mentored to form sustainable new ventures and least 70% of new ventures in operation 12 months after completion of programme.	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Target for the sector is 532 young persons trained and mentored to form new ventures.	168
Target for the sector is 372 young persons are still in their new ventures 12 months after the completion of the programme.	0
COMMENTS: Implementation started late and most of the projects have been rolled over to the next financial year. Sustainability will be measured once the new ventures have been initiated.	

Objective 5: Improving the quality and relevance of provision.

Indicator 5.1: By March 2010 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public & private institutions through Public Private Partnerships (PPPs) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.

SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Target for the sector is 2 institutions.	2
<p>COMMENTS: The target has been achieved.</p>	
<p>Indicator 5.2: By March 2010 each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institution's success.</p>	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
Target for the sector is 2 institutions.	0
<p>COMMENTS: A provider has been identified for NVC training support and has already applied for accreditation to SERVICES SETA</p>	
<p>Indicator 5.3: By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the NQF in support of the NSDS.</p>	
SASSETA TARGET FOR 2008/9	PERFORMANCE AGAINST TARGET
SETA to meet SAQA audit and SAQA National Learners Record Database (NLRD) upload requirements.	Score ratings received for NLRD uploads were: NLRD Compliance = Green NLRD Performance = Yellow
<p>COMMENTS: The SAQA audit was not conducted for the current reporting period.</p>	

REPORT OF THE AUDIT COMMITTEE OF SASSETA IN RESPECT OF THE YEAR ENDED 31 MARCH 2009

The Committee is pleased to present its report for the financial year ended 31 March 2009

Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and is scheduled to meet at least four times per annum as per its approved terms of reference. During the year eight meetings were held as follows:

	27/05/08	29/05/08	17/06/08	30/07/08	21/08/08	29/10/08	24/11/08	25/02/09	TOTAL
Mr Kweyama V. (Chairperson)	✓	✓	✓	✓	✓				5
Mr Boltman T. (Independent)		✓	✓	✓	✓	✓	✓	✓	7
Mr Phili P. (From Board)	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr Smith A. (From Board)	✓	✓		✓	✓	✓	✓	✓	7
Mr Nephawe P. (From Board)			✓						1
Dr Maharaj N. (From Board)	✓	✓		✓					3
Mr Proudfoot T. (From Board)						✓	✓	✓	3

Mr. V. Kweyama resigned in August 2008 and Mr. T. Boltman took over as Chairperson of the Committee from November 2008.

The following members were appointed from 1 May 2008:

- V. Kweyama (Chairperson)
- P. Phili (Independent)
- T. Boltman (Independent Member) (Chairperson as from November 2008)
- N. Maharaj (Member from Board) (Resigned in August 2008)
- T. Proudfoot (Member from Board) (Replacing N. Maharaj)
- A. Smit (Member from Board)
- P. Nephawe (Alternate)
- B. Ntshangase (Alternate)

The following member was appointed with effect from 22 June 2009:

- Ms T. Sihlaba (Independent Member)

The Chief Executive Officer and Chief Financial Officer are ex-officio members of the committee. The external and internal auditors are permanent invitees to these meetings. Members of the Audit Committee are remunerated per meeting attended at R6,000 (Chairperson), R4,800 (Independent Member) and R1,080 (Member from the Board).

Audit Committee Responsibility

In the conduct of its duties, the Audit Committee has, inter alia, reviewed the following:

- The effectiveness of internal control systems;
- The effectiveness of internal audit function;

- The risk areas of the entity's operations covered in the scope of the internal and external audits;
- The adequacy, reliability and accuracy of financial information provided by management and other users of such information;
- Accounting and auditing concerns identified as a result of internal and external audits;
- The entity's compliance with legal and regulatory provisions;
- The activities of the internal audit function, including its annual plan, coordination with the external audit, the reports of significant findings and the responses of management to specific recommendations; and
- The independence and objectivity of internal and external auditors.

The effectiveness of Internal Control

The Audit Committee is of the opinion, based on its interaction with management and the internal auditors that the internal accounting controls are adequate and operating, though there is still significant room for improvement and strengthening which management is consistently and continuously addressing.

Nothing significant and/or material has come to the attention of the Audit Committee to indicate any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

Evaluation of financial statements

The new Audit Committee has evaluated the annual financial statement of SASSETA for the year ended 31 March 2009 and, based on the information provided by management, considers that it complies, in all material respects with the requirements of the Public Finance Management Act, 1 of 1999, as amended, the South African Statements of Generally Accepted Accounting Practice (GAAP) and Generally Recognised Accounting Practices (GRAP) as determined by the National Treasury. At its meeting on 29 May 2009 the Audit Committee recommended the adoption of the Annual Financial Statements by the Board.

An unqualified audit opinion has been expressed by the Auditor General and the Committee concurs and accepts the opinion as expressed. The Committee noted the various items which the Office of the Auditor General has listed as impacting on governance. Progress in addressing all these issues will be closely and continuously monitored. The management has been requested to prepare an action plan against which progress reports will be made to the Committee.

Although it has been noted that there is a pending litigation against SASSETA as a result of legal action by the previous Chief Executive Officer alleging constructive dismissal, the Audit Committee concurs with the adoption of the going concern premise in the preparation of annual financial statement as appropriate.

General

The Audit Committee has agreed to oversee the Operational Risk Committee of SASSETA and as from March 2009 will be known as the Audit and Risk Committee as approved by the SASSETA Board.

The Audit and Risk Committee members would like to express its appreciation to the Finance Committee in assisting to ensure that SASSETA's financial and other controls are adequate and effective, and it is envisaged that the relationship between the Committees will be enhanced in the future.

I would like to record the appreciation of the members of the Audit and Risk Committee for the forthrightness to the management of SASSETA for the issues raised. The inputs of the Office of Auditor General's representatives during the presentation of the report and throughout the year were also valued.

Mr Trevor Boltman

CHAIRPERSON OF THE AUDIT COMMITTEE

Date: 30 July 2009

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY (SASSETA) FOR THE YEAR ENDED 31 MARCH 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Safety and Security Sector Education and Training Authority (SASSETA) which comprise the statement of financial position as at 31 March 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 73.

The accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) 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.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 14(6) (a) of the Skills Development Act, 1998 (Act No. 97 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. 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.
5. 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.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the SASSETA as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the PFMA.

Basis of accounting

8. SASSETA's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relates to my responsibilities in the audit of the financial statements:

Re-licensing

9. As disclosed in the accounting authority's report Seta's were established for a five year period until 31 March 2010. SASSETA has applied for the renewal of its certificate of establishment. It is expected that the legislated renewal process will be concluded by 31 March 2010.

Key governance responsibilities

10. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		✓
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 55 of the PFMA.	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	

Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> The SASSETA had an audit committee in operation throughout the financial year. 	✓	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	✓	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8. 	✓	
7.	Internal audit		

	<ul style="list-style-type: none"> The SASSETA had an internal audit function in operation throughout the financial year. 	✓	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 	✓	
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2. 	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		✓
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.	✓	
12.	Powers and duties have been assigned, as set out in section 56 of the PFMA.	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
Issues relating to the reporting of performance information			
14.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
15.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
16.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the SASSETA against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulation 30.1.	✓	
17.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

11. SASSETA did comply with the legislation relating to governance matters throughout the year. SASSETA adopted and applied good governance practices.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

12. I have reviewed the performance information as set out on pages 20 to 24.

The accounting authority's responsibility for the performance information

13. The accounting authority has additional responsibilities as required by section 55(2) (a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

The Auditor-General's responsibility

14. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
15. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

16. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

17. The assistance rendered by the staff of the SASSETA during the audit is sincerely appreciated.

Auditor - General

Place of signing: Pretoria

Date of signing: 31 July 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

**Safety and Security
Sector Education and Training Authority
Audited Annual Financial Statements
For the year ended 31 March 2009**

Contents

Page

Report of the Accounting Authority	32
Statement of Financial Performance	39
Statement of Financial Position	40
Statement of Changes in Net Asset	41
Cash Flow Statement	42
Accounting Policies to the Annual Financial Statements	43
Notes to the Annual Financial Statements	50

Safety and Security Sector Education Training Authority
ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009
REPORT OF THE ACCOUNTING AUTHORITY

1. Composition of SASSETA Board

The composition of non executive SASSETA Board is in line with the provision of section 11 of the Skills Development Act, 1998 which requires that SETAs should carry out their mandate in consultation and co-operation with stakeholders. SASSETA Board, in compliance with the said provisions and as the Accounting Authority, consists of the following members:

Representatives of Board

Principal member	Chamber	Meeting Dates						TOTAL
		07/05/08	27/06/08	03/10/08	28/11/08	26/03/09	27/03/09	
Ms Shuping P. *	Policing	✓						1
Director Mbekela N.	Policing		✓	✓		✓	✓	4
Mr Truter N. *	Policing	✓	✓	✓	✓			4
Div Comm Kruser G. (Chairperson)	Policing	✓	✓	✓		✓	✓	5
Mr Masekela M.D.	Private Security	✓	✓	✓	✓	✓	✓	6
Ms Maako A.	Private Security	✓	✓	✓		✓	✓	5
Mr Nephawe P.	Private Security	✓		✓	✓	✓	✓	5
Mr Proudfoot T.	Private Security	✓	✓	✓	✓	✓	✓	6
Mr Mashaba A.*	Legal	✓	✓					2
Dr Maharaj N.	Legal	✓	✓	✓	✓	✓	✓	6
Mr Nel V.P.	Legal	✓	✓	✓			✓	4
Mr Makwetu A.*	Legal	✓						1
Mr Boshoff E.	Legal		✓	✓		✓	✓	4
Mr Van Niekerk H.	Justice		✓	✓			✓	3
Ms Lebaka N.	Justice	✓		✓	✓	✓	✓	5
Mr Ntshangase B.	Justice	✓		✓	✓		✓	4
Mr Mashukuca X.	Intelligence	✓	✓	✓				3
Mr Sithole J.	Intelligence	✓	✓	✓	✓			4
Ms Molefe S.P.	Intelligence	✓		✓	✓		✓	4
Mr Nel J.	Intelligence	✓				✓	✓	3
Mr Peter D.	Defence		✓	✓	✓	✓	✓	5
Brig. Gen. Sehurutshi	Defence		✓	✓			✓	3
Maj.Gen. Mokoena M.K. *	Defence		✓					1
Ms Mabuza T.R. *	Corrections	✓	✓	✓		✓	✓	5
Mr Ramotsoto G.	Corrections	✓	✓	✓				3
Mr Smith A.Z.	Corrections	✓	✓	✓	✓	✓	✓	6
Mr Mohajane T.*	Corrections	✓	✓		✓	✓	✓	5

Ms Sape M.J.	Defence		✓			✓	✓	3
Ms Mogotsi E.	Policing			✓	✓	✓	✓	4
Mr Mokoena W.	Legal			✓	✓	✓	✓	4
Mr Mphahlwa R.Z*	Defence			✓				1
Ms Kruger E. *	Corrections			✓				1
Brig. Gen Zobane	Defence					✓	✓	2

* Board member who left during the year

2. PERFORMANCE INFORMATION

SASSETA's performance is measured by the Department of Labour against the National Skills Development Strategy II. The Service Level Agreement and Scorecard were signed between SASSETA and the Department of Labour. SASSETA has adequate infrastructure which it uses for record keeping and updating purposes, quality and assurance requirements as well as reporting to the Department of Labour.

3. CORPORATE GOVERNANCE

SASSETA is committed to sound and transparent governance that will enhance its relationship with all its stakeholders, build a productive culture of good corporate governance and leadership and embrace corporate practices based on values, integrity, excellence and equity within the organisation. SASSETA endorses the Code of Corporate Practices and Conduct as contained in the King II Report where appropriate.

A structured approach is followed for delegation, reporting and accountability, which includes reliance on Board Committees. The Board has approved a constitution that provides guidance to the members in discharging their duties and responsibilities.

SASSETA has four (4) sub committees, which assist the Board in discharging its responsibilities. Each Committee operates within its terms of reference and delegated responsibilities. The Board sub-committees are:

3.1 Audit and Risk Committee

SASSETA Audit Committee has been established and is chaired by an independent member. The Committee has had several meetings and has been looking at the Audit Plan, Audit Charter, Audit Committee Charter, Risk Assessment results, oversight function of internal controls over financial reporting and other relevant financial and risk aspects within the organisation.

Representatives of Audit and Risk Committee

	27/05/08	17/06/08	30/07/08	21/08/08	29/10/08	24/11/08	25/02/09	TOTAL
Mr Kweyama V. * (Chairperson)	✓	✓	✓	✓				4
Mr Boltman T. (Chairperson)		✓	✓	✓	✓	✓	✓	6
Mr Smith A.	✓		✓	✓	✓	✓	✓	6
Mr Nephawe P.		✓						1
Mr Phili P	✓	✓	✓	✓	✓	✓	✓	7
Dr Maharaj N. *	✓		✓					2
Mr Proudfoot T.							✓	1

* Audit and Risk Committee members who resigned during the year.

3.2 Finance Committee

The Finance Committee consists of seven (7) non executive members appointed from each Chamber, the Chief Executive Officer and the Chief Financial Officer. It is chaired by a member representing one of the Chambers. It is responsible for:

- the consideration and recommendation of the annual budget to the Board;
- dealing with such financial matters as referred to the Committee from time to time;
- scrutinising policies with financial implications and making the appropriate recommendation to the Board;
- considering the cash flow and Financial Statements;
- to determine the financial impact of any change to the current structure; and
- to consider changes to the business plan and budget and make recommendations to the Board.

Representatives of Finance Committee

	Meeting Dates			TOTAL
	24/07/08	17/10/08	13/02/09	
Mr Hundermark P.	✓			1
Ms Sape J.	✓		✓	2
Mr Bakker F.			✓	1
Mr Mohajane T.	✓	✓	✓	3
Mr Mamabolo J. * (Chairperson)	✓	✓	✓	3
Mr Ganger J.	✓	✓	✓	3
Ms Daniels J.	✓			1
Mr Boshoff E. (Chairperson)		✓	✓	2
Mr Arlow P.		✓		1
Mr Nagel L.		✓		1
Ms Cindi T.			✓	1

* Finance Committee member who resigned during the year.

3.3 Remuneration Committee

The Remuneration Committee comprises of 7 non executive members appointed by the Board. These members are complimented by the CEO and the CFO, who are ex-officio members and the Chairperson from the Board. The committee deals with human capital and organisational structure related matters.

Representatives of Remuneration Committee

Principal member	Meeting Dates			TOTAL
	03/04/08	29/07/08	12/02/09	
Dr Maharaj N.	✓		✓	2
Div. Comm Kruser G.		✓		1
Mr Van Niekerk H.		✓		1
Mr Mohajane T.		✓		1
Mr Peter D.	✓	✓	✓	3

Mr Mashukuca X.	✓	✓	✓	3
Mr Ramotsoto G.	✓			1

3.4 Executive Committee

The Executive Committee consists of fourteen (14) non executive members appointed by the Board, 7 representing the employer and 7 representing labour, the Chief Executive Officer (Ex Officio) and the Chief Financial Officer (Ex Officio). The Committee is responsible for recommending and reporting business issues to the Board.

Representatives of Exco

Meeting Dates

Principal member	30/05/08	29/08/08	28/11/08	20/02/09	TOTAL
Mr Nephawe P.	✓		✓		2
Mr Masekela M.D.	✓		✓		2
DR Maharaj N.	✓	✓	✓	✓	4
Mr Nel V.P.	✓	✓		✓	3
Ms Van Niekerk H	✓	✓			2
Ms Lebaka N.	✓	✓	✓		3
Mr Nel J	✓	✓		✓	3
Mr Peter D.	✓	✓	✓	✓	4
Mr Ramotsoto G.	✓	✓			2
Div. Comm Kruser G. (Chairperson)		✓		✓	2
Mdiya T.		✓			1
Ms Maoko A.		✓		✓	2
Mr Proudfoot T.		✓	✓	✓	3
Mr Mashukuca X	✓	✓	✓		3
Brig Gen Sehurutshi		✓		✓	2
Ms Mabuza T.R.		✓			1
Ms Mogotsi E.			✓	✓	2
Mr Truter N			✓		1
Maj. Gen Mokoena M.K.			✓		1
Mr Ntshangase B.			✓		1
Mr Sithole J.			✓		1
Mr Molefe P.			✓		1
Mr Smith A.Z.			✓		1
Mr Mohajane T.			✓		1
Mr Mphahlwa R. Z.			✓		1

RISK MANAGEMENT AND INTERNAL CONTROLS

SASSETA endeavours to minimise risk by maintaining appropriate systems, policies, personnel and controls throughout the organisation. A risk assessment exercise was performed during the 2008/2009 financial period to identify areas of risk and to map appropriate controls over the past financial period. The process was facilitated to determine the material risks to which SASSETA was exposed and to evaluate the strategy for managing these risks. SASSETA relied on the

outsourced internal audit function and external auditors for independent appraisal of the adequacy and effectiveness of the internal controls. The Audit and Risk Committee, with extensive input from the internal and external auditors, played a major role in assisting management to assess the adequacy and effectiveness of the accounting system, records and internal controls.

INTERNAL AUDIT

SASSETA has an internal audit function which has been outsourced to SizweNtsaluba VSP who provides the Audit Committee and Management with reasonable assurance that internal controls are appropriate and effective. SASSETA has appointed SizweNtsaluba VSP to provide internal audit services for three years.

MATERIALITY FRAMEWORK

SASSETA has in line with the Public Finance Management Act developed the materiality framework which the Board approved. The materiality framework was, subsequent to the Board approval, submitted to the Minister of Labour for his approval.

RECORD OF MEETINGS

1st April 2008 to 31st March 2009

SASSETA Structure	Board	Audit Comm.	Finance Committee	Remuneration Committee	Chamber	Executive Committee	Learnership Committee	ETQA Committee
No. of meetings	6	7	3	3	33	4	5	7

REMUNERATION PAID TO BOARD MEMBERS

Members of SASSETA Board are remunerated as follows:

A Board member is paid a Honorarium of R2,160 per meeting for attending Board Meetings. An Executive Committee Member is paid a Board fee of R1,440 per meeting. A Committee member is paid R1,080 per meeting. The following table outlines Board fees and Travel Claims paid to members of SASSETA only:

NAME	Board		Executive Committee		Others Committees (Learnership, BAC, Discretionary, ETQA, Audit, Finance, Remuneration & Chambers)		Travel	Total
	No.	R'000	No.	R'000	No.	R'000	R'000	R'000
Ms Shuping P.	1	2	-	-	3	3	-	5
Director Mbekela N.*	4	-	-	-	10	-	-	-
Mr Truter N.	4	9	1	-	7	8	1	18
Div Comm Kruser G.*	5	-	2	-	6	-	-	-
Mr Masekela M.D.	6	13	2	1	17	18	72	103
Ms Maoko A.	5	11	2	3	7	8	5	27
Mr Nephawe P.	5	9	2	1	5	5	13	28
Mr Proudfoot T.	6	13	3	3	6	6	1	23
Mr Mashaba A.	2	4	-	-	5	2	-	6
Dr Maharaj N.	6	13	4	6	26	28	42	89

Mr Nel V.P.	4	9	3	4	4	4	2	19
Mr Makwetu A.	1	2	-	-	4	4	11	17
Mr Boshoff E.	4	6	-	-	11	12	4	22
Mr Van Niekerk H. *	3	-	2	-	4	-	-	-
Ms Lebaka N.	5	9	3	4	11	9	1	23
Mr Ntshangase B. *	4	-	1	-	4	-	2	2
Mr Mashukuca X.	3	6	3	4	10	11	5	26
Mr Sithole J.	4	6	1	-	8	6	50	62
Mr Molefe S.P.	4	2	1	-	3	-	-	2
Mr Nel J. *	3	-	3	-	3	-	-	-
Mr Peter D.	5	6	4	6	20	22	5	39
Brig. Gen. Sehurutshi *	3	-	2	-	4	-	-	-
Maj.Gen. Mokoena M.K. *	1	-	-	-	-	-	-	-
Ms Mabuza T.R. *	5	-	1	-	3	-	-	-
Mr Ramotsoto G.	3	6	2	3	14	15	-	24
Mr Smith A.Z.*	6	-	1	-	5	1	18	19
Mr Mohajane T.	5	-	1	-	8	-	2	2
Ms Sape M.J.	3	2	-	-	6	6	1	9
Ms Mogotsi E.	4	6	2	3	4	4	-	13
Mr Mokoena W.	4	2	1	-	-	-	-	2
Mr Mphahlwa R.Z	1	2	1	-	9	10	-	12
Ms Kruger E. *	1	-	-	-	-	-	-	-
Brig. Gen Zobane *	2	-	-	-	-	-	-	-
TOTAL		138		38		182	235	592

* These members receive no meeting allowances because they are public sector employees.

EXECUTIVE MANAGEMENT

During the financial year (2008/09), the Seta Executive Management comprises of the Chief Executive Officer (Mr Z. Baloyi), The Programmes Manager (Mr Solly Ngoasheng), The Senior Manager: Skills Development and Administration (Mr M. Amod – June 2008) and The Chief Financial Officer (Mr L. Mboniswa). Executive Management team is compensated as follows:

2008/2009

	SALARY R'000	PERFORMANCE BONUS	MEDICAL R'000	TRAVEL ALLOWANCE R'000	ENTERTAINMENT R'000	SALARY PACKAGE R'000
Mr Baloyi Z. (CEO)	631	109	-	96	-	836
Mr Ngoasheng S.	620	94	-	60	2	776
Mr Mboniswa L.	537	92	28	48	-	705
Mr Amod M.	129	-	-	24	-	153

2007/2008

	SALARY R'000	PERFORMANCE BONUS	MEDICAL R'000	TRAVEL ALLOWANCE R'000	ENTERTAINMENT R'000	SALARY PACKAGE R'000
Ms Penxa V. - Resigned	92	-	-	20	-	112
Ms Shuping P. - Caretaker CEO	184	-	-	40		224
Mr Ngoasheng S.	521	52	-	60	2	635
Mr Amod A.	347	49	-	40	2	438
Mr Mabuya T. - Resigned	290	-	-	42	-	332
Mr Louw O. - Retired	177	-	-	47	-	224
Mr Mboniswa L.	83	34	4	8	-	129
Mr Baloyi Z. (CEO)	192	40	-	32	-	264

Safety and Security Sector Education Training Authority
ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 March 2009

		2008/09	Restated 2007/08
	Note	R'000	R'000
REVENUE			
Non-exchange Revenue		159,981	152,505
Skills Development Levy: income	2	158,579	134,429
Skills Development Levy: penalties and interest		1,402	1,196
National Skills Fund income	14	-	16,880
Exchange Revenue		25,347	19,349
Investment Income	3	21,665	15,812
Other Income	4	3,682	3,537
Total Revenue		185,328	171,854
EXPENSES			
Employer grant and project expenses	5	(102,622)	(95,280)
Administration expenses	6	(48,252)	(42,710)
National Skills Fund Expenses	14	-	(16,880)
Total expenses		(150,874)	(154,870)
NET SURPLUS FOR THE YEAR		34,454	16,984

Safety and Security Sector Education Training Authority
ANNUAL FINANCIAL STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2009

	Notes	Administration reserve		Employer grant reserve		Discretionary reserve		Unappropriated surplus		Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Balance at 1 April 2007 as previously reported										
Effect of Fire-arm income raised	22	3,500	584	144,791	-	-	-	-	148,875	
		(670)	-	907	-	-	-	-	237	
Balance at 1 April 2007 as restated		2,830	584	145,698	-	-	-	-	149,112	
Net Surplus/ (Deficit) per Statement of Financial Performance										
Adjustment against Reserves								16,984	16,984	
Allocation of unappropriated surplus		3,736	14,631	(1,383)			(16,984)		-	
Excess reserves transferred to Discretionary reserve		(1,799)	(14,832)	16,631			-		-	
Balance at 31 March 2008 as restated		4,767	383	160,946	-	-	-	-	166,096	
Net Surplus/ (Deficit) per Statement of Financial Performance								34,454	34,454	
Allocation of unappropriated surplus		10,440	18,784	5,230			(34,454)		-	
Excess reserves transferred to Discretionary reserve		(11,127)	(19,167)	30,294			-		-	
Balance at 31 March 2009		4,080	-	196,470	-	-	-	-	200,550	

Safety and Security Sector Education Training Authority
ANNUAL FINANCIAL STATEMENT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	Note	2008/09 R'000	Restated 2007/08 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		163,231	145,690
Levies, interest and penalties received		159,549	135,203
Other cash receipts from stakeholders		3,682	10,487
Cash paid to stakeholders, suppliers and employees		(136,923)	(149,909)
Grants and project payments		(93,412)	(88,975)
Special projects		-	(16,880)
Compensation of employees		(18,116)	(25,669)
Payments to suppliers and other		(25,064)	-
Inventory		(331)	(18,385)
<i>Cash utilised in operations</i>	17	26,308	(4,219)
Investment income	3	21,665	15,812
Net cash inflow/outflow from operating activities		47,974	11,593
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and investment properties	7	(1,357)	(3,316)
Proceed from disposal of property, plant and equipment		-	40
Net cash outflow from investing activities		(1,357)	(3,276)
CASH FLOW FROM FINANCING ACTIVITIES			
Grants, transfers and funds received	15	(200)	200
Finance lease payments		(252)	-
Increase/(decrease) in reserves		-	3,707
Increase/(decrease) in others		-	(149)
Net cash inflow/outflow from financing activities		(452)	3,758
Net increase/decrease in cash and cash equivalents		46,165	12,075
Cash and cash equivalents at 01 April 2008		174,087	162,012
Cash and cash equivalents at end of period	11	220,252	174,087

Change in Presentation

Monies received from the National Skills Fund was historically only included under Operating Activities in the Cash Flow Statement to the extent that it was spent by SASSETA during the year, with the remainder being included under Financing Activities, thereby matching the amount recognised in the Statement of Financial Performance. This presentation was changed to include the entire monies received from the National Skills Fund under Operating Activities, as management is of the opinion that this gives rise to a more user-friendly presentation of actual cash received.

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

a) Terminology differences:

Standard of GRAP Replaced Statement of GAAP

Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit for the period	Profit/loss for the period
Accumulated surplus/deficit	Retained earnings
Contributions from owners	Share capital
Distributions to owners	Dividends
Reporting date	Balance sheet date

b) The cash flow statement can only be prepared in accordance with the direct method.

c) Specific information such as:

- (a) receivables from non-exchange transactions, including taxes and transfers;
- (b) taxes and transfers payable;
- (c) trade and other payables from non-exchange transactions must be presented separately on the statement of financial position.

d) The amount and nature of any restrictions on cash balances is required to be disclosed.

Paragraph 11 – 15 of GRAP 1 has not been implemented as the budget reporting standard is in the process of being developed by the international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect fair presentation.

1.1 CURRENCY

These Financial Statements are presented in South African Rands since that is the currency in which the majority of the entity transactions are denominated.

1.2 REVENUE RECOGNITION

The accounting policy for the recognition and measurement of skills development levy income has further interpreted in line with the Skills Development Act, Act no. 97 of 1998 and the Skills Development Levies Act No. 9 of 2001.

The interpretation allows SETA's to recognise revenue on the receipt of the funds from the Department of Labour in the bank account of the SETA or on allocation by Department of Labour, whichever comes first.

The revision was completed and issued by National Treasury on the 27th July 2007 and is effective from 1 April 2007.

1.2.1 Levy income

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

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

Levy income is recognised on the accrual basis.

A net receivable/payable is recognised for levies accrued as well as estimated SARS adjustments. An estimate due to retrospective adjustments by SARS and outstanding levies due at period-end is based on grant overpayments to employers.

SASSETA refunds amounts to employers in the form of grants, based on information from 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 SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised equal to the amount of such grant over payment, net of bad debts and provision for irrecoverable amounts.

Revenue is adjusted for inter-SETA transfers due to employers changing SETA's. 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 by the Department of Labour issued June 2001.

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

1.2.3 Interest and penalties

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

1.2.3 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the Financial Statements of the SETA as a liability until the related eligible special project expenses are incurred, at such time, the liability is extinguished and the revenue recognised.

Property, plant and equipment acquired for NSF Special Projects are capitalised in the Financial Statements of the SETA, as the SETA controls such assets for the duration of the project. Such assets could however only be disposed of in terms of an agreement and specific written instructions by the NSF.

1.2.4 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.

1.2.5 Investment income

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

1.2.5 Firearm income

SASSETA charges a nominal fee for the administration of the firearm certificates. Revenue received is recognised as income received in advance and only recognised as income on issue of certificates.

1.3 GRANTS AND PROJECT EXPENDITURE

A registered company may recover a maximum of 50% of its total levy payment by complying with the grant criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Levies Act 1999 (Act No 9 of 1999).

Mandatory grants

The grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the agreed cut-off period. The grant is equivalent to 50% of the total levies paid by the employer during the corresponding financial period for the skills planning grant (2007/08: 50%) of the total levies paid by the employer during the corresponding financial period for the skills planning grant and the skills implementation grant respectively.

Discretionary grants

A Seta may out of any surplus monies determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. The grant payable and the related expenditure are recognised when the application has been approved and certain performance conditions have been achieved.

Project expenditure

Project expenditure comprise of the following:

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

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

Project costs are recognised as expenses in the period in which they are incurred. A receivable is recognised net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenses not yet incurred in terms of the contract.

1.4 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure is 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 would have been avoided had reasonable care been exercised.

All irregular, fruitless and wasteful expenditure are charged against income in the period in which they are incurred.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use. Depreciation of property, plant and equipment is calculated to write off the cost of the asset to its residual value, on the straight-line basis, over its expected useful life as follows:

Computer Equipment	3 years to 10 years
Computer Software / Intangible	2 years to 10 years
Furniture and Fittings	5 years to 10 years
Vehicles	5 years to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to SASSETA and the cost of the item can be measured reliably.

Repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred. Borrowing costs are capitalised in accordance with SASSETA policy. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the fair value of the sales proceeds and the carrying amount of the asset, and is included in operating profit.

1.6 LEASING

Finance lease as per the Treasury Regulations 32.2 refer to a contract that transfer the risks, rewards, rights and obligations incidental to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases. Operating leases with fixed escalation rates are written off over the term of lease agreement.

The Seta as a lessee

Assets held under finance leases and the corresponding liability are recognised at their present value of the minimum lease payments at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the estimated present value of the assets acquired, are charged to the statement of financial performance over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

1.7 RETIREMENT BENEFIT COSTS

The entity operates a defined contribution plan, the assets of which are generally held in separate trustee-administered funds. The plan is generally funded by payments from the entity and employees, taking account of the recommendations of independent qualified actuaries.

The Seta carries no financial obligations after retirement of the employee.

1.8 PROVISIONS

Provisions are recognised when the 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. Long-term provisions are discounted to net present value.

1.8.1 Provision for employee entitlements

The cost of other employee benefits (not recognised as retirement benefits – see note VIII above) is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees as at the reporting date. Provisions included in the statement of financial position are provisions for leave (based on the current salary rates), bonuses and termination benefits.

1.8.2 Provisions for grants

Grant payments

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

Projects

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

1.9 FINANCIAL INSTRUMENTS

Recognition

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

All "regular way" purchases and sales of financial assets are initially recognised using trade date accounting.

Measurement

Financial instruments are measured at fair value on the date of acquisition, including directly attributable transaction costs and thereafter at amortised costs.

Financial liabilities

The SETA's principal financial liabilities are interest bearing borrowings, accounts and other payables and bank overdrafts.

All financial liabilities are measured at amortised cost, comprising original debts less principal payments and amortisations, except for financial liabilities held-for trading and derivative liabilities, which are subsequently measured at fair value.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments, other than available-for-sale financial assets are recognised in equity, until the investment is disposed of or is determined to be impaired, at which time the net profit or loss is included in the net profit or loss for the period.

De-recognition

A financial asset or a portion thereof is derecognised when Seta realises the contractual rights to the benefits specified in the contract, the rights expire, the Seta surrenders those rights or otherwise loses control of the contractual rights that

comprise the financial asset. On de-recognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in equity is included in net profit or loss for the period.

A financial liability or a part thereof is derecognised when the obligation specified in the contract is discharge, cancelled, or expires. On de-recognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in the net profit or loss for the period.

Fair value considerations

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

Off-setting

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

1.10 COMPARATIVE FIGURES

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

1.11 CONSUMABLE INVENTORY

Consumables are recognised as an asset on the date of acquisition and it is measured at the cost of the acquisition. It is subsequently recognised in surplus or deficit as it is consumed.

Safety and Security Sector Education Training Authority
ANNUAL FINANCIAL STATEMENT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

1. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES :

	Total per Statement of Financial Performance R'000	Administration reserve R'000	Employer grants reserve			Discretionary grants R'000	Special projects R'000	SETA Projects R'000	Total discretionary R'000
			Mandatory skills planning grant R'000	Mandatory skills implementation grant R'000	Total R'000				
<i>Total revenue</i>	185,328	58,692	18,483	55,449	73,932	29,637	-	23,067	52,704
Skills development levy: income	55,010		-	-	-	-	-	-	-
Admin levy income (10%)	103,569	-	18,483	55,449	73,932	29,637	-	-	29,637
Grant levy income (70%)	1,402	-	-	-	-	-	-	1,402	1,402
Skills development levy: penalties and interest	-	-	-	-	-	-	-	-	-
National Skills Fund Income	21,665	-	-	-	-	-	-	21,665	21,665
Investment Income	3,682	3,682	-	-	-	-	-	-	-
Other income									
<i>Total expenses</i>	150,874	48,252	-	55,149	55,149	-	-	47,474	47,474
Administration expenses	48,252	48,252	-	-	-	-	-	-	-
National Skills Fund Expenses	-	-	-	-	-	-	-	-	-
Employer grants and project expenses	102,622	-	-	55,149	55,149	-	-	47,474	47,474
	35,453	10,440	18,483	300	18,783	29,637	-	(24,407)	5,230

Safety and Security Sector Education Training Authority
ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

2. SKILLS DEVELOPMENT LEVY INCOME

	2008/09	Restated
	R'000	2007/08
	R'000	R'000
The total levy income per the Statement of Financial Position is as follows:		
Levy income: Administration	55,010	45,900
Levies received	55,010	45,900
Levies received from SARS	14,529	12,602
Government levies received	40,206	33,295
Inter-SETA transfers in	275	43
Inter-SETA transfers out	-	(40)
	-	
Levy income: Employer Grants	73,932	63,224
Levies received	73,932	63,224
Levies received from SARS	72,659	63,211
Inter-SETA transfers in	1,274	215
Inter-SETA transfers out	(1)	(202)
	-	-
Levy income: Discretionary Grants	29,637	25,305
Levies received from SARS	29,637	25,305
Levies received	29,109	25,300
Inter-SETA transfers in	528	86
Inter-SETA transfers out	-	(81)
	-	-
	158,579	134,429

3. INVESTMENT INCOME

Interest received on bank deposits	21,665	15,812
	21,665	15,812

4. OTHER INCOME

Other income comprises:		
Revenue from supporting services rendered by SASSETA	3,682	3,537
	3,682	3,537

5. EMPLOYER GRANT AND PROJECT EXPENSES

		Restated
	2008/09	2007/08
	R'000	R'000
Mandatory grants	55,148	48,966
- Disbursed	55,148	48,966
Discretionary Grants	49	25
- Disbursed	49	25
Project Expenditure	47,425	46,289
- Disbursed	47,425	46,289
	102,622	95,280
5.1 Project expenditure consists of:		
Direct project costs	47,425	46,289
	47,425	46,289

6. ADMINISTRATION EXPENSES

	2008/09	Restated
	R'000	2007/08
	R'000	R'000
Depreciation	2,345	1,498
Amortisation	356	356
Loss on disposal of property, plant and equipment	57	26
Impairment losses on property, plant and equipment	-	-
Operating lease rental (minimum lease payments)	2,246	2,004
Buildings	2,246	2,004
Maintenance, repairs and running costs	3,631	2,371
Property and buildings	1,686	805
Machinery and equipment	1,900	1,510
Other	45	56
Advertising, marketing and promotions, communication	5,056	3,763
Entertainment expenses	145	263
Consultancy and service provider fees	1,383	1,204
Legal fees	185	477
Cost of employment	6.1 19,204	19,866
Travel and subsistence	3,268	2,157
Staff training and development	692	771
Remuneration to members of the accounting authority	218	289
Remuneration to members of the audit committee	110	90
External auditor's remuneration	492	421
Audit fee	492	421
Other	8,869	7,154
Other expenses	769	558
Telephone and Fax	799	576
Insurance	141	120
Meetings and Workshops	2,959	1,313
Interest Paid	252	241
Recruitment	101	409
Stationery and Printing	823	1024
Subscriptions and Publications	99	124
Secretarial Fees	620	296
Fire arm Expenses	743	1,026
Accommodation & Meals	1,132	1,060
Administrative Expense	431	407
	48,252	42,710

6.1 Cost of employment

	2008/09	Restated
	R'000	2007/08
		R'000
Salaries and wages	16,953	18,224
Basic salaries	14,252	16,977
Performance Bonuses	2,371	504
Other non-pensionable allowance	-	218
Leave payments	248	421
Overtime payments	82	104
Social contributions	2,251	1,642
Medical aid contributions	695	481
Pension contributions: defined contribution plans	1,470	1,076
UIF	86	85
	19,204	19,866
<i>Allocation of cost of employment</i>		
Administration expenses	6 19,204	19,866
	19,204	19,866
Average number of employees	76	75

7. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated depreciation/ impairment	Closing carrying amount
	R'000	R'000	R'000
For the year ended 31 March 2009			
Computer Server	1,824	(533)	1,291
Computer equipment	4,287	(3,163)	1,124
Office furniture and fittings	2,765	(1,401)	1,364
Office equipment	1,715	(1,303)	412
Motor vehicles	487	(165)	322
Balance for the year ended	11,078	(6,565)	4,513
Made up as follows:			
- Owned assets	9,363	(5,262)	4,101
- Lease assets	1,715	(1,303)	412

Restated
For the Period ended 31 March 2008

	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
Computer server	1,824	(169)	1,656
Computer equipment	4,185	(2,380)	1,805
Office furniture and fittings	2,234	(1,115)	1,119
Office equipment	1,253	(698)	555
Motor vehicles	487	(70)	417
Balance at end of period	9,983	(4,432)	5,552
Made up as follows:			
- Owned assets			
- Lease assets	8,730	(3,734)	4,997
	1,253	(698)	555

Movement summary March 2009

	Opening Carrying Amount 2008	Additions	Disposals	Depreciation/ Amortisation charge	Impairment Losses (recognised) / reversed	Accumulated Depreciation on disposals	Closing Carrying amount 2009
	R'000	R'000	R'000	R'000		R'000	R'000
Computer Server	1,656	-	-	(365)	-	-	1,291
Computer equipment	1,805	198	(95)	(859)	-	75	1,124
Office furniture and fittings	1,119	697	(169)	(422)	-	139	1,364
Office equipment	555	462	-	(605)	-	-	412
Motor vehicles	417	-	-	(95)	-	-	322
Balance for the year ended	5,552	1,357	(264)	(2,345)	-	214	4,513

Restated Movement summary March 2008

	Opening Balance 2007	Additions	Disposals	Depreciation/ Amortisation charge	Impairment Losses (recognised) / reversed	Accumulated Depreciation on disposals	Closing Carrying amount 2007
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer server	-	1,825	-	(169)	-	-	1,656
Computer equipment	1,939	441	(346)	(507)	-	278	1,805
Office furniture and fittings	1,158	311	(8)	(348)	-	6	1,119
Office equipment	699	252	-	(396)	-	-	555
Motor vehicles	58	487	(200)	(78)	-	150	417
Balance for the period ended	3,854	3,316	(554)	(1,498)	-	434	5,552

8. INTANGIBLE ASSETS

For the year ended 31 March 2009

Computer Software
Balance at end of period
Made up as follows:
- Owned assets

Historical Cost R'000	Accumulated amortisation/ impairment R'000	Closing carrying amount R'000
2,553	(1,754)	799
2,553	(1,754)	799
2,553	(1,754)	799

Restated

For the period ended 31 March 2008

Computer Software
Balance at end of period
Made up as follows:
- Owned assets

Cost R'000	Accumulated amortisation/ impairment R'000	Closing carrying amount R'000
2,553	(1,398)	1,155
2,553	(1,398)	1,155
2,553	(1,398)	1,155

**Movement
summary
March 2009**

Computer Software
**Balance for the
year ended**

Opening Carrying Balance 2008	Additions	Disposals	Amortisation charge	Accumulated amortisation on disposals	Closing Carrying amount 2006
R'000	R'000	R'000	R'000	R'000	R'000
1,155	-	-	(356)	-	799
1,155	-	-	(356)	-	799

**Restated
Movement
summary
March 2008**

Computer Software
**Balance for the
period ended**

Opening Balance 2006	Additions	Disposals	Amor- tisation charge	Accumu- lated am- ortisation on dispos- als	Closing Carrying amount 2005
R'000	R'000	R'000	R'000	R'000	R'000
1,511	-	-	(356)	-	1,155
1,511	-	-	(356)	-	1,155

9. TRADE AND OTHER RECEIVABLE

		Restated
	2008/09	2007/08
	R'000	R'000
Skills development levy debtors	35	205
Admin levy debtors	4	26
Employer grant levy debtors	22	128
Discretionary grant debtors	9	51
Employer receivables	9.1 473	419
Interest receivable	1,098	595
Staff debtors	45	-
	1,651	1,219

9.1 Employer receivable

<i>Employer Receivable</i>	-	-
Overpayment to employers	473	419
Net effect of SARS retrospective adjustments on affected employers	473	419

During the year, R473,000.00 was recognised as a receivable relating to the overpayment to the employer in earlier periods, and is based on the amount of such grant over payments.

10. INVENTORIES

Opening carrying amount	-	-
Amounts utilised	-	-
Inventories at year-end	331	-
	331	-

11. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	92,709	59,500
Cash at bank	92,708	59,496
Cash on hand (Petty cash)	1	4
Short term investment/instrument	127,543	114,587
Cash and cash equivalents as at year end	220,252	174,087

As required in Treasury Regulation 31.2, National Treasury approved financial institutions where the bank accounts are held. The weighted average interest rate on short term bank deposits was 6% (2008:5.5%).

12. FINANCE LEASE OBLIGATIONS

	2008/09	Restated
	R'000	2007/08
	R'000	R'000
Reconciliation between the total of the minimum lease payments and the present value		
Up to 1 Year		
Future minimum lease payments	506	601
Finance cost	(84)	(148)
Present value	422	453
1 to 5 Years		
Future minimum lease payments	40	244
Finance cost	(1)	(61)
Present value	39	183
Analysed for financial reporting purposes:		
Non-current finance lease liability (payable after a year)	39	183
Current finance lease liability (payable during next financial year)	422	453
Finance lease liability	461	636

13. TRADE AND OTHER PAYABLE

Skills Development Grants Payable – Mandatory	9,851	124
Exempt employers	3,669	3,021
Opening balance	3,021	2,426
Additions	648	595
Discretionary grant payables	5,254	6,418
Income received in advance	743	782
Sundry payable	1,343	1,157
Service provider fees outstanding	3,091	2,084
	23,951	13,586

14. NATIONAL SKILLS FUND : SPECIAL PROJECTS

Balance at 01 April 2008	-	9,930
Received during the year	-	6,950
Utilised and recognised as revenue	-	(16,880)
Closing balance	-	-

15. GOVERNMENT GRANTS AND DONOR FUNDING RECEIVED IN ADVANCE

Balance at 01 April 2008	200	-
Utilised during the year	(200)	200
Closing Balance	<u>-</u>	<u>200</u>

16. PROVISIONS

	Employee bonus provision	Court Settlement Provision	2008/09	Restated 2007/08
	R'000		R'000	R'000
Balance at 01 April 2008	1,278	218	1,496	775
Change in estimate	1,305	-	1,305	720
Amount utilised		(218)	(218)	-
Closing carrying amount	2,583	-	2,583	1,495
Current	2,583	-	2,583	1,495
Total	2,583	-	2,583	1,495

- Employee bonus is calculated for those employees who choose to have a 13th cheque and for performance bonus.
- Court settlement provision relates to an employee that won an award from the labour court to be re-employed. The R218k is the settlement amount that was agreed between SASSETA and the employee.

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

	2008/09	Restated
	R'000	2007/08
	R'000	R'000
Net deficit/ surplus as per Statement of Financial Performance	34,454	16,984
Adjusted for non-cash items:		
Depreciation	2,345	1,498
Amortisation	356	356
Loss on disposal of property, plant and equipment	57	26
Straight lining of lease payments	163	-
Impairment losses on property, plant and equipment	-	-
NSF grant received not recognised as revenue	-	(9,930)
Government grant received/used	200	-
Increase in provisions	1,088	502
Relating to employment	1,088	502
Relating to other	-	-
Adjusted for items separately disclosed		
Interest received	(21,665)	(15,812)
Special project income recognised	-	-
Interest paid	251	-
Adjusted for working capital changes :		
Increase/ Decrease in receivables	(432)	(422)
Increase/ Decrease in payables	9,822	2,579
Increase in inventory	(331)	-
<i>Cash utilised in operations</i>	26,308	(4,219)

18. CONTINGENCIES

The permission to retain surplus funds has been applied for and still awaiting for response from National Treasury.

- There is an employee who resigned and took SASSETA to the CCMA and the case is still pending. The total exposure to SASSETA is R820,000.
- There is also the pending CCMA case of the ex CEO. The total exposure to SASSETA is R120,000.

The possibility of an outflow of resources embodying economic benefits is remote in the above cases.

19. COMMITMENTS

Discretionary reserve

The projects will be funded from the Discretionary Reserve. Out of the balance of R196.4 million available in the Discretionary reserve at the end of March 2009, R97,3 million has been approved and allocated for future projects and skills priorities as set out below. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the Statement of Financial Performance, are also indicated. A request for the accumulation of these funds has been submitted to National Treasury. At the time of compiling the Annual Financial Statements, response had not been received.

	Opening balance 2007/008 R'000	Utilised - 2007/2008 R'000	Closing Balance - 2007/2008 R'000	Approved and contracted R'000	Approved but not yet contracted R'000	Total Commitments R'000	Utilised - 2008/2009 R'000	Total Commitments at 31 March 2009 R'000
ABET	-	-	-	10,448	-	10,448	(9 747)	701
Accreditation of Language Services	-	-	-	44	-	44	-	44
Accreditation of Providers	855	(228)	627	-	-	627	(10)	617
Air conditioning & Refrigeration	-	-	-	988	-	988	-	988
Ambulance – Defence	-	-	-	100	-	100	(26)	74
Ambulance Emergency Assistant Training	-	-	-	816	-	816	(596)	220
Apprenticeship	-	-	-	165	-	165	-	165
Artisan – SAPS	-	-	-	3,000	-	3,000	(54)	2 946
Assessor, Moderator & SDF Training	5 570	(3 384)	2 186	4 076	-	6 262	(5 992)	270
Assessor, moderator for Legal	1 185	-	1 185	651	600	2,436	-	2 436
Auxiliary Social Workers - Correction	-	-	-	1 989	-	1,989	(987)	1 002
Basic Accounting and commercial skills - Private Security	-	-	-	1 265	-	1,265	(236)	1 029
Bursary Schemes - Defence and Intelligence	-	-	-	720	-	720	(471)	249
Bursary Schemes – SAPS	400	(328)	72	-	-	72	(25)	47
Candidate Attorney NQF 7	1,736	(28)	1 708	-	-	1,708	(81)	1 627
Candidate Attorney NQF 7 Justice & Legal	2 800	-	2 800	-	-	2,800	-	2 800
Caring and Socialisation of service dogs - SAPS	-	-	-	399	-	399	(219)	180
Career Briefing	-	-	-	100	-	100	-	100
Close Protection Skills Programmes	-	-	-	1 500	-	1,500	-	1 500
Contact Centre	-	-	-	2 300	-	2,300	-	2 300
Court Interpretation Learnership	-	-	-	3 628	-	3,628	(1 434)	2 194
Court Services Management L/ Ship NQF 5	1,358	(846)	512	-	-	512	(64)	448
Crime Resolving NQF 5	388	-	388	1 100	-	1,488	(184)	1 304
Customise Existing EPM	175	-	175	-	-	175	-	175
Develop Learning Path for Defence	-	-	-	150	-	150	(148)	2

Commitments Approved and contracted

Development of Training Material	-	-	-	148	-	-	-	148	-	148	-	148
Develop Assessments - ETQA	1 185	(127)	1 058	-	-	-	-	1,058	(70)	-	-	988
Develop Curriculum & Learning material	1 155	-	1 155	-	-	-	-	1,155	-	-	-	1 155
Develop Moderation Systems	2 448	(133)	2 315	-	-	-	-	2,315	-	-	-	2 315
Document Archiving Management System	2 904	-	2 904	-	-	-	-	2,904	-	-	-	2 904
Domestic Violence Learnership - Justice	-	-	-	56	-	-	-	56	(56)	-	-	-
Electricity Security	-	-	-	2 700	-	-	-	2,700	-	-	-	2 700
Emerging Management	-	-	-	400	-	-	-	400	-	-	-	400
Establishment of ETDP Centers	-	-	-	200	-	-	-	200	-	-	-	200
Events Management - Private Security	-	-	-	240	-	-	-	240	(63)	-	-	177
Family Law Learnership	-	-	-	389	-	-	-	389	(203)	-	-	186
Forensic Science NQF 5	806	(483)	323	877	-	-	-	1,200	(248)	-	-	953
GSO Practices NQF 3 (National Roll Out)	13,044	(5 979)	7 065	-	-	-	-	7,065	(1 647)	-	-	5 418
GSO Practices NQF 3 (Pilot Programme)	1,249	(556)	693	-	-	-	-	693	-	-	-	693
GSO Skills Programme	-	-	-	3,600	-	-	-	3,600	(3 320)	-	-	280
Helicopter Pilots	3,209	(1 528)	1 681	1 000	-	-	-	2,681	(704)	-	-	1 977
HIV/AIDS Prevalence Study	2,000	(2 000)	-	-	-	-	-	-	-	-	-	-
HRM Learnership	1 500	(1 164)	336	1 413	-	-	-	1,749	(515)	-	-	1 234
Information Technology L/ship	200	(49)	151	2,310	-	-	-	2,461	(224)	-	-	2 237
Internship Programme - Legal	-	-	-	420	-	-	-	420	(316)	-	-	104
Internship Programme - NPA	-	-	-	1 115	-	-	-	1,115	(509)	-	-	606
Internship Programme - SAPS	800	(115)	685	-	-	-	-	685	-	-	-	685
Internship	-	-	-	1 080	-	-	-	1,080	-	-	-	1 080
ISOE Support - Defence	-	-	-	195	-	-	-	195	(195)	-	-	0
ISOE Support - SAPS	-	-	-	1 350	-	-	-	1,350	(175)	-	-	1 175
IT Learnership - SAPS & Justice	2 000	(1 965)	35	-	-	-	-	35	(27)	-	-	8
Judicial Skills	-	-	-	1 200	-	-	-	1,200	-	-	-	1 200
Learnership Development	-	-	-	200	-	-	-	200	(136)	-	-	64
Learnership Implementation / Placements	1,048	(1 048)	-	100	-	-	-	100	(42)	-	-	58
Legal Update Programme	-	-	-	800	-	-	-	800	(184)	-	-	616
Legal Drafting	-	-	-	420	-	-	-	420	-	-	-	420
Locksmiths (Framework and Learning material)	1 000	(275)	725	-	-	-	-	725	(18)	-	-	707

Management Development Programme	-	-	-	-	1 690	-	1 690	(342)	1 348
Mentor Training and Coaching	-	-	-	-	2 041	-	2 041	-	2 041
Middle Management Development - Justice	-	-	-	-	1 500	-	1 500	(360)	1 140
Military Veterans Project	17 613	(17 613)	-	-	-	-	-	-	-
Motor Mechanics	-	-	-	-	626	-	626	-	626
Nat Cert in Navigation	200	(150)	50	-	350	-	400	(200)	200
NGO: BLA	-	-	-	-	3 000	-	3 000	-	3 000
NGO/CBO: Street Law & NILPE Support	-	-	-	-	2 094	-	2 094	-	2 094
Nemeracy Training	-	-	-	-	560	-	560	-	560
New Venture Creation	-	-	-	-	6 090	-	6 090	(3 695)	2 395
OD-ETD NQF 4+5	850	(155)	695	-	-	-	695	-	695
OD-ETD Programmes	2 000	(1 588)	412	-	1 400	-	1 812	(962)	850
Paralegals NQF 5	221	(224)	(3)	-	203	-	200	-	200
Project Management	-	-	-	-	2,954	-	2,954	(2 018)	936
Public Administration Learnership	-	-	-	-	1,963	-	1,963	(1 767)	196
Public Service Internship	-	-	-	-	3,000	-	3,000	-	3 000
Report Writing - Intelligence	-	-	-	-	250	-	250	(206)	44
RPL Assessment	-	-	-	-	900	-	900	(547)	353
SA Arm Landward - Defence	-	-	-	-	800	-	800	(570)	230
SAAF Aviation Protection Training	-	-	-	-	1,000	-	1,000	(428)	573
SAAF Technical Training	-	-	-	-	210	-	210	-	210
SAAF Artisan RPL Programme	-	-	-	-	-	400	400	-	400
SAPS Skills Programme	621	(379)	242	-	-	-	242	(197)	45
Service Combat Support	200	-	200	-	-	-	200	-	200
SGB Facilitation	-	-	-	-	800	-	800	(590)	210
Sherriff's Introductory Course	-	-	-	-	500	-	500	(177)	323
Sherriff's Learnership NQF 5	3 940	(2 531)	1 409	-	-	2,800	4,209	(815)	3 394
Skills Audit GSO Learners	500	(117)	383	-	-	-	383	-	383
SMME	357	(28)	329	-	3,465	363	4,157	(894)	3 263
Special Skills Transfer - Legal	-	-	-	-	3,834	-	3,834	(1 029)	2 805
Specialised legal writing for the NPA - Justice	-	-	-	-	380	-	380	(192)	189
SSP Review	-	-	-	-	600	-	600	(530)	70
Strategic Intelligence Qualification	-	-	-	-	50	-	50	-	50
Structured Learning Programme	-	-	-	-	2,000	-	2,000	(1 952)	48

Supply Chain Management - Policing	-	-	-	400	-	400	(270)	130
Support staff Training	-	-	-	1,500	-	1,500	-	1 500
Title Matrix for SA Army	600	-	600	-	-	600	-	600
Trade Test Training - SAPS	-	-	-	3 000	-	3,000	(18)	2 982
Trademark Practice NQF7	1 000	(79)	921	-	-	921	-	921
Training 100 Policing: HRM (NQF4) Learnership	1 000	-	1 000	-	-	1,000	-	1 000
Trial Advocacy - Legal	-	-	-	560	-	560	(489)	71
Unit Standards Workshop	-	-	-	60	-	60	-	60
Verifiers	300	(231)	69	500	-	569	(252)	317
Workplace Experience	-	-	-	3 550	-	3 550	-	3 550
TOTAL	78,417	-43,331	35,086	105,482	4,163	144,731	-47,425	97,306

20. LEASES

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

	Operating Lease	Finance Lease	2008/09 R'000 Total	Restated 2007/08 R'000 Total
Not later than one year	2,245	422	2,667	2,557
Later than one year and not later than five years	2,620	46	2,666	4,613
	4,865	468	5,333	7,170

SASSETA has one operating lease and three finance leases in operation namely:

Operating Leases

- a) The first operating lease relates to Premises used for office accommodation. The lease agreement was entered into effective from 01 October 2005 and initially for a period of four years, expiring on 31 March 2009. Provision was made for an option to renew the lease for a further two periods on expiry. The annual rental of R1,667,453.28 escalates annually on 1 June with 8%. This lease was revised because we took up more additional space as from 01 February 2008. The revised lease period commenced from 01 February 2008 to 31 May 2011. The revised annual rental is R2,245,889.22 and it escalates by 8% annually.

Finance Leases

- a) The first finance lease relates to the PABX system. It was entered into on 1 August 2004. The contract is valid for a period of four years, expiring on 31 October 2009, escalating annually with 10%.
- b) The second finance lease is for Photocopiers.
- Canon Photocopier – it was entered into on 28 April 2006 and will be operational for three years, expiring on 27 April 2009, escalating annually with 15%.
 - ITEC Photocopier – it was entered into on 23 May 2006 and will be operating for three years, expiring on 22 May 2009 with no escalating fee.
 - ITEC Photocopier – it was entered into on 12 April 2007 and will be operating for three years, expiring on 11 April 2010 with no escalating fee.
 - ITEC Photocopier – it was entered into on 24 April 2008 and will be operating for two years, expiring on 23 April 2010 with no escalating fee.
- c) The third finance lease is for a Coffee Machine. It was entered into on 9 November 2006 and will be operational for two years expiring on 8 November 2008 with no escalation fee.

21. FINANCIAL INSTRUMENTS

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

Interest rate risk

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

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

Year ended 31 March 2009

	Floating rate		Non-interest bearing		TOTAL R'000
	Amount R'000	Effective interest rate	Amount R'000	Weighted Average period until maturity in years	
Assets					
Cash	220,252	6%			220,252
Trade and other receivable	36		1,615	10.5%	1,651
Total financial asset	220,288	6%	1,615	10.5%	221,903
Liabilities					
Trade and other payable	-		23,300		23,300
Total financial liabilities	-		23,300		23,300

Year ended 31 March 2008

Total financial asset	174,292	6%	1,615		175,907
Total financial liabilities	-	11%	23,300		23,300
	174,292		24,915		199,207

The Seta limits its counter-party exposure by only dealing with well established financial institutions approved by National Treasury. The Seta's exposure is continuously monitored by the Accounting Authority. Credit risk in respect of South African Revenue Services (SARS) is limited as it is a government entity of sound reputation.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The Seta's concentration's of credit risk is limited to the Safety and Security sector in which it operates. No events occurred in the Safety and Security industry during the financial period that may have an impact on the accounts receivable that has not been adequately provided for. The Seta is exposed to a limited concentration of credit risk, as significant amounts are owed by SARS. This concentration of risk is limited, as SARS is a government entity with a good reputation.

The ageing of other receivables from exchange transactions:

	2008/09		2007/08	
	Gross	Impairment	Gross	Impairment
0 – 30 days	1,098	-	595	-

The Seta managed to limit its Treasury counter-party exposure by only dealing with well established financial institutions approved by National Treasury through the approval of our investment policy in terms of Treasury Regulations. The Seta's exposure is continuously monitored by the Finance Committee.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The Seta does not any material exposure to any individual or counter-party. The Seta's concentration of credit risk is limited to the industry (Safety and Security and related industries) in which the Seta operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivables that has not been adequately provided for.

Liquidity risk

The Seta manages liquidity risk through proper management of working capital and capital expenditure.

2008/09

	Carrying Amount	6 months or less	6 - 12 months	More than 2 years
Trade and other payable from non-exchange transactions				
Skills development grants payable - mandatory	9,851	9,851	-	-
Exempt employers	3,669	3,669	-	-
Discretionary grant payable	5,254	5,254	-	-
Trade and other payable from exchange transactions				
Income received in advance	743	743	-	-
Leave accruals	651	651	-	-
Sundry payables	692	692	-	-
Service provider fees outstanding	3,091	3,091	-	-

2007/08

	Carrying Amount	6 months or less	6 - 12 months	More than 2 years
Trade and other payable from non-exchange transactions				
Skills development grants payable - mandatory	124	124	-	-
Exempt Employers	3,021	3,021	-	-
Discretionary grant payable	6,418	6,418	-	-
Trade and other payable from exchange transactions				
Income received in advance	629	629	-	-
Leave accruals	671	671	-	-
Sundry payables	528	528	-	-
Service provider fees outstanding	2,195	2,195	-	-

Credit risk

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

SASSETA manages its investment with institutions that have a grade rating and it is in line with its investment policy.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counter-party.

Liquidity risk

The SETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows. Adequate reserves and liquid resources are also maintained.

Market risk

The SETA is exposed to fluctuations in the employment market for example sudden increases in unemployment and changes in the wage rates.

Fair values

The 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 its fair value.

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

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

Trade and other receivable

The carrying amount of accounts receivable, net of allowance for bad debt, approximates fair value due to the relatively short-term maturity of these financial assets.

Trade and other payable

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

22. CORRECTION OF PRIOR PERIOD ERROR

- Correction of Discretionary Project Expenditure in respect of 2007/08 – this correction was necessary due to the fact the Discretionary Project Expenditure relating to 2007/08 financial year paid in the following financial year was not accrued for in the 2007/08 financial year. The comparative amounts have been appropriately restated.
- The Fire-arm income received over the last 2 months of 2006/07 financial year was incorrectly reported in the 2006/07 financial year instead of the 2007/08 financial year.
- The useful lives of assets was adjusted retrospectively instead of adjusting the current and future years.

The effect of the adjustments on the 2007/08 results are as follows:

	2007/08
	R'000
Effect on Unappropriated Surplus	
Decrease in Discretionary reserves as at 01 April 2007	(670)
Increase in Discretionary reserves as at 01 April 2007	907
Increase in Discretionary reserves as at 01 April 2007	<u>237</u>
Decrease in Skills Development levy	(595)
Decrease in other income	(111)
Increase in Employer grant and project expenses	(2,952)
Decrease in Administration expenses	64
Decrease in net surplus for the year	<u>(3,594)</u>
Increase in Trade and other Payable – Non-exchange	(3,547)
Increase in Trade and other Payable - Exchange	(160)
Increase in Property Plant and Equipment	113
Decrease in discretionary reserves	<u>(3,594)</u>

23. RELATED PARTY TRANSACTIONS

Transactions with other SETA's

Inter-SETA transactions and balances arise due to the movement of employers from one SETA to another. No other transactions occurred during the period with related parties.

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

Related party	Nature of relationship	2008/09		2007/08	
		Transfers in during the period R'000	Total Amount R'000	Transfers in during the period R'000	Total Amount R'000
TRANSFER IN		2,251	2,251	140	140
DoL	Parent	-	-	-	-
AGRI SETA	Reporting to same department (DoL)	1	1	-	-
SERVICES SETA	Reporting to same department (DoL)	1,825	1,825	1	1
FASSET	Reporting to same department (DoL)	220	220	22	22
CETA	Reporting to same department (DoL)	19	19	1	1
W&R SETA	Reporting to same department (DoL)	154	154	116	116
MERSETA	Reporting to same department (DoL)	24	24	-	-
BANK SETA	Reporting to same department (DoL)	8	8	-	-
TRANSFER OUT		(2)	(2)	(323)	(323)
INSETA	Reporting to same department (DoL)	(2)	(2)	-	-
SERVICES SETA	Reporting to same department (DoL)	-	-	(254)	(254)
FASSET	Reporting to same department (DoL)	-	-	(69)	(69)
TOTAL		2,249	2,249	(183)	(183)

Transactions with other related parties

During the year members of the accounting authority and employees were required to disclose their interest in any contracts that the SETA is entering into with an outside party. As a result the SETA entered into the following transactions with related parties:

Related party	Nature of relationship	Transaction Type	2008/09		Restated 2007/08	
			Amount of the transaction R'000	Amount receivable/ (payable) R'000	Amount of the transaction R'000	Amount receivable/ (payable) R'000
TRANSFER IN						
National Skills Fund	Department of Labour	Projects	-	-	6,950	-
Department of Justice	National Department	Levy Income	6,858	-	3,972	-
Department of Correctional Services	National Department	Levy Income	3,947	-	3,474	-
South African Police Services	National Department	Levy Income	17,896	-	15,886	-
National Intelligence Services	National Department	Levy Income	671	-	518	-
Department of Defence	National Department	Levy Income	8,800	-	7,729	-
Legal Aid Board	National Department	Levy Income	560	-	365	-
National Prosecuting Authority	National Department	Levy Income	1,073	-	976	-
Armscar	National Department	Levy Income	-	-	39	-
Independent Complaints Directorate	National Department	Levy Income	56	-	48	-
National Communication Centre	National Department	Levy Income	17	-	66	-
South African Secret Service	National Department	Levy Income	165	-	222	-
Gauteng – Department of Community Safety	National Department	Levy Income	162	-	-	-
			40,205		40,245	
TRANSFER OUT						
National Skills Fund	Department of Labour	Discretionary Grant	-	-	(16,880)	-
South African Police Services	National Department	Discretionary Grant	-	-	(15,886)	-
Telkom	Public Entity	Telephone expense	(580)	-	(55)	-
South African Airways	Public Entity	Air Travel	(1,806)	-	(2,118)	-
Mr Baloyi Z.	Chief Executive Officer	Remuneration	(836)	-	(264)	-
Mr Ngoasheng S.	Senior Manager – Programmes	Remuneration	(776)	-	(635)	-
Mr Mboniswa L.	Chief Financial Officer	Remuneration	(705)	-	(129)	-
Mr Amod M.	Senior Manager – Skills Admin	Remuneration	(153)	-	(438)	-
Ms Penxa V.	Chief Executive Officer	Remuneration	-	-	(112)	-
Ms Shuping P.	Caretaker Chief Executive Officer	Remuneration	-	-	(224)	-
Mr Mabuya T.	Chief Financial Officer	Remuneration	-	-	(332)	-
Mr Louw O.	Senior Manager – Skills Admin	Remuneration	-	-	(224)	-
Old Mutual and Orion	Provident fund	Provident Fund	(1,470)	-	(1,076)	-
TOTAL			(6,326)		(38,373)	

25. NEW ACCOUNTING PRONOUNCEMENTS

Various revisions have been made to the statements of GAAP which become effective in future years. None of these revisions will have an impact on the financial statements of the SETA.

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

	Effective date, commencing on or after
GRAP 9 Revenue from Exchange Transactions	1-Apr-09
GRAP 12 Inventories	1-Apr-09
GRAP 13 Leases	1-Apr-09
GRAP 17 Property, plant and equipment	1-Apr-09
GRAP 102 Intangible Assets	1-Apr-09
GRAP 24 Presentation of budget information in Financial Statements	Not yet effective

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

GRAP 9

GRAP 9 - Revenue from Exchange Transactions. The Standard provides additional South African public sector specific examples of revenue transactions however it does not significantly differ from IAS 29 (AC 111) - Revenue.

GRAP 12

GRAP 12 - Inventories. The Standard provides additional guidance on the recognition and the initial measurement of inventories including recognising inventories acquired at no cost, or for nominal consideration, at fair value as at the date of acquisition.

GRAP 13

GRAP 13 - Leases. The Standard clarifies that the leases standard should still be applied even where legislation may prohibit and entity from entering into certain types of lease agreements. It further adds an additional requirement to disclose the depreciation.

GRAP 17

GRAP 17 - Property, plant and equipment. On initial application the Standard requires that assets which were acquired at no cost, or for a nominal cost, is accounted for at its fair value as at the date of acquisition.

GRAP 102

GRAP 102 - Intangible Assets. This standard is drawn primarily from the International Accounting Standard on Intangible Assets (IAS 38). The Standard does provide additional public sector specific examples it also expands the identifiability criterion.

26. GOING CONCERN

Significant reliance was placed on voluntarily contributed government levies which in the absence thereof, will compromise normal day to day running expense and would exceed the legal limit. The government departments have however committed themselves to contribute in the future via service level agreement with SASSETA.

GLOSSARY OF TERMS AND ABBREVIATIONS

ABET	Adult basic Education & Training
AFS	Annual Financial Statements
AG	Auditor General
ASGISA	Accelerated Shared Growth Initiative for South Africa
BANK SETA	Bank Sector Education and Training Authority
CETA	Construction Education and Training Authority
DCS	Department of Correctional Services
DoL	Department of Labour
ESSA	Employment Services South Africa
ETQA	Education & Training Quality Assurance
FASSET	Financial and Accounting Services
FOODBEV	Food and Beverages Education and Training Authority
GAAP	Generally Accepted Accounting Practices
GRAP	Generally Recognised Accounting Practices
GSO	General Security Officer
H&W	Health and Welfare Education and Training Authority
HSRC	Human Science Research Council
ISETT SETA	Information Systems, Electronics and Telecommunication Technologies Sector Education and Training Authority
ISOE	Institute of Sectoral or Occupational Excellence
JIPSA	Joint Implementation Plan for Skills Acquisition
NKP	National Key Point
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NPA	National Prosecution Authority
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PSIRA	Private Security Industry Regulatory Authority
SABC	South African Broadcasting Corporation
SASSETA	Safety and Security Sector Education & Training Authority
SAPS	South African Police Service
SARS	South African Revenue Services
SAQA	South African Qualifications Authority
SDA	Skills Development Act, 1998, (Act No. 7 of 1998)
SERVICES SETA	Services Sector Education & Training Authority
SDLA	Skills Development Levies Act, 1999 (Act No. 9 of 1999)
SETA	Sector Education & Training Authority
SSP	Sector Skills Plan
UIF	Unemployment Insurance Fund
W&R SETA	Wholesale and Retail Sector Education & Training Authority

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Do you know of any foul play at SASSETA?
Give us whistle (no one will know)

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