



The foremost SETA producing an extraordinarily,
skilled and capable local government sector.

PRESENTATION TO

PARLIAMENTARY PORTFOLIO COMMITTEE ON

HIGHER EDUCATION AND TRAINING

05 NOVEMBER 2014

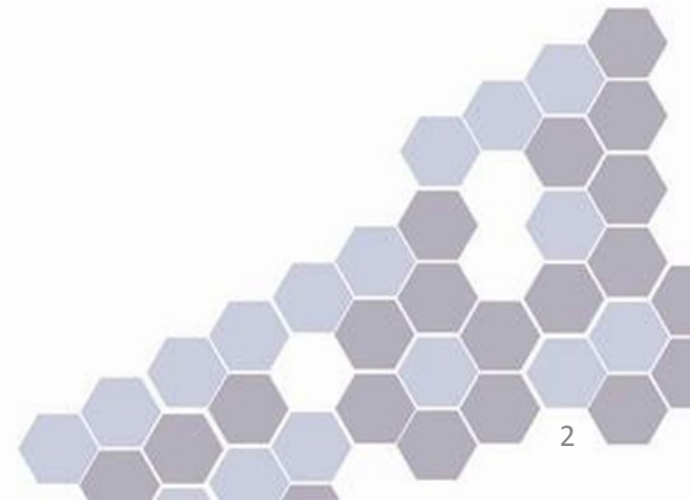




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PRESENTATION OUTLINE

- **BACKGROUND**
- **STRATEGIC OVERVIEW**
- **STAKEHOLDER ENGAGEMENT**
- **2013/2014 FY FINANCIAL PERFORMANCE**
- **2013/14 FY NON-FINANCIAL PERFORMANCE**
 - **SECTOR SKILLS PLANNING**
 - **EDUCATION, TRAINING AND QUALITY ASSURANCE**
 - **LEARNING PROGRAMMES**
 - **PROJECT MANAGEMENT UNIT**
 - **HUMAN RESOURCES**
 - **INFORMATION COMMUNICATION AND TECHNOLOGIES**
- **CONCLUSION**



BACKGROUND



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SCOPE OF COVERAGE

SIC Code	Main activity
50493	Any utility or agency, wholly or partially owned by a municipality providing local government services under contractors or a municipality
91201	Category A municipalities: Defined as in the Constitution as a “municipality that has exclusive municipal executive and legislative authority in its area.”
91202	Category B municipalities: Defined as in the Constitution as a “municipality that shares municipal executive and legislative authority in its area with a Category (C) municipality within whose area it falls.”
91203	Category C municipalities: Defined as in the Constitution as a “municipality that has municipal executive and legislative authority in an area that includes more than one municipality.”
91204	Organised local government: a statutory or regulatory body assigned the function as per constitution of RSA, to deal with matters at an executive level within local government
91300	Local authority activities
91304	Municipal planning
91306	Billboards and the display of advertisements in public places
9130F	Land use planning
93304	Social work in local governments
94001	Refuse and sanitation
94002	Health and community services
94005	Other community work in local governments
96001	Recreational, cultural and sporting activities by local governments
96331	Parks and gardens
96414	Local sports facilities

STRATEGIC OVERVIEW



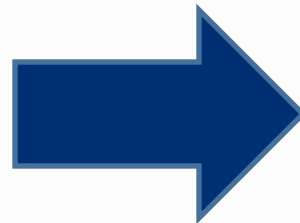
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STRATEGIC OVERVIEW

- The Local Government, Water and Related Services SETA was established in terms of the Skills Development Act (1998);
- In terms of the provisions of the Act, the SETA was first established in 2000 and was recertified by the Minister of Labour in March 2005, with a reduced scope of coverage that excluded the Water Sector;
- It was at this stage renamed, The Local Government Sector Education & Training Authority (LGSETA);
- In 2011 responsibility for all SETAs was moved from the Department of Labour to the newly established Department of Higher Education and Training;
- The LGSETA was recertified by the Minister for the National Skills Development Strategy III period (2011-2016);
- The LGSETA has aligned its contributions to the implementation of National Skills Development Strategy III (NSDS III) primarily to support the achievement of OUTCOME 9 of the Cabinet Programme of Action, which aims to improve the effectiveness and efficiency of skills development system within the local government sector.
- The strategic outcome of the SETA will therefore produce a skilled and capable local government workforce.

Vision

- To be the foremost SETA producing an extraordinarily skilled and capable local government sector



Mission

- To promote and co-ordinate skills development initiatives and strategic sectoral training interventions;
- To enhance efficiency and effectiveness of the local government sector through:
 - ✓ Conducting sectoral skills planning and research;
 - ✓ Developing and implementing quality learning programmes and relevant occupational qualifications;
 - ✓ Monitoring and evaluating training initiative performance;
 - ✓ Communicating and marketing skills development and career advancement opportunities; and
 - ✓ Approving and disbursing skills development grants.⁶



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VALUES



- We embrace the principle of humanness as ingrained in our African culture and the eight service delivery principles of “Batho-Pele”.
- We commit ourselves to be clear in the pursuit of our mandate and ensure that all our activities, strategies, policies and decisions are communicated to our stakeholders.
- We commit ourselves to the efficient use of LGSETA resources to ensure sustainable skills development in the local government system.
- We commit to impartiality, fairness, competence and shall exercise diligence in the execution of our duties.
- We are committed to preserving the good image of the LGSETA by upholding good ethical standards through avoiding conflicts of interest in what we do; safeguarding LGSETA assets, delivering value for money, and avoiding self-enrichment.



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STRATEGIC FOCUS AREAS

Strategic Priority Area	Skills Area	LGSETA Support Intervention
Infrastructure and Service Delivery	<ul style="list-style-type: none"> ▪ Infrastructure Asset Maintenance ▪ Labour Intensive Construction (EPWP) ▪ Electricity Reticulation ▪ Water Services ▪ Roads 	<ul style="list-style-type: none"> ▪ RPL ▪ Learnership ▪ Skills Programme ▪ Internship ▪ Bursary ▪ Apprenticeship
Financial Viability	<ul style="list-style-type: none"> ▪ Property Valuation ▪ Audit & Procurement ▪ Municipal Finance ▪ Accounting Technicians 	<ul style="list-style-type: none"> ▪ RPL ▪ Learnership ▪ Skills Programme ▪ Internship ▪ Bursary
Community-based Participation & Planning	<ul style="list-style-type: none"> ▪ Ward Committees ▪ Planning (including urban planning & social housing) ▪ IDPs ▪ LED 	<ul style="list-style-type: none"> ▪ RPL ▪ Learnership ▪ Skills Programme ▪ Internship
Management & Leadership	<ul style="list-style-type: none"> ▪ Section 57 Professional Development ▪ Councillors ▪ Municipal Leadership Development 	<ul style="list-style-type: none"> ▪ RPL ▪ Learnership ▪ Skills Programme ▪ Bursary
AET and Foundational Learning	<ul style="list-style-type: none"> ▪ Any person in an occupational area requiring the intervention 	<ul style="list-style-type: none"> ▪ Structured Learning
Workplace Committee Training	<ul style="list-style-type: none"> ▪ LLF Training ▪ ODETDP ▪ LLF Training 	<ul style="list-style-type: none"> ▪ Learnerships ▪ Skills Programme

**CONTEXT FOR THE 2013/2014 FY
FINANCIAL AND NON FINANCIAL
PERFORMANCE**



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STAKEHOLDER ENGAGEMENTS

- Increase its visibility in the Provinces through the establishment of offices in each Province and in addition, offices in each district;
- Lobby SALGA and COGTA that Work Skills Plans (WSPs) be an integral part of the IDP and that the SDF participates in the IDP processes to ensure that broader community skills development needs are addressed;
- Strengthen relationships with the client it services (Metros, Local and District Municipalities); LGSETA should also intensify strategic partnerships with other stakeholders and role players such as traditional leadership institutions, other SETAs, government departments, MISA, etc
- Ensure the availability of information on learning programmes and marketing material at all structures of government as well as providing career guides;
- Support capacity building of municipal officials to strengthen LED/IDP Units for the effective implementation of the rural development strategy;





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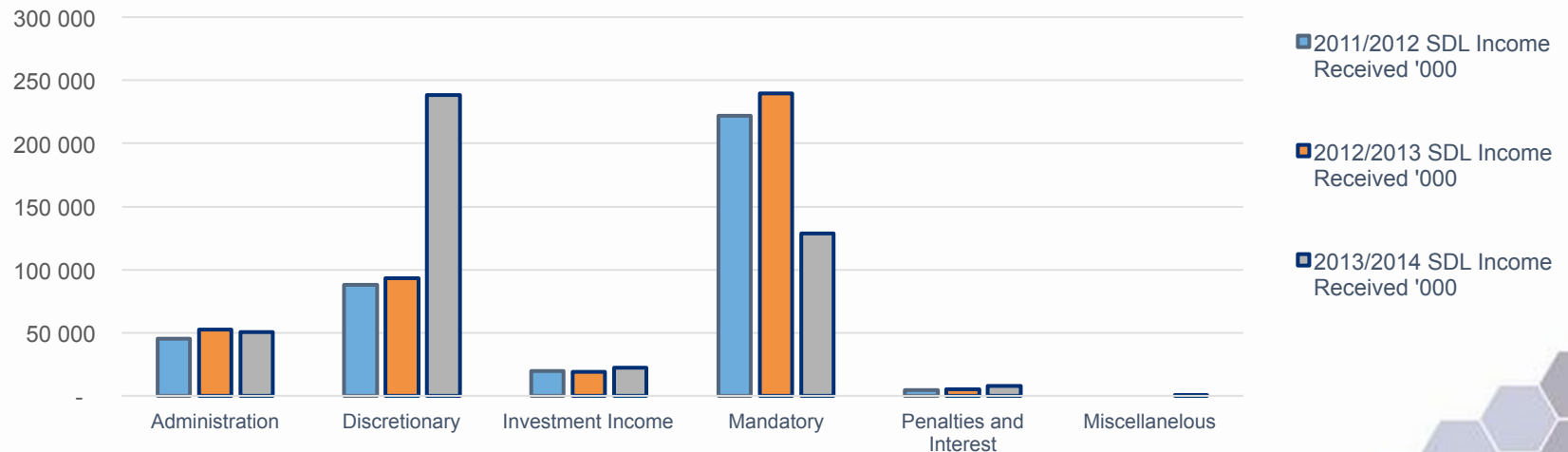
STAKEHOLDER ENGAGEMENTS CONT...

- Eliminate delays in approving funding and prioritize funding rural development projects;
- Increase funding for learnerships;
- Review the turnaround times with respect to municipalities preparing to implement projects – with a suggestion to move from 90 days to 120 days;
- Ensure open lines of communication regarding DG applications as well as provide explanations for why application was not successful;
- Review the scarce and critical skills list as it is too long and broad;
- Automate the WSP submission process;
- Develop an appropriate monitoring system that will support the monitoring and reporting of project implementation;
- Establish a PMU to support municipalities with project implementation;
- Support induction workshops for training committees in municipalities; and
- Ensure funded interventions facilitate access to further qualifications (articulation)

2013/2014 FY FINANCIAL PERFORMANCE

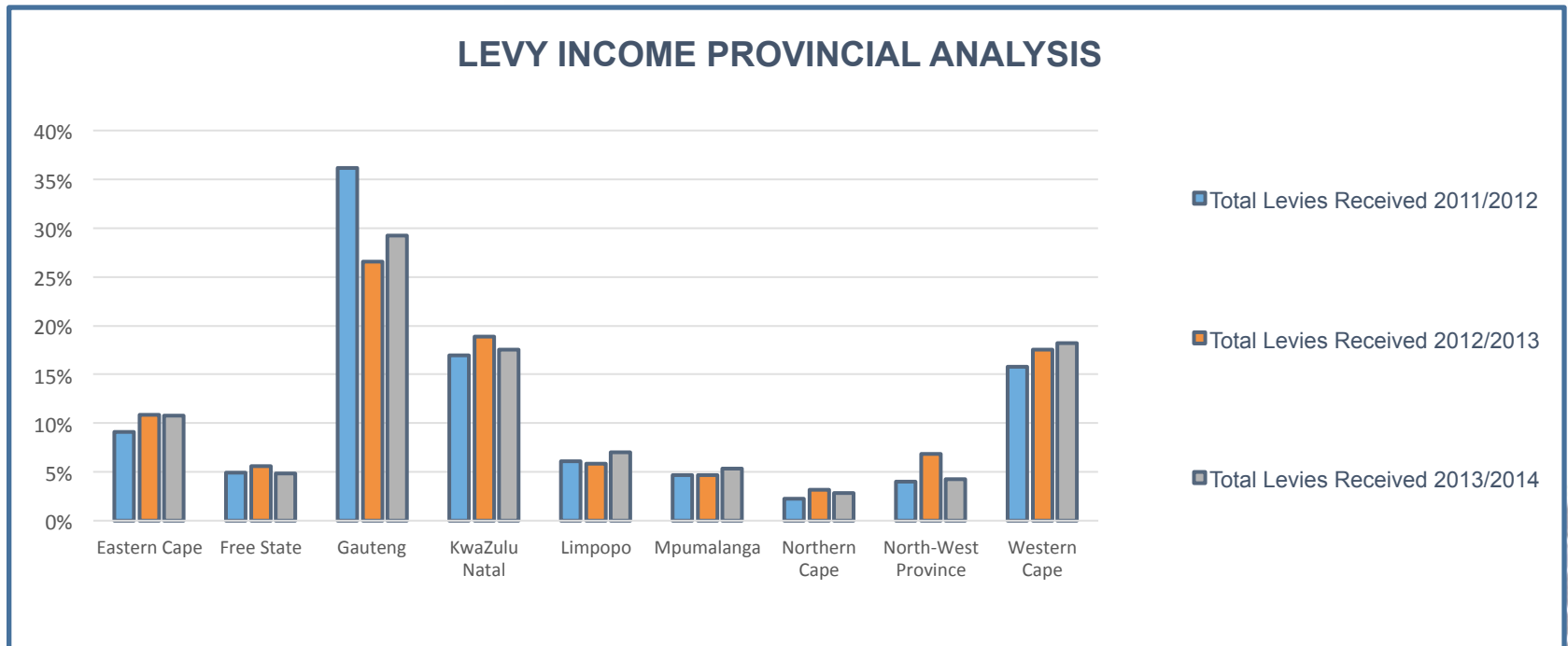
FINANCIAL PERFORMANCE OVERVIEW

INCOME: SUCCESSIVE YEAR ANALYSIS (R'000)



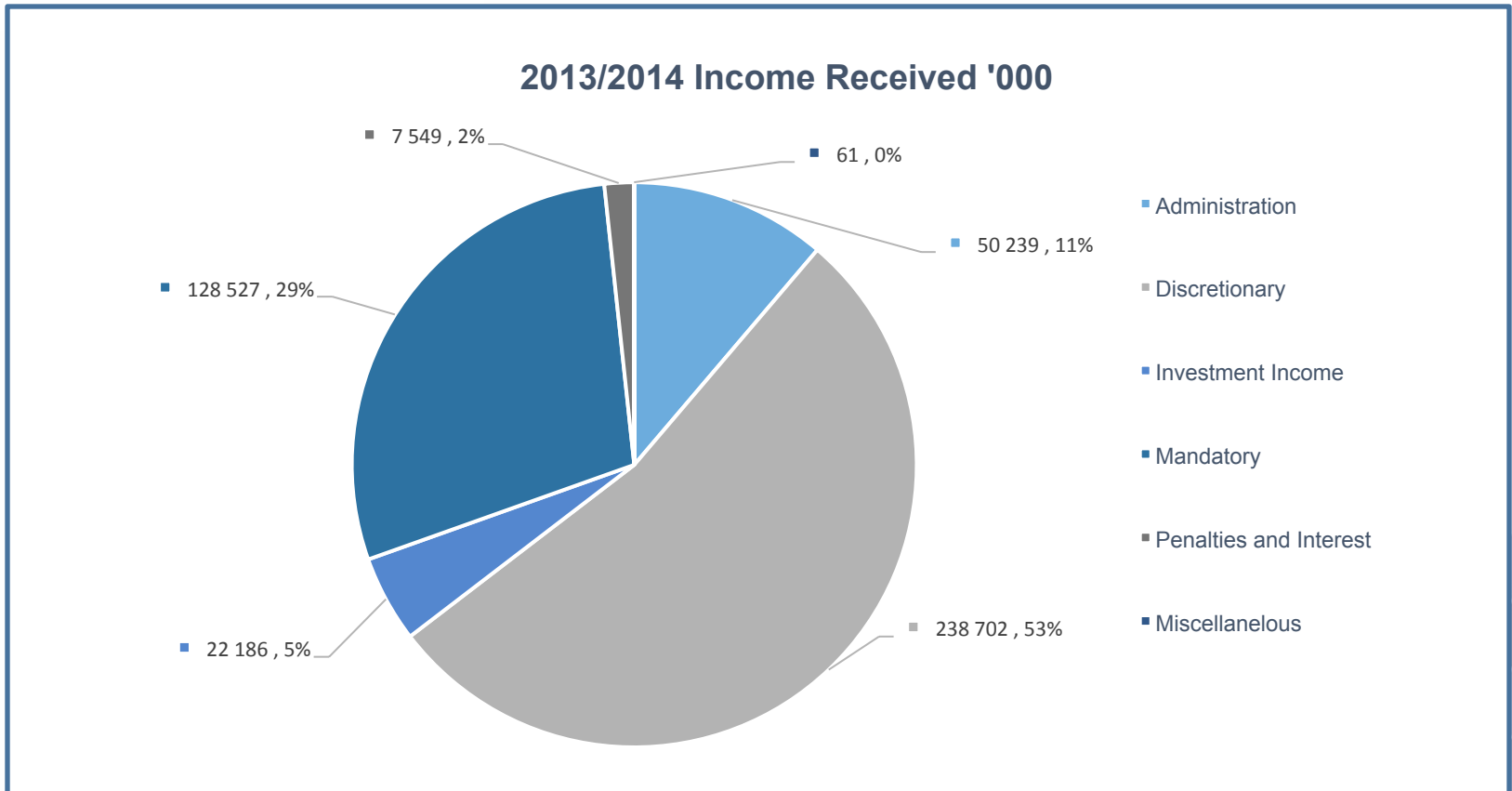
Levy income generated continues to rise with the increase in employment statistics of employers. Investment income however, reported a steady increase in comparison to 2012/2013 financial year. The movement of income from Mandatory Grants to Discretionary Grants is due to the change in legislation reducing the Mandatory Grant portion from 50% to 20% and increasing the discretionary grant portion from 20% to 49.5%.

LEVY INCOME PROVINCIAL ANALYSIS



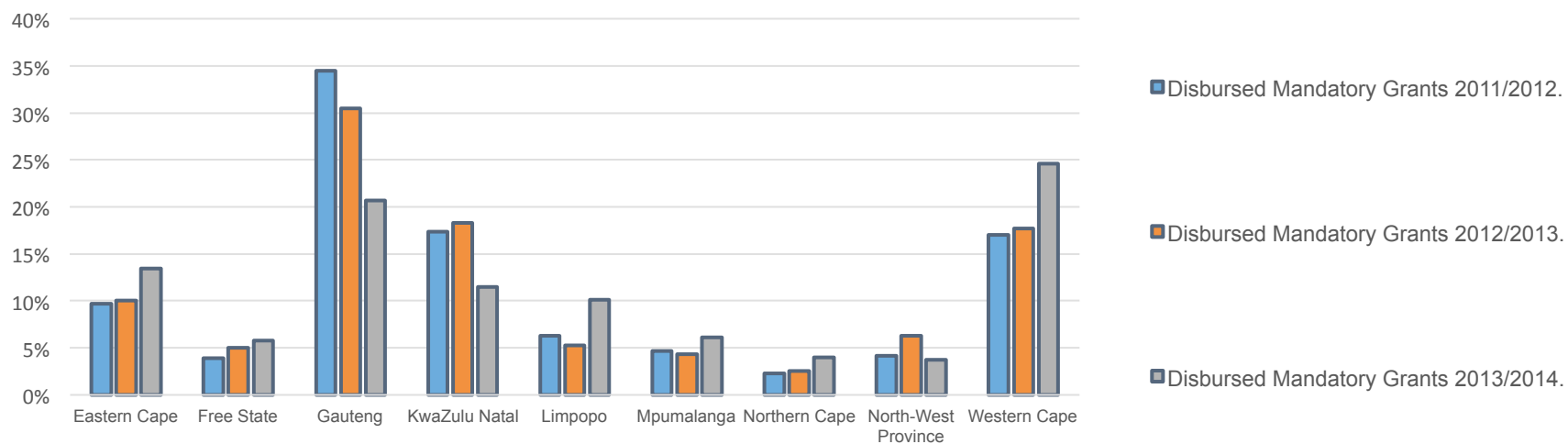
Gauteng, reported highest participation followed closely by Kwa-Zulu Natal, and the Western Cape.

DISTRIBUTION OF LEVY INCOME 2013/2014 FY



MANDATORY GRANTS DISTRIBUTED: PROVINCIAL ANALYSIS

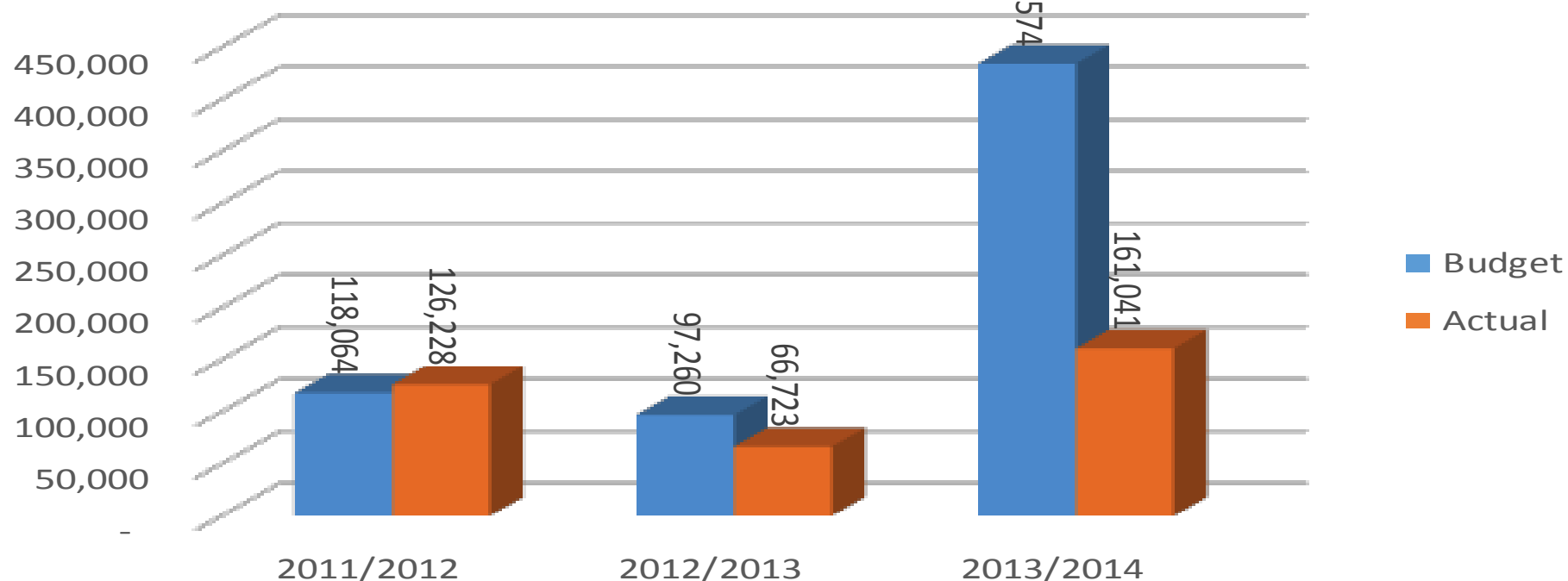
MANDATORY GRANTS DISBURSED: PROVINCIAL ANALYSIS



Numbers still remained high with Gauteng, Western Cape KwaZulu-Natal, and Eastern Cape reporting the highest statistics

DISCRETIONARY GRANTS

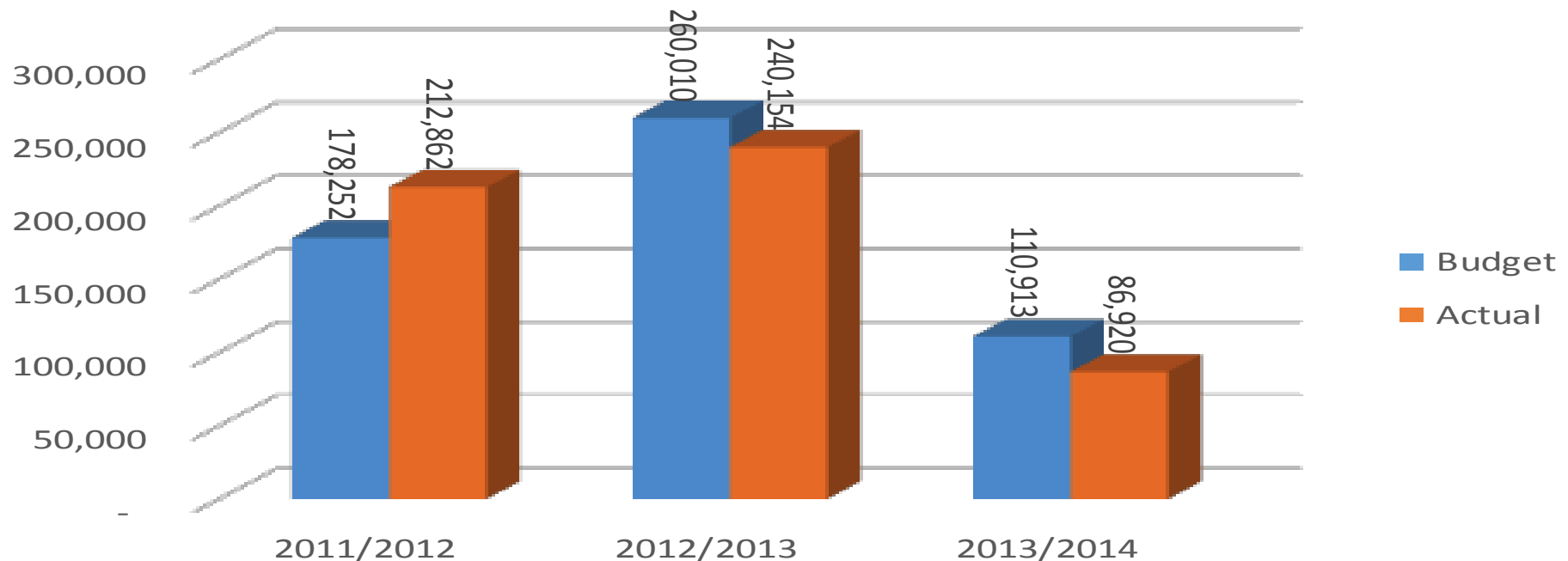
DISCRETIONARY GRANTS (R'000)



Discretionary Grant projects were at a minimum in 2012/2013. Many projects that were intended for engagement did not materialise as SCM processes were not completed in time. Although volumes picked up in 2013/2014 Budget was still not achieved. However R297 million was committed.

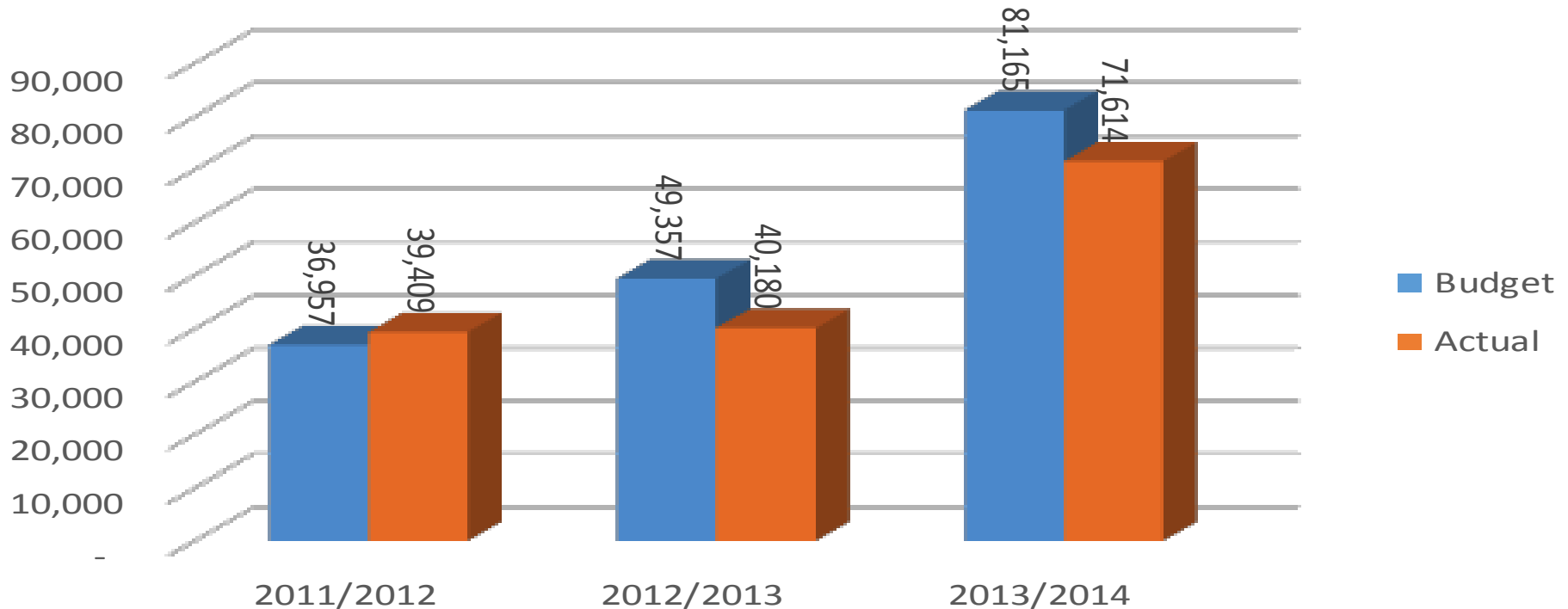
MANDATORY GRANTS

MANDATORY GRANTS (R'000)



Mandatory Grant disbursement under performed to budget by R24 million in 2013/2014 and by R19.9 million in 2012/2013 in comparison to 2011/2012 where disbursements exceeded budget. The 2013/2014 figures have reduced due to a change in legislation

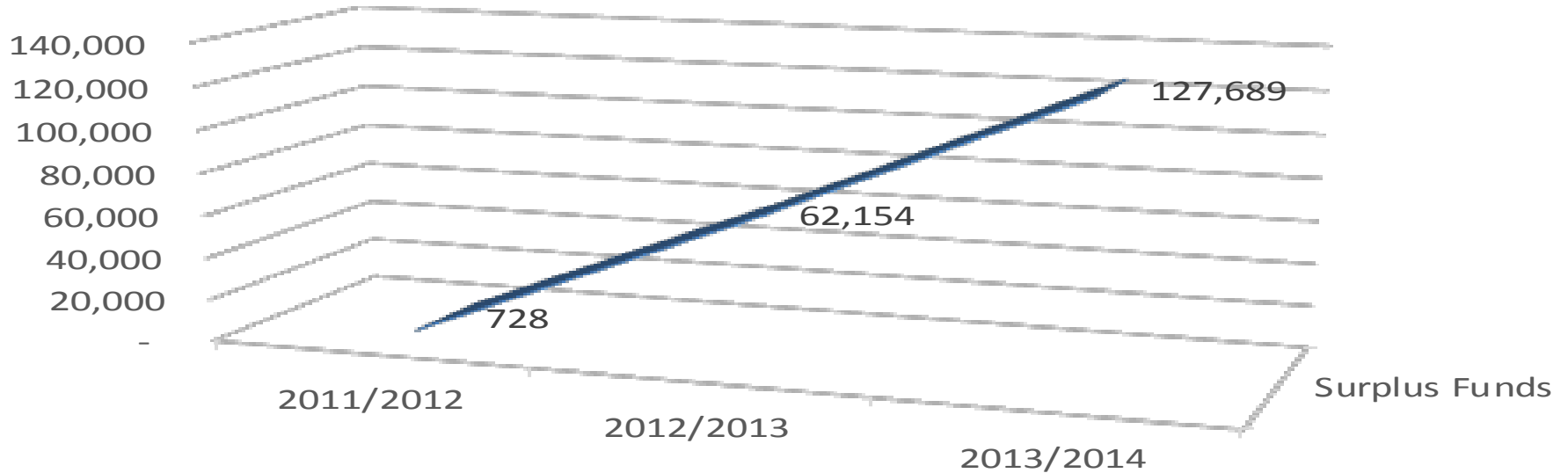
ADMINISTRATION (R'000)



The Administration Programme exceeded the budget for 2011/2012 by R3 million, whilst a saving of R9 million was reported in 2012/2013, and a saving of R9.6 million reported in 2013/2014

SURPLUS FUNDS

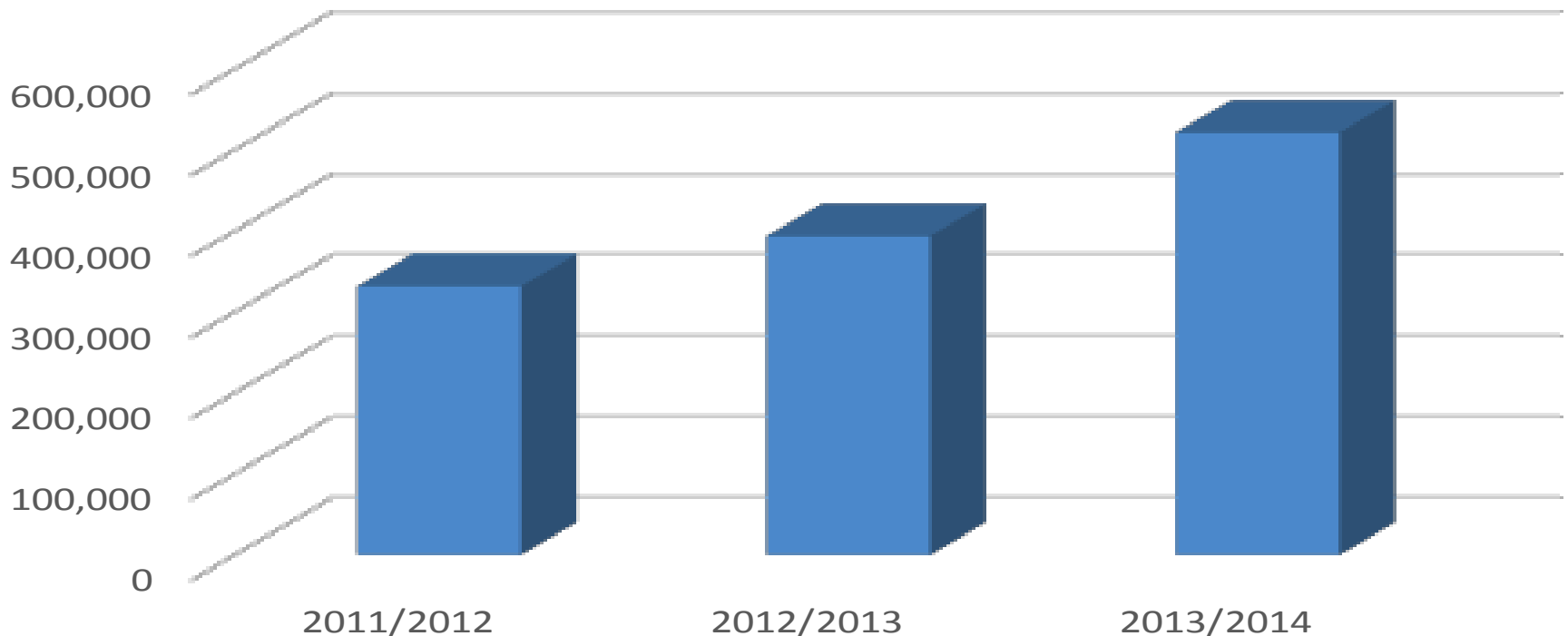
Surplus Funds (R'000)



For the past three years the SETA realised surplus funds which were swept to the discretionary fund reserve

ACCUMULATED RESERVES

Accumulated Reserves (R'000)



Accumulated reserves have grown steadily over the past three years.



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AUDITOR GENERAL REPORT

In the 2013/ 2014 financial year, LGSETA received a qualified audit opinion.
The basis of opinion was:

FINDINGS	INTERVENTION
<p>The Auditor-General (AG) found that the LGSETA did not maintain complete and adequate records and reconciliations for Discretionary Grant Reserve Commitment</p>	<ol style="list-style-type: none"> Over the past few years, the LGSETA has experienced challenges with respect to the commitment schedule for a number of reasons, such as open ended contracts, and overspending on contracts in prior years. To deal with these problems the LGSETA has secured the services of consultants who are experts in the field Also, system enhancements and system delegations which will do away with manual processes, are currently underway to automate the discretionary grants process. This will ensure this item is not repeated in the current and following years
<p>The Auditor-General determined that Irregular Expenditure had been entered into during the financial year</p>	<ol style="list-style-type: none"> Key policies and procedures have been adopted including the SCM policy, and all transactions of the SETA will be in line with these policies
<p>Management did not appropriately address identified internal control deficiencies reported in the prior year</p>	<ol style="list-style-type: none"> Management has compiled a audit action plan specifically addressing the audit findings identified in 2013/2014.

EMPHASIS OF MATTERS

Other matters of emphasis were

- Restatement of figures in the annual financial statements
- An error was discovered in the prior year figures which necessitated the restatement of figures

Report on other Legal & Regulatory Requirements

- Predetermined performance objectives were not in line with Framework for Managing Programme Performance Information (FMPPPI) and were found to be inconsistent, not specific, not verifiable, not well defined and unreliable
- The LGSETA has submitted a request to the Minister to refine its strategic objectives
- Internal Audit have reviewed the performance information to ensure that it is in line with the requirements of the FMPPPI



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INTERNAL CONTROLS

Leadership

- Internal controls were not implemented effectively throughout the year; and
- Management also did not ensure full implementation of an action plan to address audit findings

Financial & Performance Management

- Improvements in financial and performance management were not fully realised;
- The review and monitoring controls were not effective in preventing and detecting misstatements in the financial information and performance information; and
- Internal control processes have been reviewed and improved to comply with the requirements of the finding. System enhancement are being prioritised to ensure minimisation of misstatements as a result of internal control deficiencies.



2013/2014 FY
NON-FINANCIAL PERFORMANCE

SECTOR SKILLS PLANNING (SSP)

#	NSDS 111 2011 - 2016 Objectives	SETA Plan for 2013 – 2014 Strategic Objectives	Annual indicators & targets 2013 - 2014	Achievements	Variance & comments
1.	4.1 Establishing a credible institutional mechanism for skills planning	<ul style="list-style-type: none"> Improve the local government sector's capacity to identify the skills needs of the sector; and to plan, manage and report on appropriate responses to those needs. 	<ul style="list-style-type: none"> Improvement in WSPs 36 forums (SDF) 	<ul style="list-style-type: none"> 32 SDF Forums 	<ul style="list-style-type: none"> Due to Provincial capacity during the course of the year, this target could not be achieved.
2.	4.1 Establishing a credible institutional mechanism for skills planning	<ul style="list-style-type: none"> Directing skills planning, implementation and management towards the strategic priorities of the sector at all levels of the system 	<ul style="list-style-type: none"> Sector agreements 1 SALGBC 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> The Agreement was not finalised. A Commitment letter was issued in response to application from SALGBC Funding Agreement to be finalised during 2014/15 financial year

SECTOR SKILLS PLANNING CONT....

#	NSDS 111 2011 - 2016 Objectives	SETA Plan for 2013 – 2014 Strategic Objectives	Annual indicators & targets 2013 - 2014	Achievements	Variance & comments
3	4.1 Establishing a credible institutional mechanism for skills planning	<ul style="list-style-type: none"> Improve the credibility and coherence of the skills planning system for local government through strengthening sectoral and inter-sectoral partnerships for skills development research and planning 	<ul style="list-style-type: none"> SSP research 5 x impact assessments (HEI) research, inter-SETA collaborations to be established through process 	<ul style="list-style-type: none"> 4 x small scale research projects 	<ul style="list-style-type: none"> The general lack of capacity of the Unit resulted in the non-achievement of this target.
4	4.1 Establishing a credible institutional mechanism for skills planning	<ul style="list-style-type: none"> Update the research into skills needs and appropriate strategies for meeting these needs 	<ul style="list-style-type: none"> SSP update 9 x provincial 	<ul style="list-style-type: none"> SSP updated with Provincial profiles 	<ul style="list-style-type: none"> Provincial Skills Profiles compiled as part of SSP update.
5	4.8 Building career and vocational guidance	<ul style="list-style-type: none"> Communicate the sector skills priorities to employers, providers, employees and potential new labour market entrants 	<ul style="list-style-type: none"> Career guidance manuals and publications distributed 12000 	<ul style="list-style-type: none"> 5725 	<ul style="list-style-type: none"> Planning on the implementation of career-guidance was delayed. The LGSETA will develop better systems to ensure better recording of career guidance manuals distributed to meet required reporting guidelines.

SECTORS SKILLS PLANNING CONT....

#	NSDS 111 2011 - 2016 Objectives	SETA Plan for 2013 – 2014 Strategic Objectives	Annual indicators & targets 2013 - 2014	Achievements	Variance & comments
6	4.1 Establishing a credible institutional mechanism for skills planning	<ul style="list-style-type: none"> Stakeholders agree on what must be done to achieve the strategic priorities for skills development in the sector, and have committed to doing it. 	<ul style="list-style-type: none"> Sector agreements 3 x sector Forums 	<ul style="list-style-type: none"> 2 x sector forums 	<ul style="list-style-type: none"> Agreements were signed with IMATU and SALGA, however outstanding information on previous allocations delayed the signing of Agreement.
7	4.1 Establishing a credible institutional mechanism for skills planning	<ul style="list-style-type: none"> Identify skills needs that cannot be addressed through “training as usual” and innovate solutions 	<ul style="list-style-type: none"> Artisan assistant project results 1 project: 150 learners 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> No special projects were initiated to support this objective, due to capacity constraints and Administration.
8	4.1 Establishing a credible institutional mechanism for skills planning	<ul style="list-style-type: none"> Strengthen human resource management and human resource development capacity for planning, implementation and reporting on skills development at municipal level 	<ul style="list-style-type: none"> HRD / LLF training 1 x HRD, 1 x LLF 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> The Programme was not implemented. The capacity constraints had an impact on the implementation. Funding Agreement with SALGBC was not finalised to initiate training.

SECTOR SKILLS PLANNING CONT...

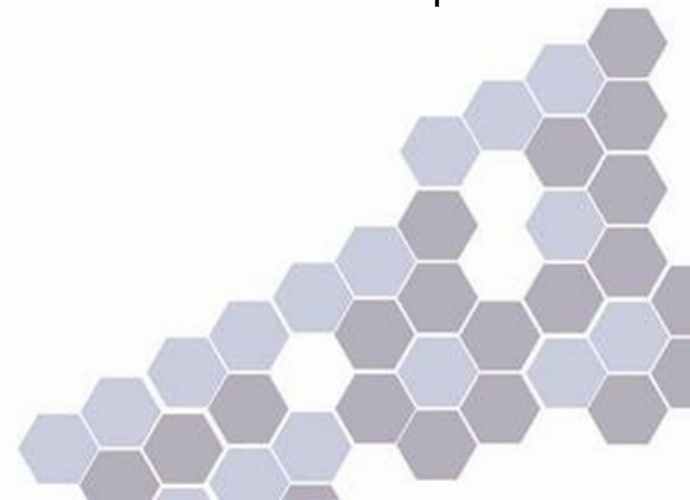
#	NSDS 111 2011 - 2016 Objectives	SETA Plan for 2013 – 2014 Strategic Objectives	Annual indicators & targets 2013 - 2014	Achievements	Variance & comments
9	4.1 Establishing a credible institutional mechanism for skills planning	<ul style="list-style-type: none"> Monitor and evaluate skills planning, implementation and reporting in municipalities 	<ul style="list-style-type: none"> 540 visits 	<ul style="list-style-type: none"> 121 visits 	<ul style="list-style-type: none"> Better, economical monitoring mechanisms will be implemented going forward.
10	4.2 Increasing access to occupationally-directed programmes.	<ul style="list-style-type: none"> Grow the local government sector as a training space, thereby contributing to the professionalisation of the local government sector 	<ul style="list-style-type: none"> Bursaries 100 environmental health bursaries 	<ul style="list-style-type: none"> 12 bursaries were awarded to the unemployed learners 	<ul style="list-style-type: none"> Focus shifted during the year and bursaries were awarded in various disciplines
11	4.1 Establishing a credible institutional mechanism for skills planning	<ul style="list-style-type: none"> Support the implementation of the Strategic Infrastructure Projects (SIPs) 	<ul style="list-style-type: none"> SIP project results: 1950 learners 1950 learners 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> The Programme was not implemented. Implementation of the Water Process Controller training to commence in 2014/15
12	4.6 Encouraging and supporting co-operatives	<ul style="list-style-type: none"> Support local economic development strategies through skills development initiatives in support of cooperatives 	<ul style="list-style-type: none"> 1 x co-op research report accepted by board. Research report 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> No research was conducted due to lack of capacity



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RESEARCH AGENDA 2014/15

- Sector Skills Plan Update
- Tracer survey
- Mid-term programme evaluation
- Climate Change and Disaster Management in Local Government (CSIR)
- Perceptions Index of Young People about a career in local government
- Water and Wastewater Management in Local Government: Skills Needs and Development (VUT)
- Skills Labour Demand and Supply Model (CSIR)





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AUDITOR GENERAL REPORT

SECTOR SKILLS PLANNING (SSP)

FINDINGS	INTERVENTIONS
<ul style="list-style-type: none"> No adequate reasons for variances between planned and actual achievements reported in the annual performance report were given for given for 67% of the targets not achieved. 	<ol style="list-style-type: none"> SDF Forums: Provincial Capacity will be added in order to reach the target Sector Agreements: SETA has now signed a Funding Agreement with SALGBC, and relationship is now formal SSP Research: SETA entered into a Memorandum of Understanding with VUT. SETA is also in partnership with CSIR Career-guidance: The LGSETA will develop better systems to ensure better recording of career guidance manuals distributed to meet required reporting guidelines. Artisan assistant project results: RPL Project in the Free State Province is currently implemented HRD/LLF Training: Project is currently implemented by the SALGBC Performance Monitoring visits: A monitoring tool has been developed, and Provincial capacity to be beefed up Environmental Health Bursaries: The LGSETA will stick to its targets and all the Projects will be implemented as per the APP SIP Project Result: Water Process Controllers Project is currently implemented Co-op research report: SETA is currently developing the implementation strategy on the support to be provided to the co-operatives SSP is working to ensure that performance indicators are specific, verifiable, well defined and measurable according to the requirements of the FMPPI Appropriate systems and processes are being put in place to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned

EDUCATION TRAINING AND QUALITY ASSURANCE UNIT

ETQA PROGRAMME 4: ETQA

REF.	SETA PLAN FOR 2013 – 2014 STRATEGIC OBJECTIVES	NSDS III 2011 - 2016 OBJECTIVES	ANNUAL INDICATORS	TARGETS 2013 - 2014	ACHIEVEMENTS	VARIANCE & COMMENTS
4.1	<ul style="list-style-type: none"> Integrate performance measures with ETQA policies, procedures and tools 	<ul style="list-style-type: none"> NSDS III does not make Assurance functions but still remains an important function in SETA's 	<ul style="list-style-type: none"> Revised QMS aligned to QCTO criteria, approved by QCTO 	QMS aligned to QCTO criteria	<ul style="list-style-type: none"> ETQA policies for delegated legacy qualifications have been revised. Policies revised are: <ul style="list-style-type: none"> Assessment & moderation Verification of learner achievements Accreditation of training providers Certification of learners 	<ul style="list-style-type: none"> No Variance
4.2	<ul style="list-style-type: none"> Align the local government qualifications framework with the priority needs of the local government sector 	<ul style="list-style-type: none"> NSDS III does not make Assurance functions but still remains an important function in SETA's 	<ul style="list-style-type: none"> Revised/ developed qualifications for LG priority occupations registered by QCTO 10 qualifications 	10 Qualifications	<ul style="list-style-type: none"> 0 	<ul style="list-style-type: none"> There is a variance of 10 qualifications. Qualification development requires capacity which had to be outsourced. These processes took longer than expected.

PROGRAMME 4: ETQA CONT...

REF.	SETA PLAN FOR 2013 – 2014 STRATEGIC OBJECTIVES	NSDS III 2011 - 2016 OBJECTIVES	ANNUAL INDICATORS	TARGETS 2013 - 2014	ACHIEVEMENTS	VARIANCE & COMMENTS
4.3	<ul style="list-style-type: none"> Accredit training providers to deliver the scarce and critical skills needs of the local government sector 	<p>4.3 Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities Access to occupationally-directed programmes.</p>	<ul style="list-style-type: none"> All provider applications processed as per ETQA guidelines 	300 Provider accreditation applications processed	<ul style="list-style-type: none"> Extension of scope – 41 Provisional accreditation – 64 Extension of accreditation – 36 	<ul style="list-style-type: none"> There is variance of 141 applications for accreditation. The LGSETA received less applications for accreditation than expected.
4.4	<ul style="list-style-type: none"> Build provider capacity (including FET, HEI and municipal training capacity) 	<p>4.3 Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities Access to occupationally-directed programmes.</p>	<ul style="list-style-type: none"> MoUs signed with FETs, HEIs and MTCs 	10 MoU's signed	<ul style="list-style-type: none"> 7 MOU signed with FET's (6) & HEI's (1) 	<ul style="list-style-type: none"> There are no variances. The target was achieved
4.5	<ul style="list-style-type: none"> Approve or review learning programs 	<p>4.2 Increasing access to occupationally directed programmes</p>	<ul style="list-style-type: none"> All learning programs reviewed and approved Estimated 100 programmes approved and reviewed 	100 programmes reviewed and approved	<ul style="list-style-type: none"> Programme approval – 52 programme approved 	<ul style="list-style-type: none"> There is variance of - 48 programmes. The LGSETA received less learning programmes for review than expected.

PROGRAMME 4: ETQA CONT....

REF.	SETA PLAN FOR 2013 – 2014 STRATEGIC OBJECTIVES	NSDS III 2011 - 2016 OBJECTIVES	ANNUAL INDICATORS	TARGETS 2013 - 2014	ACHIEVEMENTS	VARIANCE & COMMENTS
4.6	<ul style="list-style-type: none"> Monitor the provision of training 	NSDS III does not make Assurance functions but still remains an important function in SETA's	<ul style="list-style-type: none"> All providers monitored as per ETQA/QCTO requirements 700 providers, 300 new providers, (including FET, HEI and MTCs) 	700 Providers monitored	<ul style="list-style-type: none"> 49 providers 	<ul style="list-style-type: none"> - 651 Due to capacity constraints the LGSETA monitored less providers than expected
4.7	<ul style="list-style-type: none"> Verification of learner achievement 	4.2 Increasing access to occupationally directed programmes	<ul style="list-style-type: none"> Number of learners verified against full qualifications Number of learners verified against Unit Standards 	1000 learners verified against full qualifications 6000 learners verified against Unit Standards	<ul style="list-style-type: none"> 763 learners certificated against full qualifications 4907 learners were endorsed against unit standards 	<ul style="list-style-type: none"> There is variance of – 1310 learners. There were less verifications received than expected.
4.8	<ul style="list-style-type: none"> Build sector capacity to conduct RPL around local government priority areas 	4.4 Addressing low level of youth and adult language and numeracy skills to enable additional training	<ul style="list-style-type: none"> RPL implementations packs for local government qualifications RPL candidates assessed 	<ul style="list-style-type: none"> 5 RPL implementations packs for priority LG qualifications 1000 RPL candidates assessed RPL guidelines and tools developed for 5 LGSETA priority occupations; and at least 1000 RPL candidates assessed in these priority areas 	<ul style="list-style-type: none"> No RPL implementation packs developed No RPL tool were developed & Zero learners were assessed 	<ul style="list-style-type: none"> There is variance of -5 implementation packs -100% There's variance 5 RPL tools & 1000 RPL candidates assessed

PROGRAMME 4: ETQA CONT....

REF.	SETA PLAN FOR 2013 – 2014 STRATEGIC OBJECTIVES	NSDS III 2011 - 2016 OBJECTIVES	ANNUAL INDICATORS	TARGETS 2013 - 2014	ACHIEVEMENTS	VARIANCE & COMMENTS
4.9	<ul style="list-style-type: none"> Improve and report on quality of provision through online provider network, support and performance monitoring 	NSDS III does not make Assurance functions but still remains an important function in SETA's	<ul style="list-style-type: none"> 1 online provider network established; annual online survey conducted; quarterly monitoring of providers reported; and online support resources provided 700 providers supported plus 300 new providers including FETs HEIs, and MTCs 	1 online provider network established	<ul style="list-style-type: none"> No network achieved 	<ul style="list-style-type: none"> The on line monitoring system was not procured. And the survey was not done
4.10	<ul style="list-style-type: none"> Impact assessment of qualifications and program implementation 		<ul style="list-style-type: none"> An impact assessment is done on identified LGSETA funded programme 	1 Impact Assessment	<ul style="list-style-type: none"> 0 	<ul style="list-style-type: none"> Impact assessment was not done

AUDITOR GENERAL REPORT

ETQA

Findings

- No adequate reasons for variances between planned and actual achievements reported in the annual performance report were given for 100% of the targets not achieved.

Interventions

1. Performance targets have been revised for all ETQA processes and benchmarked against previous years trends,
2. ETQA is revising its systems, procedures, forms to ensure efficiency and control are in place to ensure reporting is accurate
3. Indicators are crafted in a manner that are achievable and measurable
4. Performance targets are SMART

LEARNING PROGRAMMES

PROGRAMME 3: LEARNING PROGRAMMES

REF.	SETA PLAN FOR 2013 – 2014 STRATEGIC OBJECTIVES	NSDS III 2011 - 2016 OBJECTIVES	ANNUAL INDICATORS	TARGETS 2013 - 2014	ACHIEVEMENTS	VARIANCE & COMMENTS
3.1	<ul style="list-style-type: none"> Integrate the framework of performance measures for local government skills development with the policies, procedures and practices through which LGSETA funds, regulates and reports on all learning programs. 		<ul style="list-style-type: none"> Develop Framework 	<ul style="list-style-type: none"> Framework 	<ul style="list-style-type: none"> Not achieved 	<ul style="list-style-type: none"> The development of the framework had a direct dependence on research which were supposed to have been done under SSP.
3.2	<ul style="list-style-type: none"> Increase the number of skilled employees required to support improvements in municipal performance 	4.2 Increasing access to occupationally-directed programmes	<ul style="list-style-type: none"> Increase the enrolment, retention and achievement rates of local government employees participating in priority skills development programs by at least 10% by January 2014 	<ul style="list-style-type: none"> 4,650 officials enrolled in priority skills 	<ul style="list-style-type: none"> 1,816 officials enrolled in priority skills 	<ul style="list-style-type: none"> Programmes were identified and tenders were issued. Unfortunately two tenders could not be awarded due to the bid prices exceeding the budget amount.
3.3	<ul style="list-style-type: none"> Improve the base level of general education in the local government sector 	4.4 Addressing the low level of youth and adult language and numeracy skills to enable additional training	<ul style="list-style-type: none"> LGSETA will have developed and tested new forms of literacy and numeracy tools 	<ul style="list-style-type: none"> 3000 	<ul style="list-style-type: none"> 0 	<ul style="list-style-type: none"> Lack of capacity and competing priorities resulted in this project not starting on time. A training provider has been appointed and will commence in 2014/15 financial year

PROGRAMME 3: LEARNING PROGRAMMES CONT...

REF.	SETA PLAN FOR 2013 – 2014 STRATEGIC OBJECTIVES	NSDS III 2011 - 2016 OBJECTIVES	ANNUAL INDICATORS	TARGETS 2013 - 2014	ACHIEVEMENTS	VARIANCE & COMMENTS
3.4	<ul style="list-style-type: none"> Improve the artisan and technical skills base required to improve municipal performance 	4.2 Increasing access to occupationally-directed programmes	<ul style="list-style-type: none"> Increase the enrolment, retention and achievement rates of local government employees participating in artisan and technical skills development programmes by at least 10% by January 2014 	<ul style="list-style-type: none"> 624 Artisans enrolled 400 unemployed and 224 employed 720 Employed trained on Technical learnerships and 180 unemployed 	<ul style="list-style-type: none"> 125 employed and 404 unemployed entered, a total of 525 Artisans enrolled. 	<ul style="list-style-type: none"> 99 Tenders were issued and partnership agreements with FETs are in process of being concluded which will increase the target Tenders for Technical Learnerships, Road Construction was issued late in 2013 and tenders were awarded for Water Process Controllers in March 2014 only.
3.5	<ul style="list-style-type: none"> Improve labour market access for designated target groups (rural people, unemployed youth, women, people with disability) 	4.2 Increasing access to occupationally-directed programmes	<ul style="list-style-type: none"> LGSETA will have increased the number of programmes offered to designated target groups as well as broadened the number of designated groups targeted. 	<ul style="list-style-type: none"> 2,250 unemployed learners on various scarce and critical skills 	<ul style="list-style-type: none"> 2,272 	<ul style="list-style-type: none"> + 22 Municipalities are increasingly opening workplaces for the training of unemployed youth.

PROGRAMME 3: LEARNING PROGRAMMES CONT...

REF.	SETA PLAN FOR 2013 – 2014 STRATEGIC OBJECTIVES	NSDS III 2011 - 2016 OBJECTIVES	ANNUAL INDICATORS	TARGETS 2013 - 2014	ACHIEVEMENTS	VARIANCE & COMMENTS
3.6	<ul style="list-style-type: none"> Grow the local government sector as a training space, thereby contributing to the professionalization of the local government sector 	4.2 Increasing access to occupationally-directed programmes	<ul style="list-style-type: none"> LGSETA will have increased the number of programmes offered to designated target groups as well as broadened the number of designated groups targeted. 	<ul style="list-style-type: none"> Bursaries <ul style="list-style-type: none"> 350 (18,2) 100 (18,1) 1800 Work Integrated Learning (WIL) 100 Internships 	<ul style="list-style-type: none"> 436 Unemployed Bursaries 132 Employed 1,292 WIL 118 Internships 	<ul style="list-style-type: none"> +122 Bursaries +18 Internship -508 WIL WIL was introduced to municipalities early in 2013. As municipalities benefit from this investment they will increasingly take on more learners, +18 Internships Demonstrates a greater capacity among municipalities for absorbing interns as per NSDS III objectives
3.7	<ul style="list-style-type: none"> Support the deepening of democracy through civic education, councillor training, ward education, community development worker training and training of traditional leaders 	4.2 Increasing access to occupationally-directed programmes	<ul style="list-style-type: none"> LGSETA will have increased the number of programmes offered to designated target groups as well as broadened the number of designated groups targeted. 	<ul style="list-style-type: none"> 2,500 	<ul style="list-style-type: none"> 99 CDW Learners certified 	<ul style="list-style-type: none"> Agreements were concluded with various institutions to commence training for CDWs and Councillor Training

PROGRAMME 3: LEARNING PROGRAMMES CONT...

REF.	SETA PLAN FOR 2013 – 2014 STRATEGIC OBJECTIVES	NSDS III 2011 - 2016 OBJECTIVES	ANNUAL INDICATORS	TARGETS 2013 - 2014	ACHIEVEMENTS	VARIANCE & COMMENTS
3.8	<ul style="list-style-type: none"> Support local economic development strategies through skills development initiatives in support of cooperatives 	4.6 Encouraging and supporting cooperatives, small enterprises, worker initiated NGO and community training initiatives	<ul style="list-style-type: none"> LGSETA will have increased the number of programmes offered to designated target groups as well as broadened the number of designated groups targeted. 	<ul style="list-style-type: none"> 800 		<ul style="list-style-type: none"> 106 Members from 22 cooperatives from the Eastern Cape were trained through East Cape Midlands College. However the LGSETA at the stage of validation of information could not present sufficient evidence that the learners were linked to the respective cooperatives

AUDITOR GENERAL REPORT

LEARNING PROGRAMMES

FINDINGS

- No adequate reasons for the variances between planned and actual achievements reported in the annual performance report were given for 86% of the targets not achieved

INTERVENTIONS

1. More specific and detailed checklists were created to ensure full compliance from Municipalities when submitting the required documentation.
2. All projects are now loaded onto Projects Portfolio Office system to ensure monitoring, compliance and delivery
3. Provincial Offices to play s stronger role in the collection and submission of required documentation from clients for project implementation.
4. Funding Agreements have been tailored to suite each programme to avoid unnecessary delays in implementation due to incorrect funding agreements.
5. Tighter document and record management processes are being implemented to avoid loss of information and compliance.

PROJECTS Progress

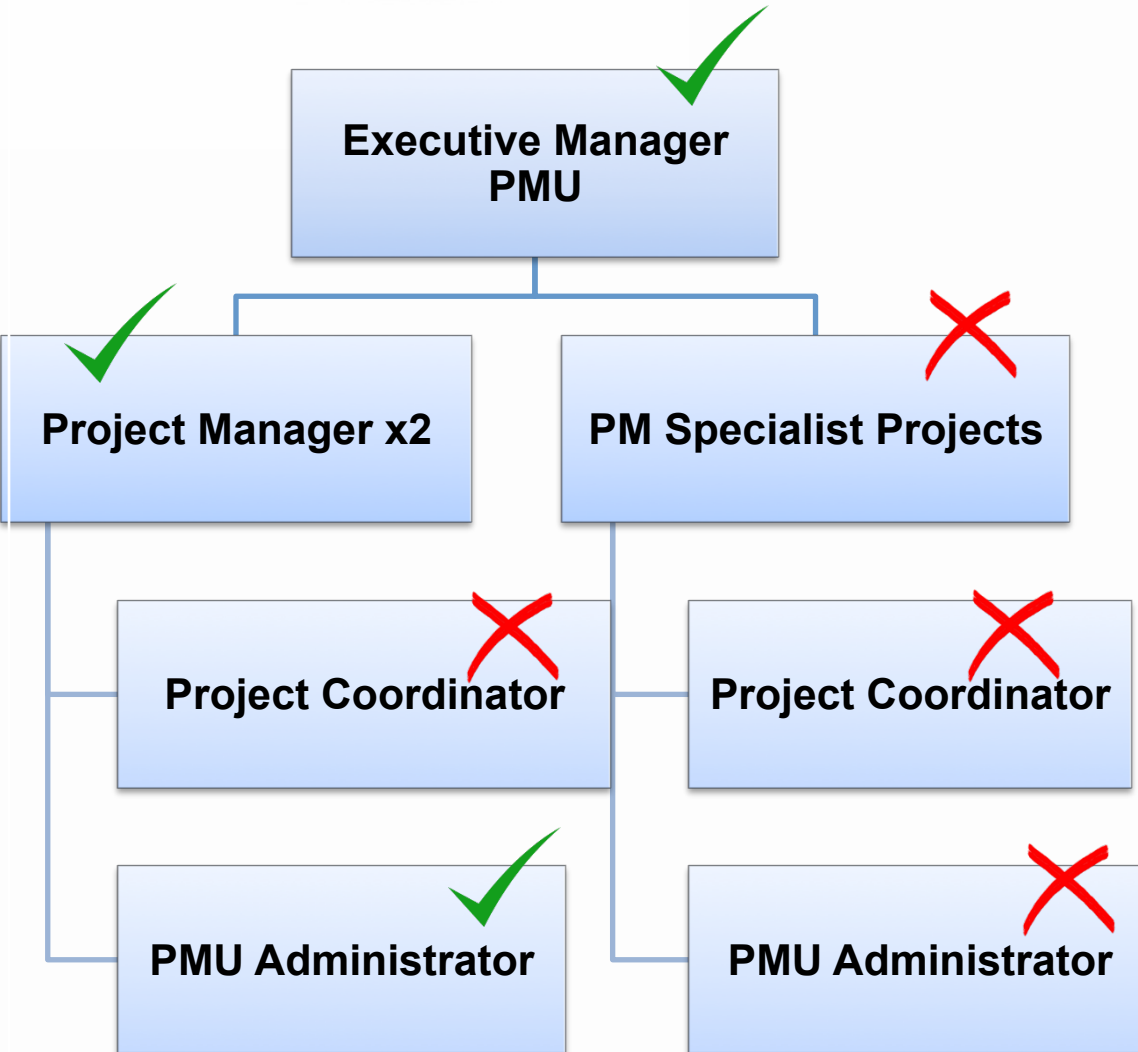
PMU STRATEGY



The PMU strives for continuous improvement of the LGSETA strategy through the:

- guidance, facilitation and support of the Governance Framework (PMUGF)
- compliance by which the projects are administered
- processes and procedures involved in the execution of projects

PMU OPERATIONALISATION



The Project Management Unit was established and operationalised, the following key milestones achieved to-date include:

- Governance Framework adopted and approved by the PMU Executive, CFO and LGSETA Administrator
- A project management system called “Portfolio Project Office” has been adopted and resources have been trained.
- Additional resources still to be recruited for the PMU

STATUS OF PROJECTS

Project and Programme Management Framework established

- The Project Managers are in process of facilitating the implementation of projects with the various stakeholders and / or service providers. Below are programmes initiated for 2013/2014 FY

NLPE Projects

- Implemented by CBO's, NGO's & Public Entities for various Skills Programmes & Learnerships (51 Service Providers appointed)

Bursaries

- A total of 170 bursaries issued 18,1 = 44 & 18,2 = 126

Ministerial Flagship Projects

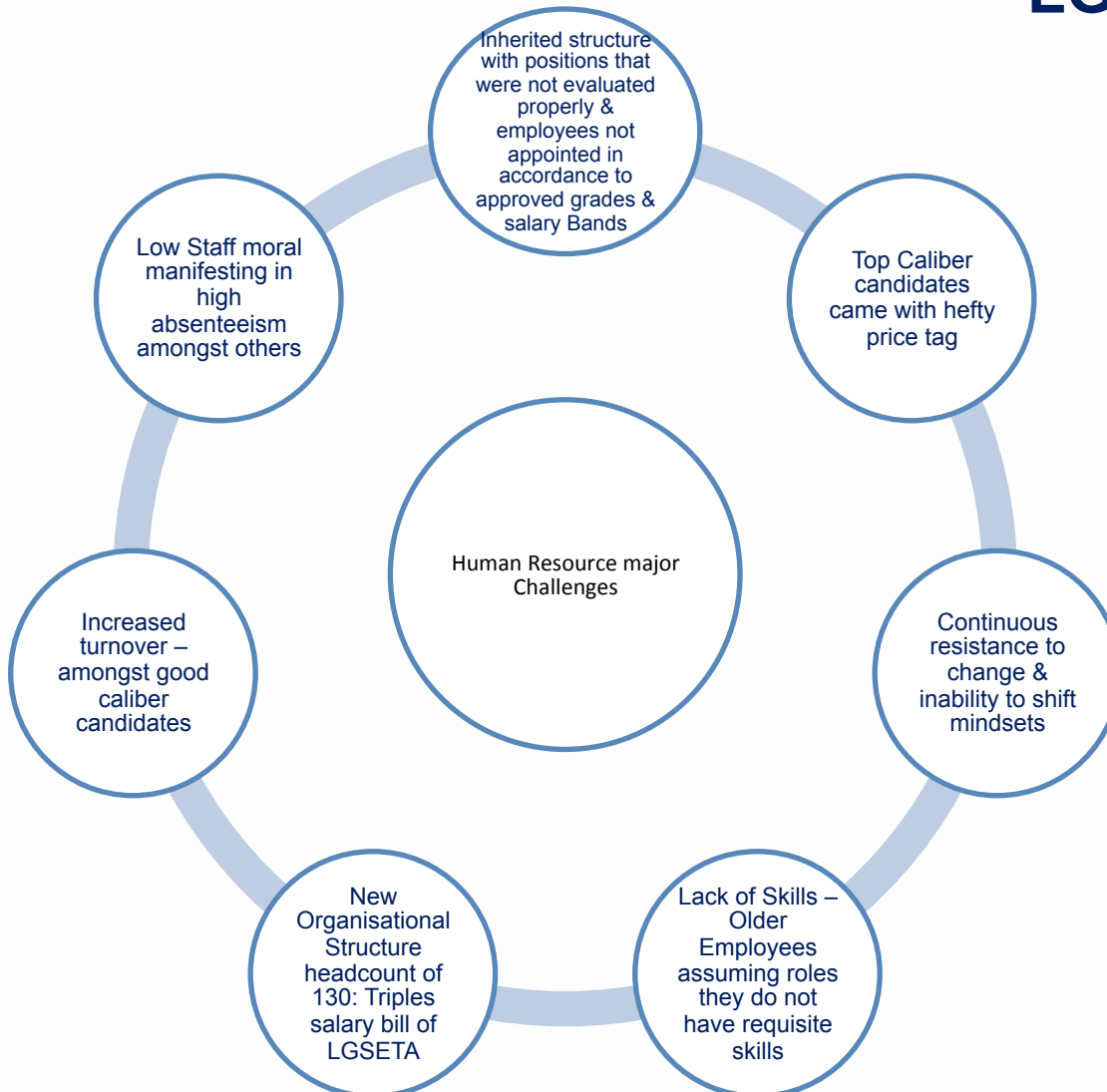
- 5 Learners from Mvezo & 10 Learners from Marian Hill
- Various Learnerships & Refurbishment of an Old School and converting it into a Training Centre in Mpendle Local Municipality
- Work Integrated Learning (WIL)
- Rural Projects – Training of Co-operatives

National Projects

- Training of 1890 learners in Water & Waste Water Process Controllers: 18.1=1 710 & 18.2=180
- Adult Education and Training (AET): 18,1 = 1500 & 18,2 1500
- Training of SDF's in ODETD Practices = 18,1 = 132
- Pilot Project RPL Free State = 18,1 = 200 & 18,2 = 100

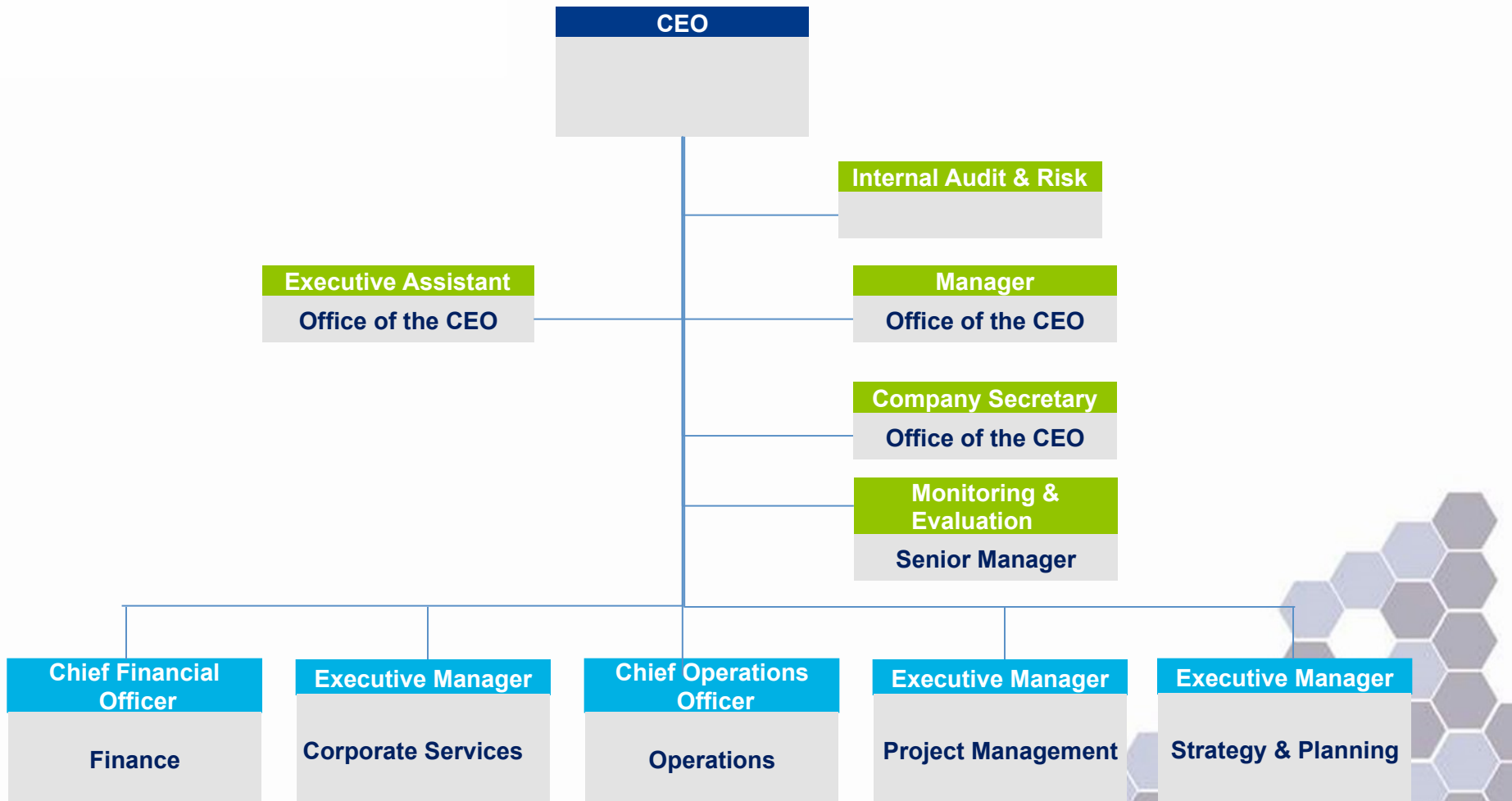
HUMAN RESOURCES

LGSETA HR BACKGROUND



- The LGSETA Administration intervention is now 18 months underway.
- During this period we have scored important wins as per the consolidated reports from departments.

LGSETA ORGANISATIONAL STRUCTURE





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PERSONNEL COSTS PER PROGRAMME

Programme	Total exp for the Entity (R'000)	Personnel Exp (R'000)	Personnel Exp as a % of Total Expenses (R'000)	No. of Employees	Average Personnel Cost per Employee (R'000)
	2013/14	2013/14	2013/14	2012/13	2012/13
Administration	21 846	5 584	25.56%	8	698
CEO	1 055	873	82.80%	3	291
Finance	11 573	2 651	22.91%	14	189
Corporate Services	11 546	1 713	14.83%	12	143
Operations	23 146	12 524	54.11%	51	246
Strategy and Planning	2 604	1 989	76.41	4	497
Total	71 770	25 334		92	4128



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PERSONNEL COSTS BY SALARY BAND

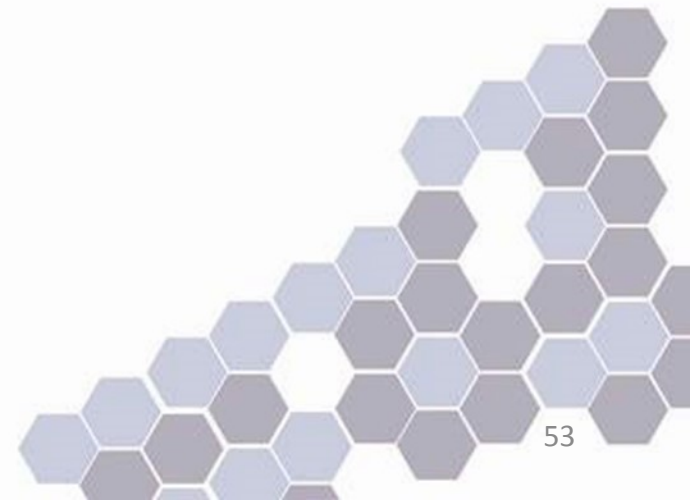
Level	Personnel Expenditure R'000	% of Personnel Expenditure to Total Personnel Costs R'000	No. of Employees	Average Personnel Costs per Employee
	2013/14	2013/14	2013/14	2013/14
Top Management	5474	21.61	9	608
Senior Management	6 268	24.74	15	417
Professional Qualified	7 479	29.52	19	393
Skilled	5 699	22.50	43	132
Semi-skilled	414	1.63	6	69
Unskilled				
Total	25 334	100%	92	1619 52



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EMPLOYMENT AND VACANCIES

- The new LGSETA structure was approved on 23 September 2013 after extensive consultation.
- The new structure is quite an ambitious one increasing the total head count to 130, with the majority of resources allocated to the Operations – spread across the 6 provincial office.
- One of the unfortunate results of the turnaround intervention is that we have observed an increased number of terminations.



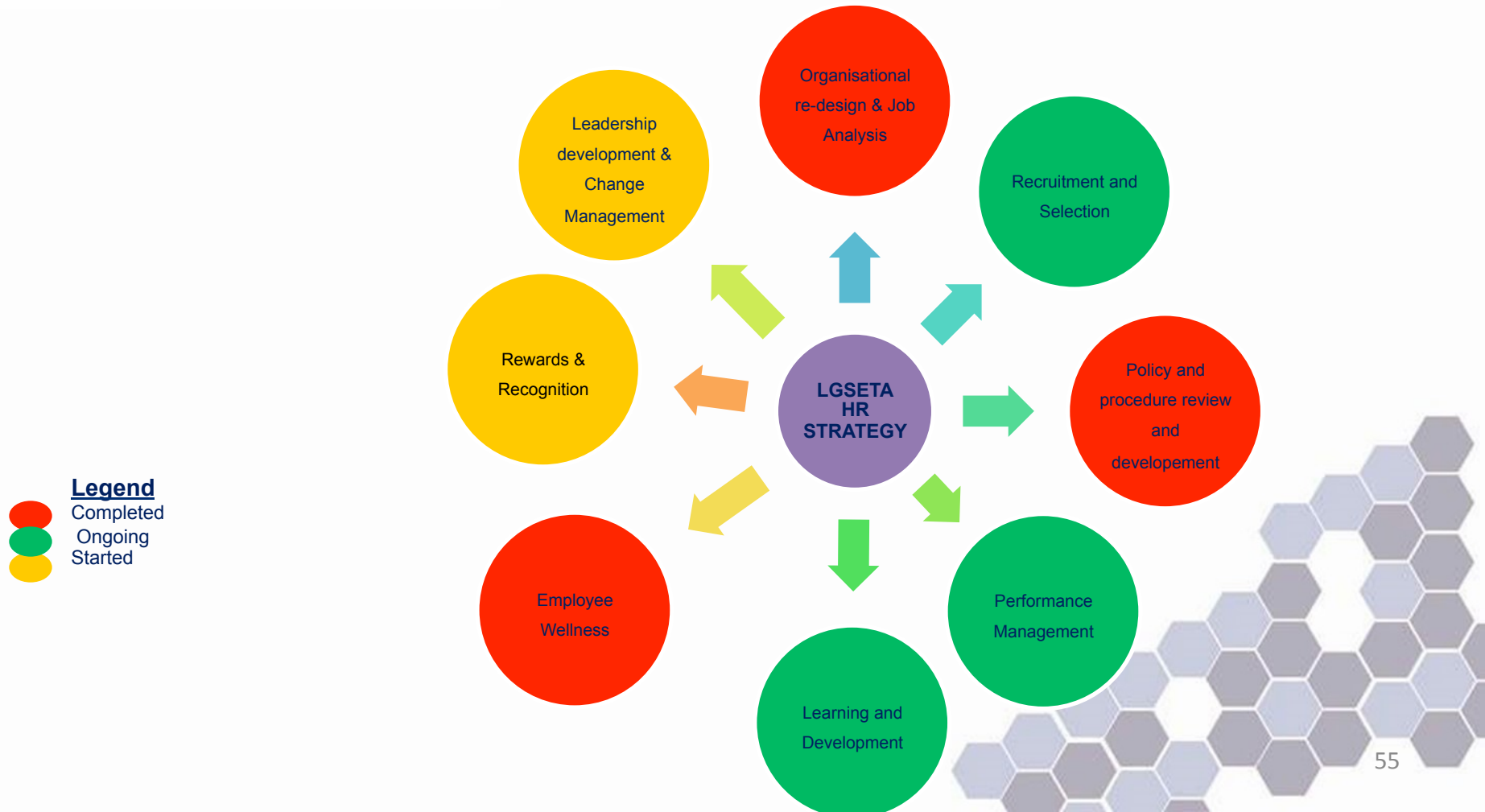
EMPLOYMENT CHANGES

The list includes all staff movement including positions that were additional to the establishment but excluded the interns*12.5

Salary Bands	Employment at the Beginning of Period	Appointments	Terminations	Employment at the End of the Period	Comment
Top Management	5	5	4	6	
Senior Management	8	5	4	9	
Professional Qualified	18	1	1	18	
Skilled	35	3	11	27	
Semi-skilled	6	0	0	6	
Unskilled					
Total	72	15	20	66	

HR TURNAROUND STRATEGY

PRIORITY FOCUS AREAS – STATUS UPDATE



HUMAN RESOURCES INITIATIVES

**Approved LGSETA
Organisational Structure -130
Head Count**

**Migration from old to new
establishment – possibility
of 1 retrenchment**

**Developed Business
Process Analysis &
Redesign**

**Created Capacity within
LGSETA**

**Developed Organisational
Policies & Procedures**

Developed Job Profiles

**Implemented LGSETA
Performance Management
System**

**Started to Align Skills to
Organisational Requirements
– Skills Audit & IDP**

**Job Evaluation &
Benchmarking Completed**



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AUDITOR GENERAL REPORT

HUMAN RESOURCES

FINDINGS

- Performance Management not implemented
- Key positions remain vacant

INTERVENTIONS

The LGSETA Performance Management System has been implemented for the current financial year. Employees have signed Performance Contracts.

Some of the positions are currently occupied by members of the Administrators team, and recruitment is underway.

INFORMATION COMMUNICATION TECHNOLOGY

AUDITOR-GENERAL ICT AUDIT FINDINGS

In the 2013/ 2014 financial year, the AGSA ICT or IT Governance Framework related audit findings are divided into four categories:

Findings

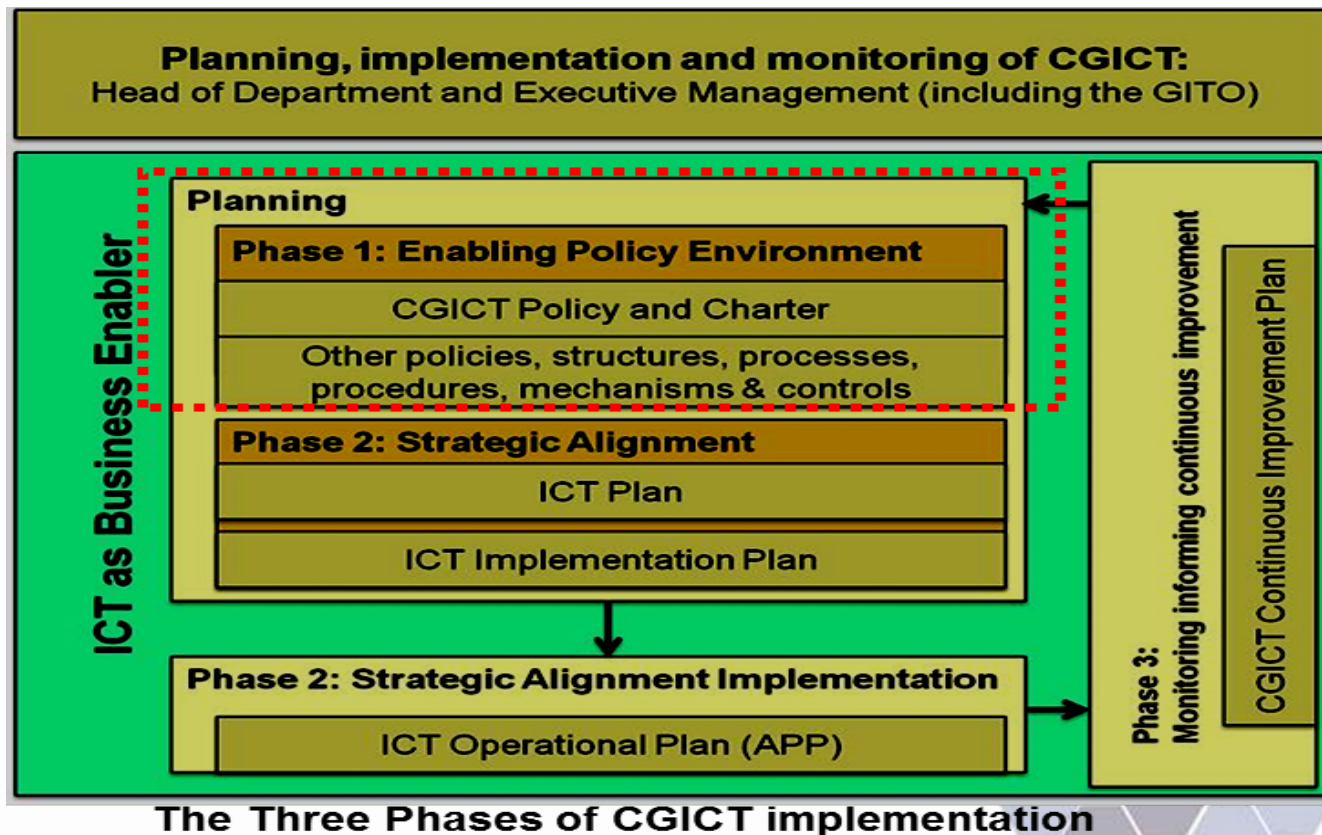
- **Security Management:**
ICT Policies not formally approved and other policies, standards as well as procedures related to antivirus, firewall and patch management not developed.
- **Programme Change Management:**
No adequate change management controls.
- **User Access Control:**
User account management standards and procedures not formally documented and approved for the network, Great Plains, VIP and Datamet Systems.
- **IT Service Continuity:**
No formally documented and approved Business Continuity Plan (BCP), IT Disaster Recovery Plan (DRP) and backup procedures.

Interventions

1. All findings within the four categories are related to the lack or inadequate policies and procedures. Therefore, in line with the DPSA Corporate Governance of ICT (CGICT) Policy Framework Implementation Guidelines, the three Phases (with focus on Phase 1) will be used to drive the required remedial actions. These remedial actions are further discussed next.

ICT INITIATIVES TO REMEDY AGSA FINDINGS

- In line with the DPSA Corporate Governance of ICT (CGICT) Policy Framework Implementation Guidelines, the three Phases (**with initial focus on Phase 1**) as shown below are being used to drive the required remedial actions.



PHASE 1: ICT DELIVERABLES

Deliverables for Phase 1 addressed policies, structures, accountability & responsibility for implementing CGICT

ICT GOVERNANCE CHARTER

- Defines and communicates accountability with respect to ICT Governance within LGSETA;
- Establishment of an ICT Steering Committee; and
- ICT Steering Committee recommended to be incorporated into EXCO

ICT POLICY FRAMEWORK

- Serves as a guide for drafting, approval, implementation, control and review of all policies, standards and procedures within the LGSETA ICT environment

ICT GOVERNANCE & MANAGEMENT FRAMEWORK

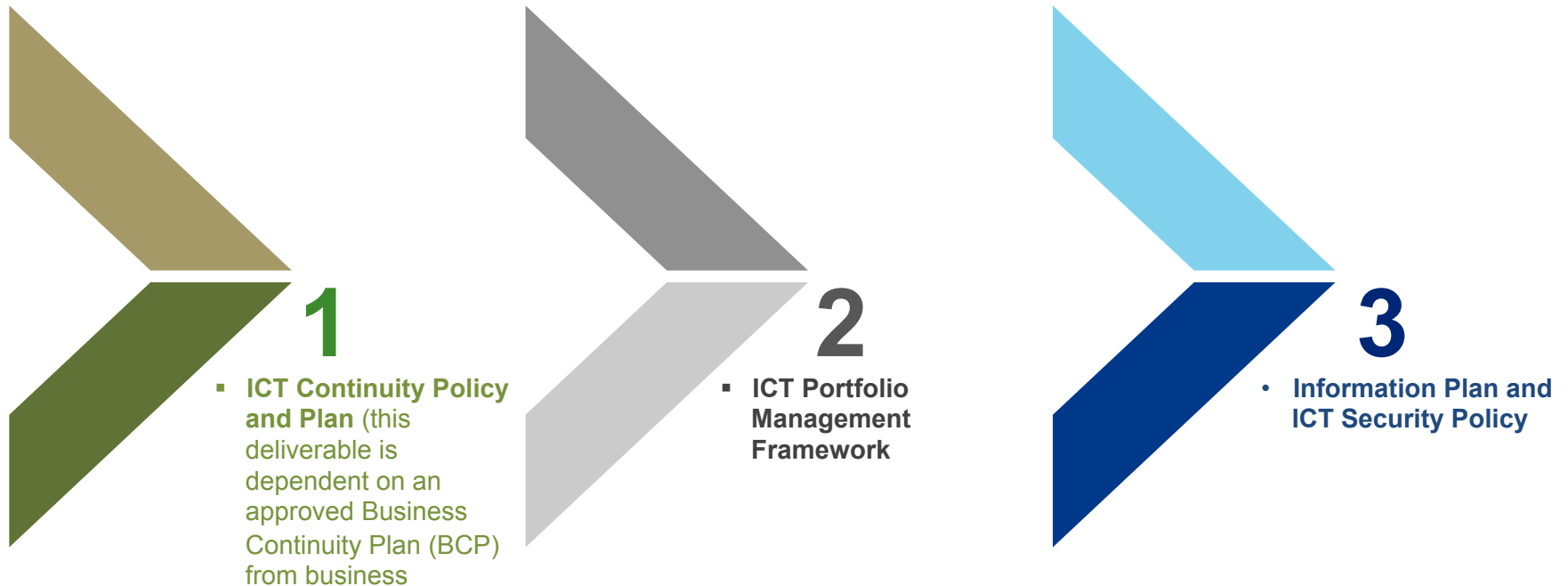
- Structures - defining where decisions are made as well as defining the organisational structure for ICT;
- Processes - defining the underlying principles for defining ICT processes and practices, together with assigned responsibilities and performance metrics; and
- Communication - outlining the requirement for how ICT governance will be communicated and enforced across LGSETA

ICT END-USER SECURITY POLICY

- Outlines what constitutes acceptable use of LGSETA's ICT assets, including handling different types of information as well as the rules regarding the interception and monitoring of electronic communication.



PHASE 1: DELIVERABLES (PIPELINE)



- Implementing Phase 1 serves as a platform that addresses the AGSA ICT audit findings and other remaining findings were addressed through an ICT environment assessment to close gaps identified during the implementation of proposed policies, procedures, standards and guidelines.

ICT INITIATIVES TO ACHIEVE STRATEGIC OBJECTIVES

- An ICT Environmental Assessment was completed on the 15th of October 2014. The recommendations will guide the development of an LGSETA ICT Strategy as well as all future ICT initiatives

- Additionally, the reactivation of additional modules within the currently LGSETA Management Information System (MIS) as well as the Website redesign are currently underway

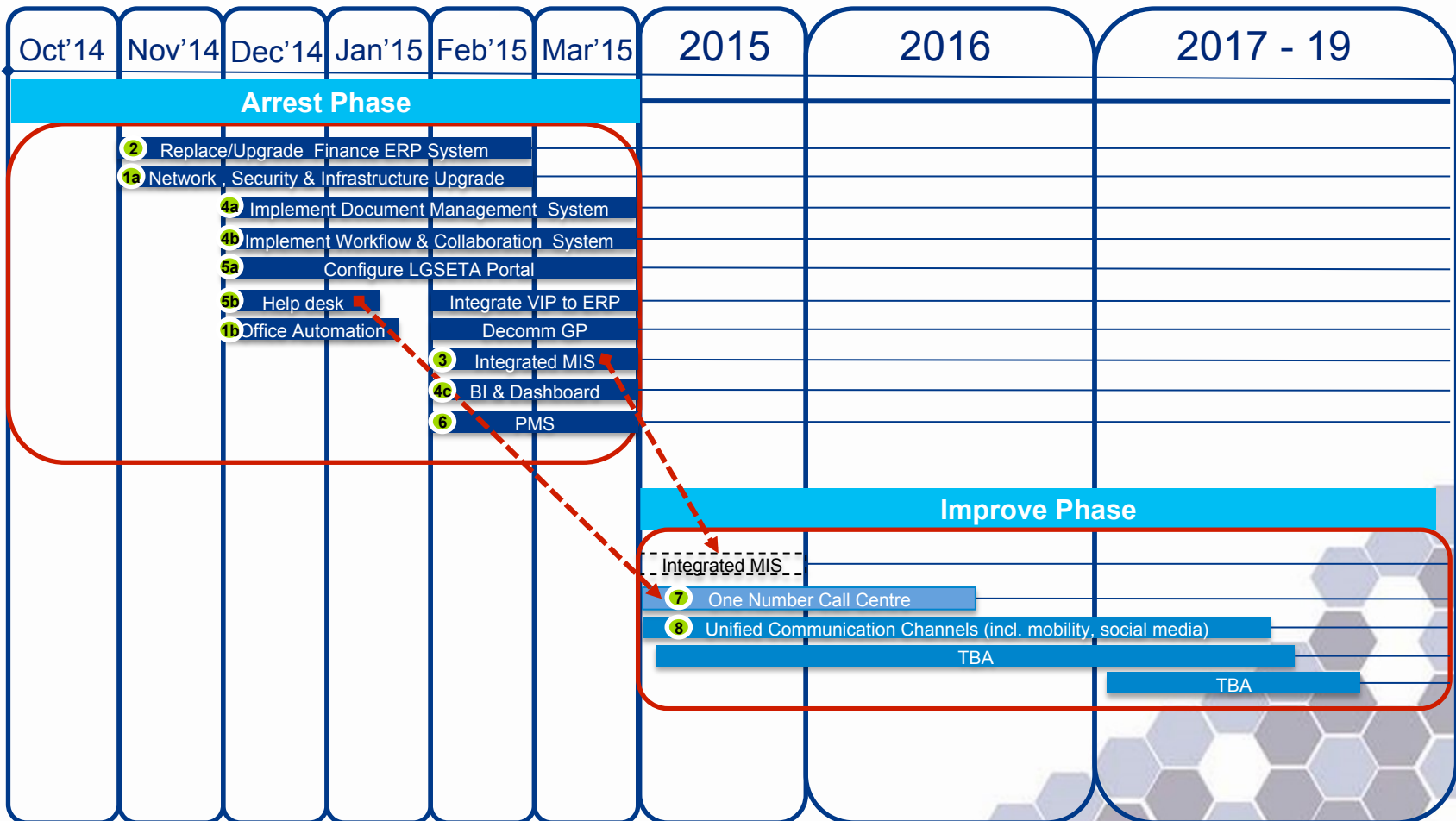
ICT Initiatives supporting Strategic Initiatives are categorized into two Phases

Arrest Phase

Improve Phase

LGSETA Strategic Objectives

PROPOSED ICT INITIATIVES



CONCLUSION



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CONCLUSION



- Key among the Terms of Reference of the Administrator was to avert a further disclaimer. This was achieved.
- Although much more needs to be done, much has been achieved.
- The SETA has met all statutory obligations, and feedback thus far is that quality of SSP, SP and APP is improved
- AGM
- New LGSETA Brand
- Launch repositioned LGSETA
- Working Group to continue
- Other platforms for engagement
- New SETA constitution
- Board appointment

