



# Presentation to the Portfolio Committee on Higher Education and Training

11 March 2022



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# AGENDA



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# Overview

**Menzi Fakude**  
**Chief Executive Officer**



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# 1. Overview



Audit Response	Performance
<ul style="list-style-type: none"><li>Negative Audit Outcome - 3 Years</li><li>Weakness In Internal Controls - Commitments</li><li>Weak Financial Position - Overcommitment</li><li>Irregular Expenditure</li><li>Status Update</li></ul>	<ul style="list-style-type: none"><li>Implementation of NSDP 2030</li><li>National Priorities</li><li>Performance improvements</li><li>Processes improvement</li></ul>



# Audit Update

**Tsheola Matsebe**  
**Chief Financial Officer**



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### 3. AGSA Report



- Commitments – expenditure used to calculate commitments balance could not be relied on
- Performance report – information reported not measurable and reliable
- Compliance – assessment on irregular, fruitless and wasteful expenditure not performed

## 4. Analysis of Findings

- Number of findings: 45
  - ✓ Resolved : 25 (56%)
  - ✗ Not resolved: 20 (44%)
    - Commitments: 6
    - Performance report: 8
    - Compliance: 1
    - ICT Governance: 5



## 5. Audit Action Plan

AGSA AUDIT FINDING			
No	Description	Root cause	Progress
1	Annual Financial Statements – Commitments	High level of commitments to catch up on NSDS III outcomes.	<p>Internal Audit reviewed proposed adjustments. IA comments being addressed prior submission to AGSA by 11 March 2022.</p> <p>Rationalisation of commitments through analysis and stakeholder engagement. Outcome to be affected in the May 2022 submission</p> <p>Strengthening of internal control environment – business processes optimization and phased in integration of systems</p>
2	Performance report - Measurability and Reliability of various indicators	Process and outputs to measure performance not clearly defined resulting inconsistencies in interpretation	<p>Performance SoP and updated TID reviewed and approved.</p> <p>Q1 – Q2 performance reports currently reviewed against the SoP and updated TID, remediations underway for submission to AGSA by 14 March 2022. Internal Audit review for Q1 &amp; Q2 will also be finalised by 18 March 2022 to incorporate remediations. Q3 review to be prioritised after 15 March 2022</p>
3	Irregular expenditure	<p>Non-compliance with the Skills Development Act due to high delivery structure.</p> <p>Non-compliance – weak internal control (DG contracts).</p>	<p>Organisational Design process and review process of fixed cost initiated.</p> <p>Submission made to National Treasury for condonement.</p>
4	Fruitless and wasteful expenditure	Poor contract management	Improvement of internal controls through new grant disbursement model and strengthened project management processes
5	Consequence management	Services SETA did not investigate in time to determine if any official was liable for transgressions.	Loss control function established. Assessments concluded and HR processes initiated





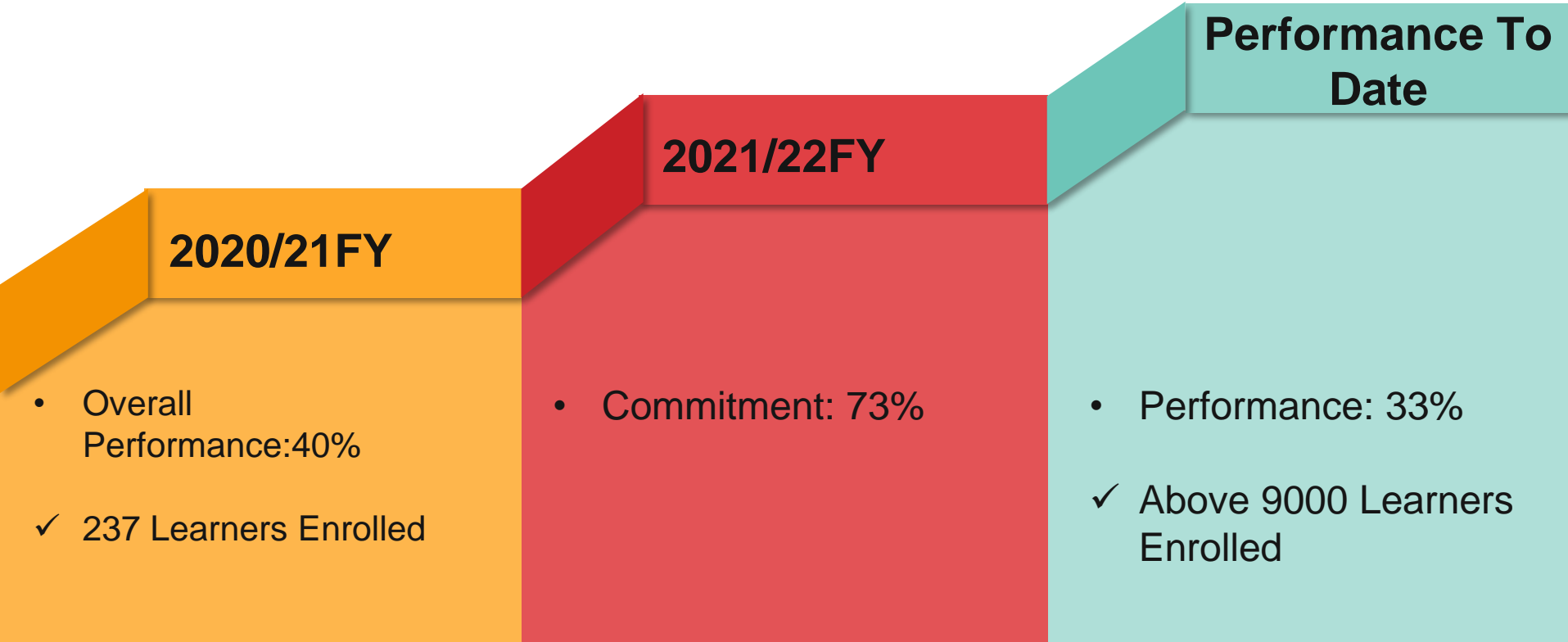
# Performance Update

**Ms Mamabele Motla**  
**Executive Manager: Strategy and Planning**



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## 6. Performance Update



## 7. Performance Progress Update



Programme	Annual Target	Achieved target to date	To be Achieved by 31 March 2022
Programme 1: Administration	7	3 (43%)	2
Programme 2: Skills Planning	9	9 (100%)	0
Programme 3: Learning Programmes	33	5 (15%)	17
Programme 4: Quality Assurance	2	0 (0%)	2
<b>Total</b>	<b>51</b>	<b>17 (33%)</b>	<b>21 (41%)</b>

## 8. Performance explanation (Program 1)

Partially Achieved (2/7)	Progress Report
1. Quarterly Good Governance report	<p>Governance structures are meeting in March to conclude quarter four (4), last meeting scheduled for 30 March 2022. Good governance achieved through Q1 – Q3.</p> <ul style="list-style-type: none"> <li>- Target will be achieved at the end of quarter post submission of the Governance report to DHET</li> </ul>
2. Percentage of PDP implemented	<p>56%/70% of PDP implemented to date and Implementation of training interventions planned for quarter four underway:</p> <ul style="list-style-type: none"> <li>- Coaching and mentoring – completed in February 2022</li> <li>- Risk Training – scheduled for 10 March 2022</li> <li>- Public Finance Management Act – scheduled for 11 March 2022</li> <li>- Report writing skills – underway to be completed on 18 March 2022</li> </ul>

## 8. Performance explanation (Program 3)

Partially Achieved (17/33)	Progress Report
1. Number of partnerships HEIs	<ul style="list-style-type: none"> <li>- TVET partners 6/7 achieved, finalising partnership with TVETs supported through capacitation intervention with TVETCGC</li> <li>- Universities partners 3/4 achieved, finalising partnership with universities for bursaries funded as a strategic intervention</li> <li>- CET 1/4 achieved, finalising partnerships with CETs receiving capacitation for their Practitioners and Occupational Qualification Development capacitation.</li> </ul>
2. Number of TVET colleges Lecturers awarded Bursaries	<ul style="list-style-type: none"> <li>- TVET lectures awarded bursaries to date 9/40 and recruitment underway for lectures enrolled with TUT through bursaries project with USAF.</li> </ul>



## 8. Performance explanation



Partially Achieved (17/33)	Progress Report
3. TVET colleges infrastructure development (equipment/workshops)	<p>4/5 TVETs are supported through partnership with lead employers to operate from Skills Development Centres constructed by Services SETA, process to finalise operationalisation process underway:</p> <ul style="list-style-type: none"><li>- Ikhala College operating at Cala Skills Development Centres</li><li>- Northern Cape Rural College operating at Prieska Skills Development Centres</li><li>- Buffalo City College operating at Mount Coke Skills Development Centres</li><li>- Motheo College operating at Motheo Artisans Academy</li></ul> <p>1/5 TVET College supported with Hairdressing Container to utilise as workplace for practical components, WestCol.</p>
4. Number of CET colleges Lecturers awarded skills development programmes	- Process to commence moderator skills programme through College of Cape Town for 14 Western Cape CET Lectures is currently underway, for a target of 10 lectures.

## 8. Performance explanation



Partially Achieved (17/33)	Progress Report
5. CET colleges infrastructure development support (equipment/workshops/ Connectivity/ ICT)	<p>3/3 CETs are supported through partnership with lead employers to operate from Skills Development Centres constructed by Services SETA, process to finalise operationalisation process underway:</p> <ul style="list-style-type: none"> <li>- Kokstad CET College operating at Kokstad Skills Development Centres</li> <li>- Western Cape CET College operating at Beaufort West Skills Development Centres</li> <li>- Eastern Cape CET College operating at Ngqeleni Skills Development Centres</li> </ul>
6. Number of CET colleges Managers receiving training on curriculum related studies	- Process to award bursaries curriculum related studies through CPUT for 11 Western Cape CET Managers is currently underway, for a target of 5 Managers.
7. Number of TVET lecturers exposed to the industry through Skills Programmes	- Process to commence skills programme intervention in partnership with TVET CGC for 40/40 Lectures from various TVET Colleges is currently underway.
8. Number of trade unions and federations supported <ul style="list-style-type: none"> <li>- Unions</li> <li>- Federations</li> </ul>	<ul style="list-style-type: none"> <li>- 2/2 Federations supported to commence worker-initiated training</li> <li>- 3/4 Trade Unions supported to commence worker-initiated training</li> <li>- 1/4 Trade Unions process to commence with implementation for 247 learners for no credit bearing intervention (workshop on occupational health and safety)</li> </ul>

## 8. Performance explanation



Partially Achieved (17/33)	Progress Report
9. Number of learnership entered	- Commenced 3968 of 4480, resulting 86%
10 Number of Internships Entered Placements	- Commenced 816 of 1120, resulting 73%
11 Number of Skills Programmes Entered	- Commenced 4675 of 5600, resulting 83%
12 Number of AET Entered	- Commenced 90 of 350, resulting 26%
13 Number of RPL Entered	- Commenced 74 of 140, resulting 53%

## 8. Performance explanation



Partially Achieved (17/33)	Progress Report
14 Number of Co-operatives and SME supported with training	<p>E-learning capacitation implemented by ECD department working with provincial offices and SEDA to introduce a hybrid model of capacitation workshops that will include online and face-to-face. The Services SETA deployed mobile offices to rural areas and townships to ensure access to online training as well as uploads of learner documents. Verifications and reporting currently underway:</p> <ul style="list-style-type: none"> <li>- 171/300 Co-operatives supported with training</li> <li>- 93/100 people trained in entrepreneurial skills</li> <li>- 112/100 people trained to start their businesses</li> <li>- 78/100 non-profit organisations supported with training</li> </ul>
15 Number of people trained in entrepreneurial skills	
16 Number of people trained to start their businesses	
17 Number of non-profit organisations supported with training	
	<p>300 SME supported</p> <ul style="list-style-type: none"> <li>- 60 SME supported through labour skills development with Wits Business School for CAPES project</li> <li>- 380 SME supported through skills programme for MTL project</li> </ul>

## 8. Performance explanation (Program 4)

Partially Achieved (2/2)	Progress Report
<p>1. Percentage increase in number receiving certificates/SOR</p>	<p>Performance of 93% (41091/41436) as at February 2022</p> <ul style="list-style-type: none"> <li>- Final report with March performance to be after 31 March 2022.</li> </ul>
<p>2. Number of qualifications developed or aligned to the priority skills</p>	<p>Development of 5 occupational qualifications completed. These are being circulated for public verification for two weeks and to schedule verification session with experts &amp; QCTO for finalisation</p> <ul style="list-style-type: none"> <li>- Work on public inputs work and planned submission to QCTO by the week of 14<sup>th</sup> March 2022.</li> <li>- The results will be reported once the acknowledgement letters have been received from the QCTO by 31<sup>st</sup> March 2022.</li> </ul>





Thank You

