



REPORT ON THE SERVICES SETA PERFORMANCE AND AUDIT

Date: Wednesday, 15 March 2023
Time: 09:00



1. Agenda



2. Recap: Key points from previous meeting



Improved Audit Outcomes



Senior Management Qualifications



80% Organisational Performance

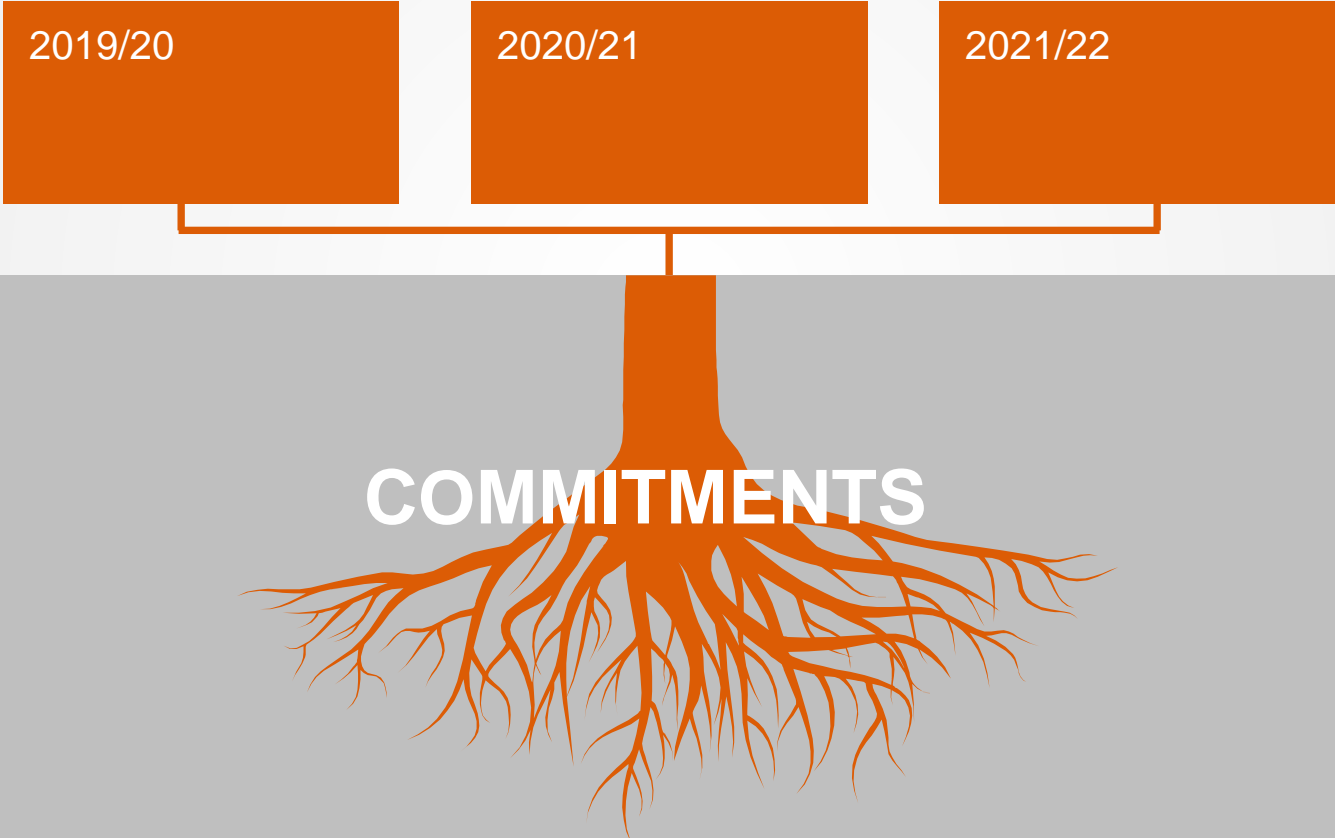




Audit Update



3. Services SETA Audit





4. Commitment Opening Balance

- AGSA started auditing in December 2022
- AGSA proposed adjustments implemented
- Updated management report due on 31 March 2023

5. Analysis of Findings

- Number of findings: 35
 - ✓ Resolved : 24 (69%)
 - 13 confirmed by internal audit
 - 11 to be confirmed by internal audit
 - ✗ Not resolved: 11 (31%)
 - AFS: 1
 - Performance report: 2
 - Compliance: 3
 - ICT Governance: 4
 - Other: Planning Policy: 1



6. Unresolved Findings



AFS and Other

To be resolved during final submission Planning Policy under review for approval in Q1 of 2023/24



Non-compliance

Late submission: Management plans to submit before deadline
SCM: legal opinion
Invoice payments: reduced



ICT Governance

Implementation underway to be completed on 31 March. ICT GCR planned for Q1 of 2023/24

Performance Information

Issues in progress. To be assessed by Internal Audit and AGSA in April 2023.



7. Update on Consequence Management

IRREGULAR EXPENDITURE

| DESCRIPTION | UPDATE |
|---|---|
| Appointment of board members not aligned to the Skills Levies Act | <ul style="list-style-type: none"> • A review of the irregular expenditure by the DHET found no evidence of wrongdoing by any official. The Accounting Authority has approved the write-off of the expenditure. • The expenditures must be written off until the end of the current Board's term. |
| DG support above 7,5% | <ul style="list-style-type: none"> • The warning letter was issued against one official, as previously reported. • The Services SETA has applied to the National Treasury for condonation of the expenditure. |
| DG Expenditure on expired contracts | <ul style="list-style-type: none"> • The warning letter was issued against one official, as previously reported. • The Services SETA has applied to the National Treasury for condonation of the expenditure. |
| Supply Chain non-compliance | <ul style="list-style-type: none"> • The warning letter was issued against one official, as previously reported. • The Services SETA has applied to the National Treasury for condonation of the expenditure. |

8. Update on Consequence Management

FRUITLESS EXPENDITURE

| DESCRIPTION | UPDATE |
|---|--|
| Interest paid on late settlement costs. (ATHENA) | <ul style="list-style-type: none"> The warning letter was issued against one official, as previously reported. The expenditure has been written off. |
| Settlement cost on dispute between Services SETA and ICT provider (Blue Turtle) | <ul style="list-style-type: none"> No official was found responsible. The expenditure has been written off. |
| Legal fees paid on the case between Services SETA and training provider (Ithemba) | <ul style="list-style-type: none"> No official was found responsible. The expenditure has been written off. |
| Settlement on dispute between Services SETA and security service provider (Mode Security) | <ul style="list-style-type: none"> No official was found responsible. Negotiation between Services SETA and EOH still on going . |
| Settlement on the dispute with a legal firm | <ul style="list-style-type: none"> The responsible official is no longer employed by the Services SETA The expenditure has been written off. |



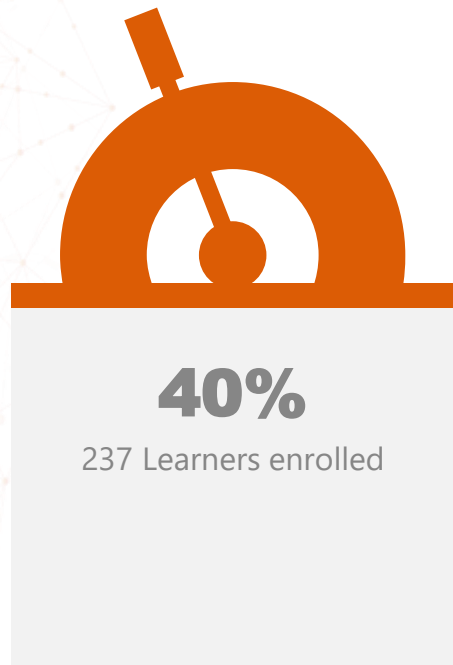
Performance Update



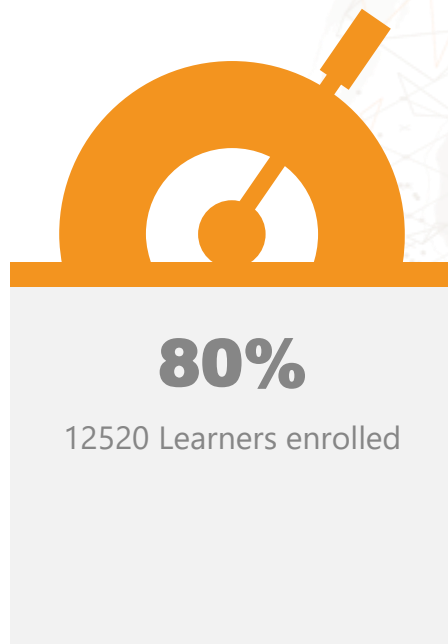


9. Overall Performance comparison

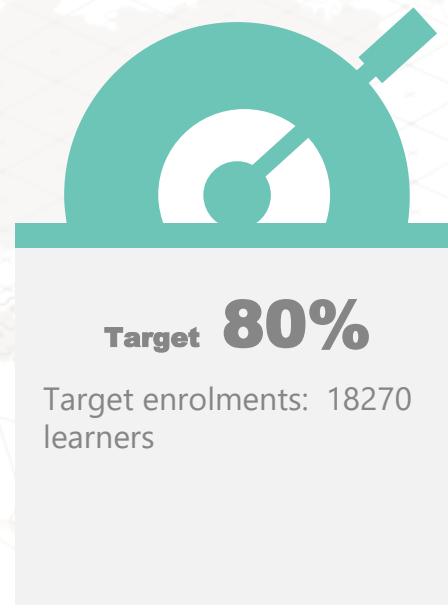
2020/21



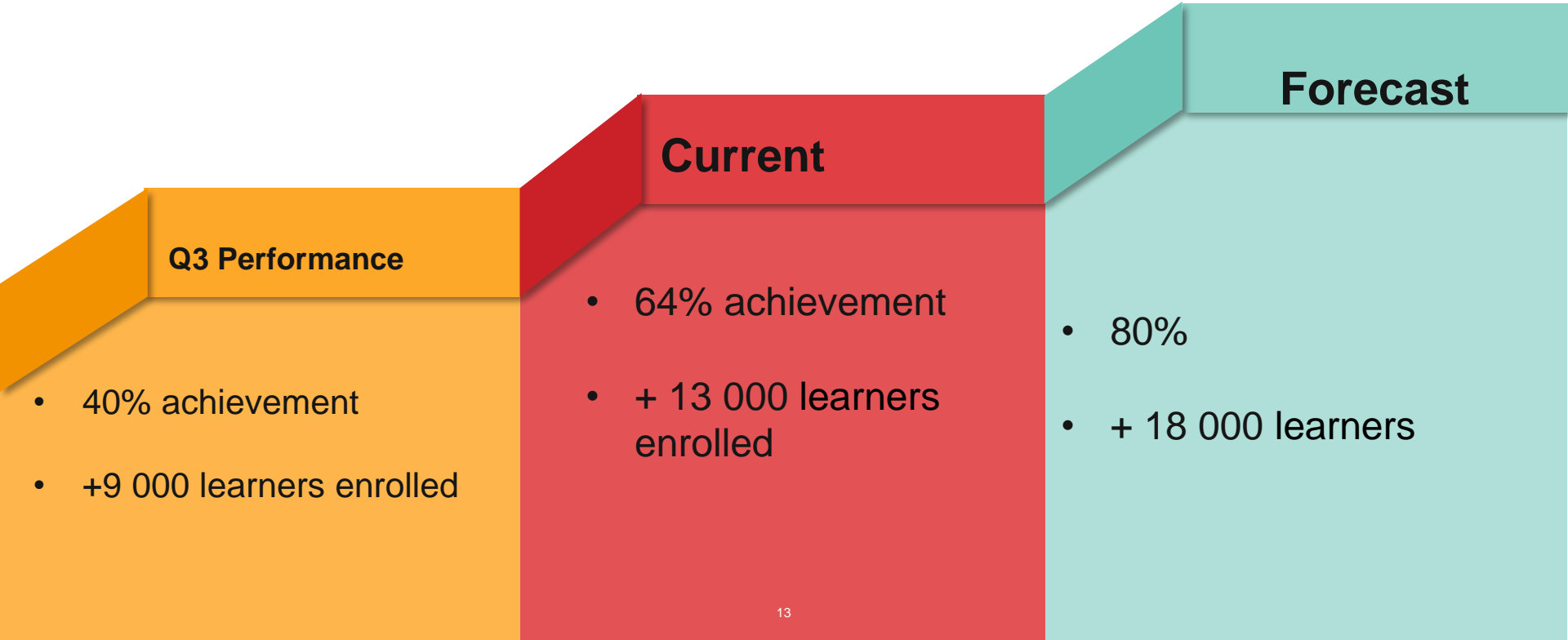
2021/22



2022/23



10. Year-to-date Performance Update



Q3 Performance

- 40% achievement
- +9 000 learners enrolled

Current

- 64% achievement
- + 13 000 learners enrolled

Forecast

- 80%
- + 18 000 learners

11. Performance Progress Update



| Programme | Annual Target | Achieved target to date | To be Achieved by 31 March 2023 |
|----------------------------------|---------------|-------------------------|---------------------------------|
| Programme 1: Administration | 7 | 4 (57%) | 2 (29%) |
| Programme 2: Skills Planning | 11 | 9 (82%) | 1 (9%) |
| Programme 3: Learning Programmes | 30 | 18 (60%) | 4 (14%) |
| Programme 4: Quality Assurance | 2 | 1 (50%) | 1 (50%) |
| Total | 50 | 32 (64%) | 8 (16%) |

12. Performance explanation (Programme 1)



| Description | Progress Report |
|---|--|
| 1. Percentage achievement against prioritised ICT implementation plan | Annual target is 70%. Currently at 67%. The Business Continuity Plan project is in phase 3 and will be achieved by 20 March 2023. |
| 2. Stakeholder satisfaction survey | The stakeholder survey study currently underway. Targeting 65% satisfaction score. |

13. Performance explanation (Programme 2)



| Description | Progress Report |
|---|--|
| 3. Number of Trade Unions and Federations supported | <p>Currently implementing UASA, PECAU and SATAWU learning programmes.</p> <p>Workshops and other interventions have been planned to support COSATU and NACTU</p> <p>These interventions will lead to overachievement of this target.</p> |

14. Performance explanation (Programme 3)

| Description | Progress Report |
|--|---|
| 4. Number of enterprises funded for skills that enhance their growth/development/sustainability of their organisations | <p>Cooperative and NGOs: E-Learning training of different Co-Ops and NGO in different provinces underway to enhance their growth and sustainability through the e-learning, bursaries, and workshops.</p> <p>SMME sub-indicator achieved.</p> |
| 5. Number of artisan learners enrolled | 94% achieved - more artisans projects will be activated, and commencement letters will be issued to address the variance. |
| 6. Number of learners enrolled learnership programmes | <p>Employed sub-indicator achieved 100%.</p> <p>Unemployed achieved 57% - more projects for unemployed learners will be activated, and commencement letters will be issued to address the variance.</p> |
| 7. Number of learners enrolled Skills Programmes | 74% achieved – more employed and unemployed projects will be activated, and commencement letters will be issued to address the variance |

15. Performance explanation (Programme 4)



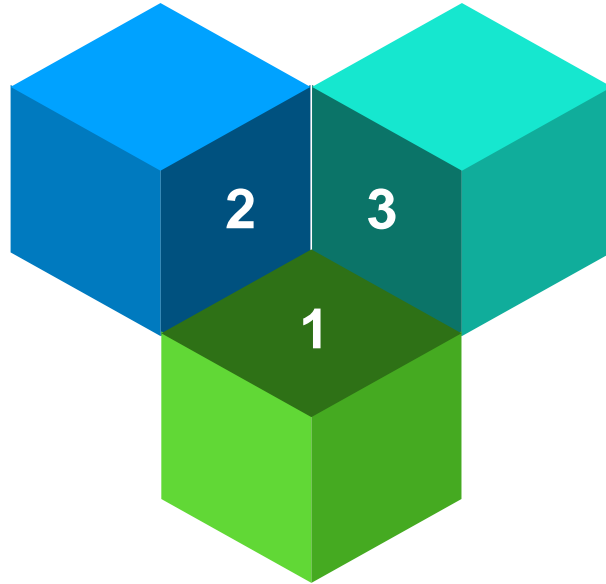
| Description | Progress Report |
|---|--|
| 8. Number of qualifications developed or aligned to the priority skills | 70% achieved - developed 7/10 qualifications and submitted to QCTO. Additional development activities underway: 3 Full Qualifications and 2 Skills Programme qualifications to be submitted to QCTO for developed on the 17th of March. |



16. Commitment Rationalisation

- The process has produced positive results.
- Commitment reduced by over R700 million
- Moreover, the process will assist the organisation with the transition from historical qualifications to occupational qualifications.

17. Business Process Update



Business Processes Review

02

- ICT Systems review
- ICT Systems integration
- Business processes and SOP reviews

03

Occupational Qualifications

- Aligning historical qualifications
- Developing new occupational qualifications

01

Organisational Development

- Aligning organisational structure with funding (10,5% admin) and (7,5% project support)
- Aligning organisational structure with occupational qualifications

18. Other Matters



Litigation

An icon of a pair of scales of justice, representing litigation or legal matters.

2 cases from old projects

PAIA judgement
OUTA report
AA investigation

An icon of a pair of binoculars, representing an investigation or report.

OUTA

Threat

An icon of a person with a plus sign, representing a threat or a person of interest.

Threats to staff

19. Conclusion

We are committed to achieving 80% organisational performance and improving audit outcomes.



Thank you

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SERVICES SECTOR EDUCATION
AND TRAINING AUTHORITY