



Transport Education Training Authority

Driven by Vision

TETA

Portfolio Committee on Higher Education, Science and Innovation

2022/23 Annual Report

01 November 2023

PRESENTATION OUTLINE

02

1. TETA Overview
2. Overall Control Environment
3. Annual Performance against Strategic Goals
4. Completions for the 2022-23 Learning Programmes
5. Reasons for Deviation (unachieved targets)
6. Annual Financial Statements
7. Irregular Expenditure
8. Action plan with Timeframes (Audit outcomes)

PART A

TETA OVERVIEW



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Sub-sectors of Transport

Aerospace Chamber



Forwarding and Clearing Chamber



Freight Handling Chamber



Maritime Chamber



8 Chambers representing each sub-sector

Rail Chamber



Road Freight Chamber



Road Passenger Chamber



Taxi Chamber





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National Reach by the Transport SETA

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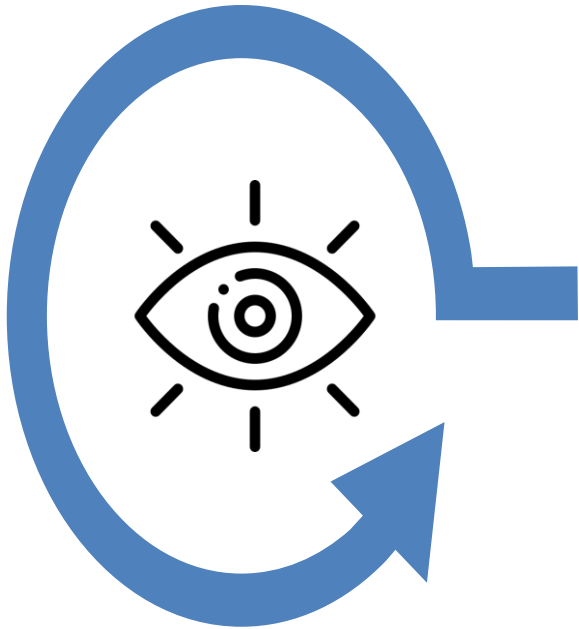


TETA has been able to service the entire country despite the offices being only in 5 provinces. i.e. Gauteng, Mpumalanga, Limpopo, KZN and Western Cape



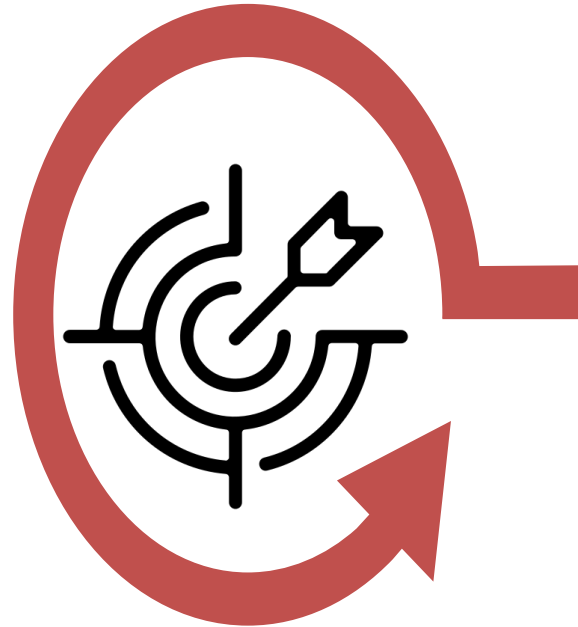


Vision Statement



Inspired visionary leadership through skills development within the transport sector

Mission Statement



Building a forward thinking and globally competitive workforce by facilitating skills development programmes that support the outcomes of the NSDP and respond to emerging skills needs of the transport sector

Core Values



- Trust
- Respect
- Responsibility
- Accountability
- Positive attitude
- Commitment



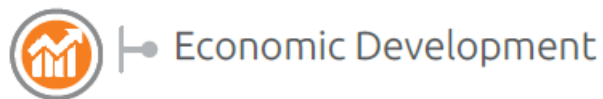


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TETA Mandate and Programmes

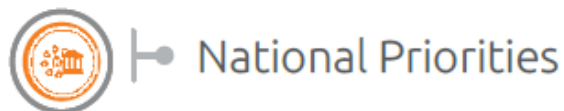
KEY STRATEGY DRIVERS



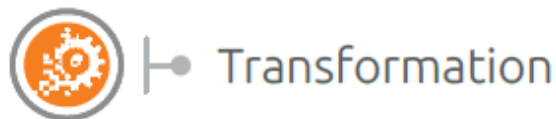
Economic Development



Industry Skills Needs



National Priorities



Transformation



Partnerships

| Strategic Goals | | | | Interventions | | |
|--|------|------|------------------------|--|--------------------|------|
| Administrative support services | | | | <ul style="list-style-type: none"> Contract support services Administration services | | |
| Skills planning and research | | | | <ul style="list-style-type: none"> Industry labour research Impact studies Sector skills planning Research chair/collaborations Research on the impact of the 4IR | | |
| Access to occupationally directed programmes | | | | <ul style="list-style-type: none"> Bursaries Apprenticeships Skills programmes Learnerships Internships/work experience Small business support | | |
| Strengthening quality assurance systems | | | | <ul style="list-style-type: none"> TVET equipment TVET and CET support Assessor and moderator training Accreditation | | |
| National Imperatives | | | | | | |
| NDP | MTSF | NSDP | Just Energy Transition | SIPs | SONA February 2022 | ERRP |



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Mid-Term Progress on 5 Year Outcomes 2020/21 to 2022/23

09

| OUTCOME NUMBER | OUTCOMES | 5 YEAR TARGET | 3-YEAR ACHIEVEMENT | % ACHIEVEMENT |
|-------------------|---|---------------|--------------------|---------------|
| Outcome 1 | Identify and increase production of occupations in high demand | 229 | 148 | 65% |
| Outcome 2 | Linked education institutions and the workplace | 425 | 233 | 55% |
| Outcome 3 | Improving the level of skills in the South African workforce | 10 695 | 5673 | 53% |
| Outcome 4 | Increase access to occupationally directed programmes | 15 631 | 12132 | 78% |
| Outcome 5 | Support the growth of the public college institutional type as a key provider of skills required for socio-economic development | 14 | 8 | 57% |
| Outcome 6 | Skills development support for entrepreneurship and cooperative development | 546 | 2084 | 382% |
| Outcome 7 | Encourage and support worker- initiated training | 14 | 9 | 64% |
| Outcome 8 | Support career development services | 182 | 287 | 158% |
| Outcome 9 | Support transport safety interventions | 32 | 35 | 109% |
| Outcome 10 | Provide administrative support services | 94 | 81 | 87% |

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Overall Control Environment

Risk Management

- Annual risk assessment
- Maintenance of risk registers
- Quarterly risk mitigation progress reports

Governance

- Functioning oversight structures
- Approved Governance Charters and ToRs
- Board Evaluation
- Delegation of Authority

Internal Control Environment

- Policy tracking register
- 100% policies reviewed and aligned to relevant prescripts

Policy

- Performance Management
- Ethical culture
- Training and Development

People

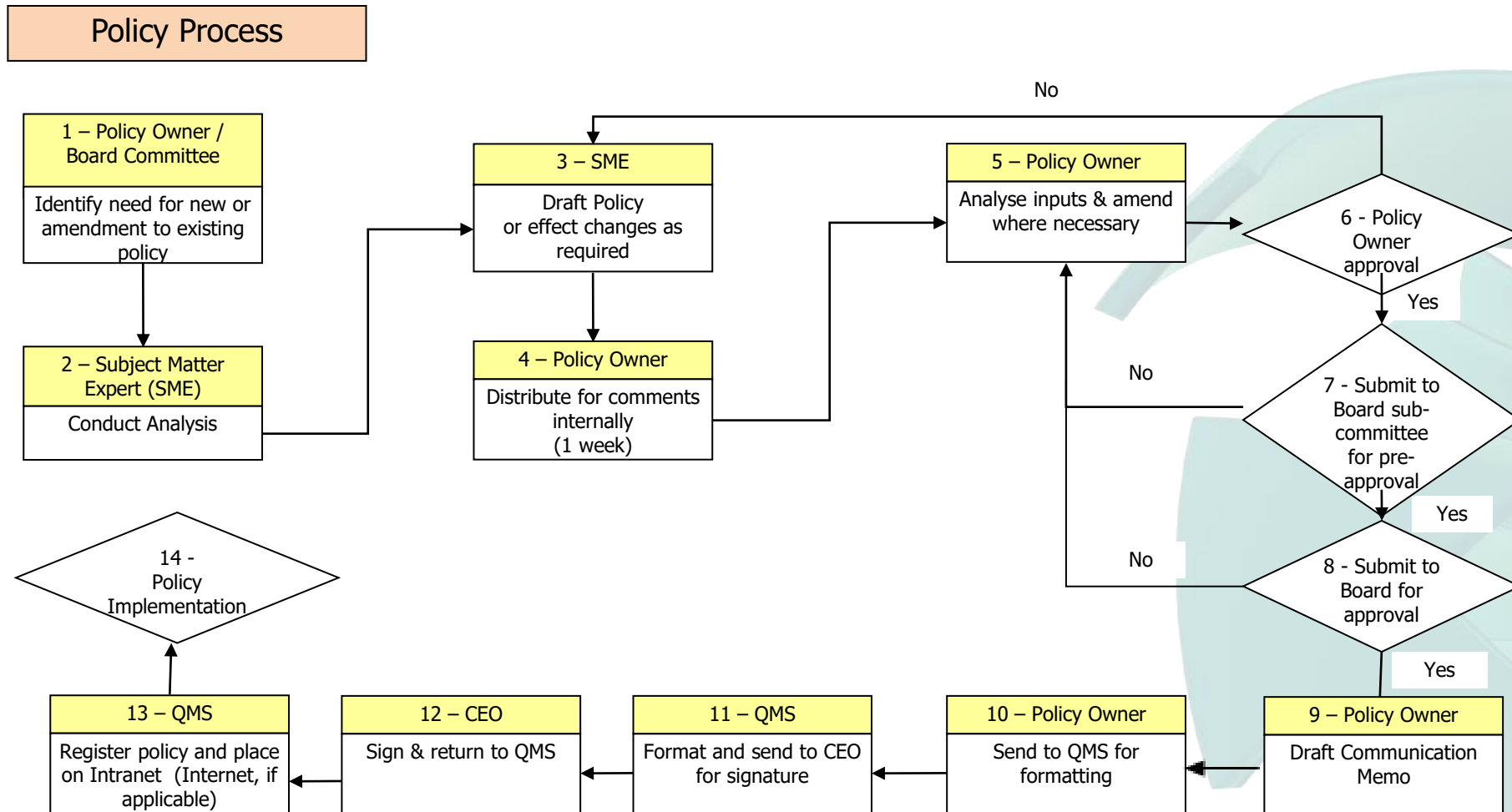


Policy Review Process

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In line with the Policy on Policy, TETA follows this process for development and review of policies prior to the approval by board:





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Approval Dates

| Policy Name | Oversight committee | Date of meeting | Accounting Authority Approval |
|--|--|-----------------|-------------------------------|
| <ul style="list-style-type: none">• Leave Policy review• Training and Development Policy review• Performance Management review• Probation Policy review• Disciplinary Procedure policy review• Sexual Harassment Intimidation and victimisation in the workplace policy review• Termination of Service policy review• Succession policy review• Incapacity policy review | Finance, Human Resource and Remuneration | 19 MAY 2022 | 23 May 2022 |



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Approval Dates

| Policy Name | Oversight committee | Date of meeting | Accounting Authority Approval |
|---|--|-----------------|-------------------------------|
| <ul style="list-style-type: none"> SCM Policy review FINHRRC Charter Review | Finance, Human Resource and Remuneration | 20 July 2022 | 28 July 2022 |
| <ul style="list-style-type: none"> Petty Cash Policy (Finance) Investment Policy (Finance) Property, Plant & Equipment Policy (Finance) Travel Management Policy (SCM) Recruitment Selection Policy Independent Contract Policy Moonlight Policy Resettlement Policy Orientation Policy Disciplinary Code Policy Incapacity Policy Smoking Policy Grievance Procedure Policy Annual Salary Review policy Retrenchment policy | | 20 October 2022 | 24 November 2022 |



Approval Dates

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| Policy Name | Oversight committee | Date of meeting | Accounting Authority Approval |
|--|--|------------------|--|
| <ul style="list-style-type: none">• HIV and Dread disease policy• Learnership, Graduate and Internship policy• Recruitment and selection policy• Abscondment policy | Finance, Human Resource and Remuneration | 22 February 2023 | 24 March 2023 |
| <ul style="list-style-type: none">• Remuneration policy• Performance Management policy | | 20 October 2023 | 23 November 2023 (Pending Accounting Authority approval) |



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Approval Dates

| Policy Name | Oversight committee | Date of meeting | Accounting Authority Approval |
|--|-------------------------|-----------------|-------------------------------|
| <ul style="list-style-type: none"> Board Charter EXCO Charter ARC Charter | Governance and Strategy | 14 October 2022 | 24 November 2022 |
| <ul style="list-style-type: none"> Delegation of Authority Draft | | 14 March 2023 | 26 May 2023 |
| <ul style="list-style-type: none"> G&S Charter review FINHRRC Charter review ARC Charter review IT Management policy Information Security policy IT Business Continuity policy Discretionary Grant Policy | | 24 May 2023 | 26 May 2023 |
| <ul style="list-style-type: none"> ICT Disaster Recovery Plan policy Corporate governance of ICT policy Mandatory Grant policy | | 14 July 2023 | 18 August 2023 |



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Approval Dates

| Policy Name | Oversight committee | Date of meeting | Accounting Authority Approval |
|---|---------------------|-----------------|---|
| <ul style="list-style-type: none">SCM Policy review | Audit and Risk | 25 July 2022 | 28 July 2022 |
| <ul style="list-style-type: none">Risk Management policy reviewFraud Response plan reviewFraud Prevention Plan review | | 26 October 2022 | 24 November 2022 |
| <ul style="list-style-type: none">Internal Audit Charter (Second Review) by New IA's | | 24 October 2023 | 23 November 2023 (pending Board approval) |

PART B

Annual Performance Against Strategic Goals

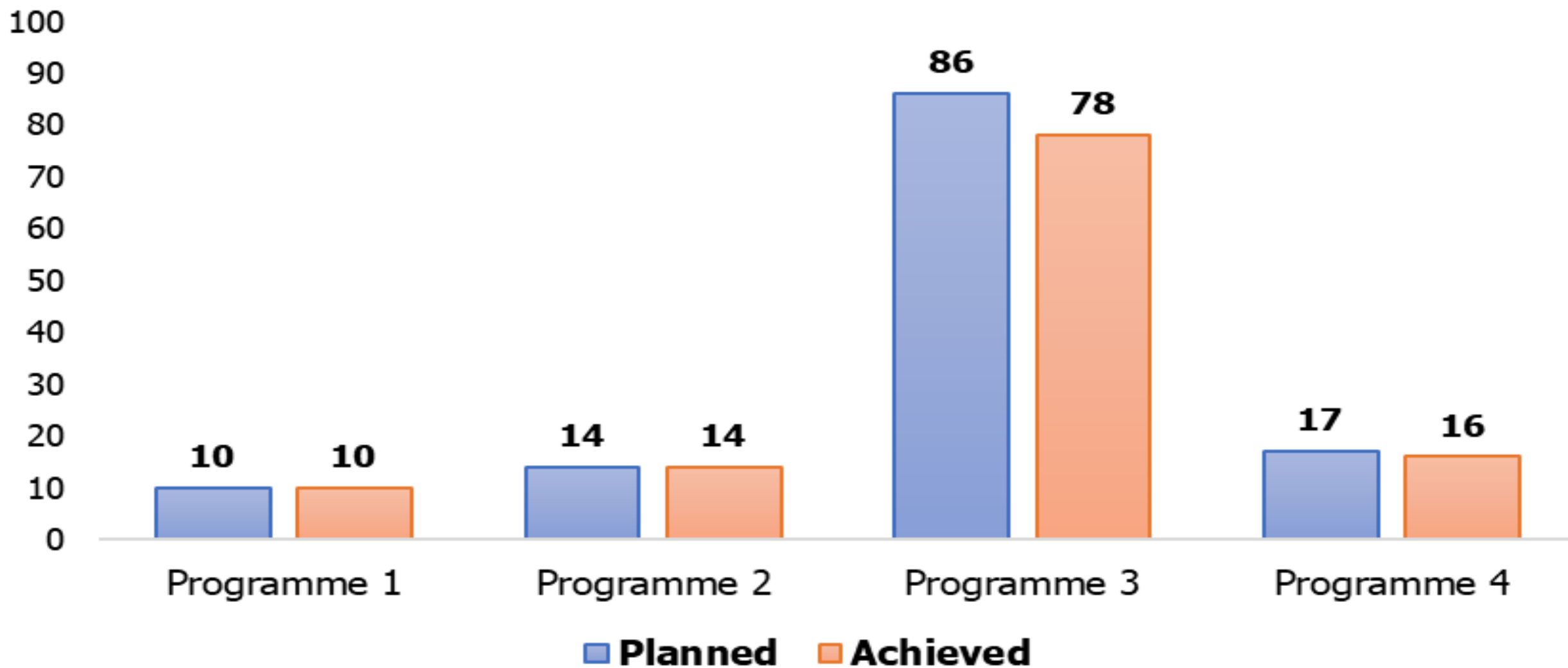


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TETA Programme Performance

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PROGRAMME 1

ADMINISTRATION



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Administration

Refer to page 50 of the annual report

| Output Indicator | Planned Annual Target | Actual Achievement | Reasons for Deviations |
|---|--|--|--|
| 1.1a. Achieve unqualified audit opinion on the annual financial statements at end of financial year | Unqualified audit opinion from the Auditor General for 2021-22 | Unqualified audit opinion from the Auditor General for 2021-22 | N/A |
| 1.1b. Percentage of levy income used towards administration expenditure | 10.5% | 12.7% | TETA applied to exceed 10.5%, in line with grant regulations, which was approved by the Minister of Higher Education Science and Innovation, and the Minister approved 13.3% |
| 1.1c. Percentage of DG funding allocated to PIVOTAL programmes | 80% | 91% | Increased funding model on PIVOTAL programmes together with focused approach on implementing these programmes resulted in overachievement |
| 1.1d. Percentage achievement of TETA procurement Plan | 80% | 100% | Target overachieved due to early advertising of bids ahead of time |
| 1.2a. Percentage of annual permanent staff retained | 85% | 85% | N/A |



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Administration

Refer to page 51 of the annual report

| Output Indicator | Planned Annual Target | Actual Achievement | Reasons for Deviations |
|--|--|--|---|
| 1.2b. Review of organisational structure | Approved reviewed organisational structure | Approved reviewed organisational structure | N/A |
| 1.2c. Submission of TETA Workplace Skills Plan and Annual Training Report to ETDP SETA | Submission of TETA Workplace Skills Plan and Annual Training report by 30 April. | Submitted TETA Workplace Skills Plan and Annual Training Report by 30 April. | N/A |
| 1.2d. Number of wellness activities conducted | 4 | 7 | Target overachievement was due to an increased need to support employees |
| 1.2e. Number of stakeholder satisfaction surveys conducted | 2 | 2 | N/A |
| 1.3. Percentage availability of ICT systems achieved | 90% | 100% | The regular maintenance of systems and hosting environment enabled availability and efficiency of the systems above agreed SLA target |

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PROGRAMME 2
SKILLS PLANNING AND RESEARCH



Skills Planning and Research

Refer to page 52 of the annual report

Three of the completed research studies were commissioned in the 2021/22 financial year and completed in the 2022/23 financial year.





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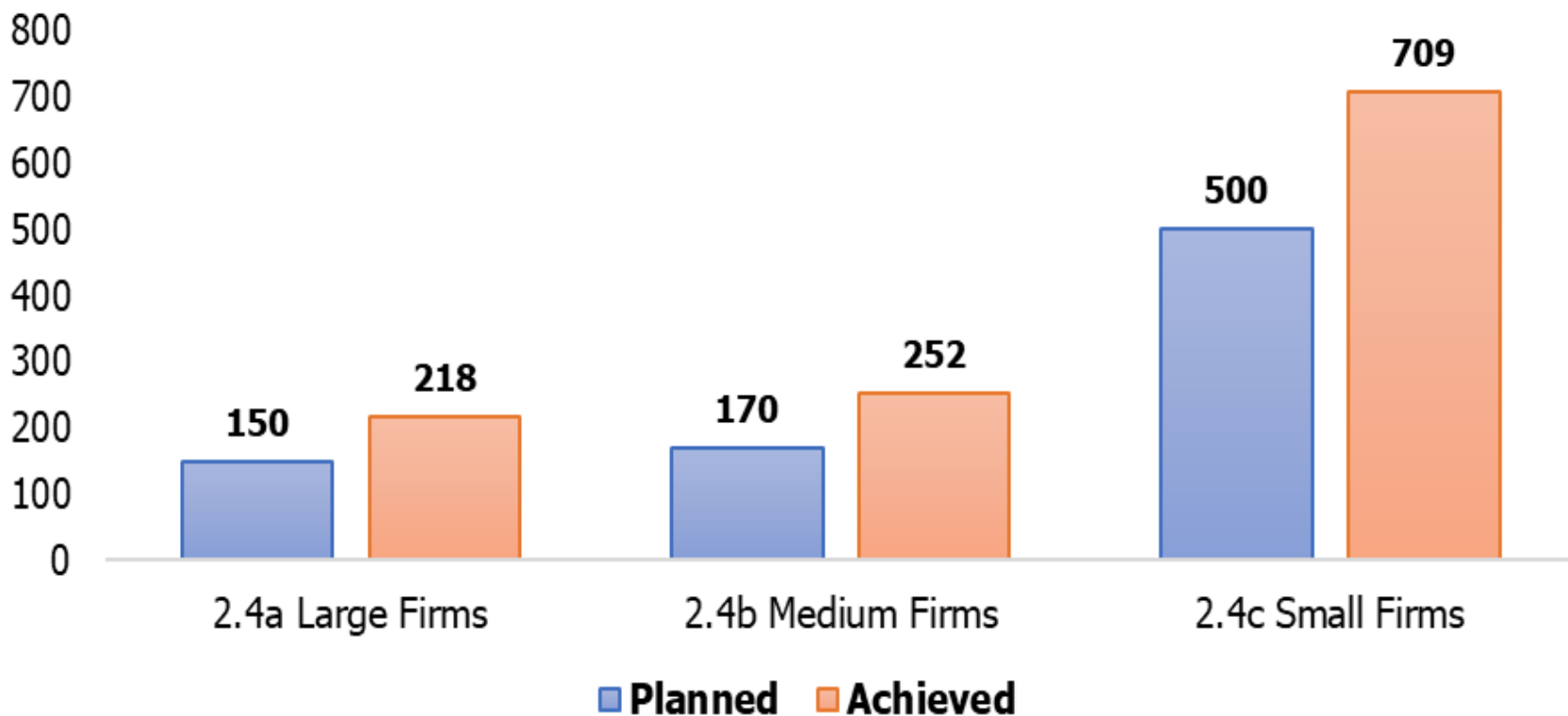
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Skills Planning & Research

Refer to page 52 of the annual report

Mandatory Grant targets were over-achieved due to stakeholder capacitation workshops conducted and extra support provided to stakeholders for compliance.

Number of Mandatory Grants Approved

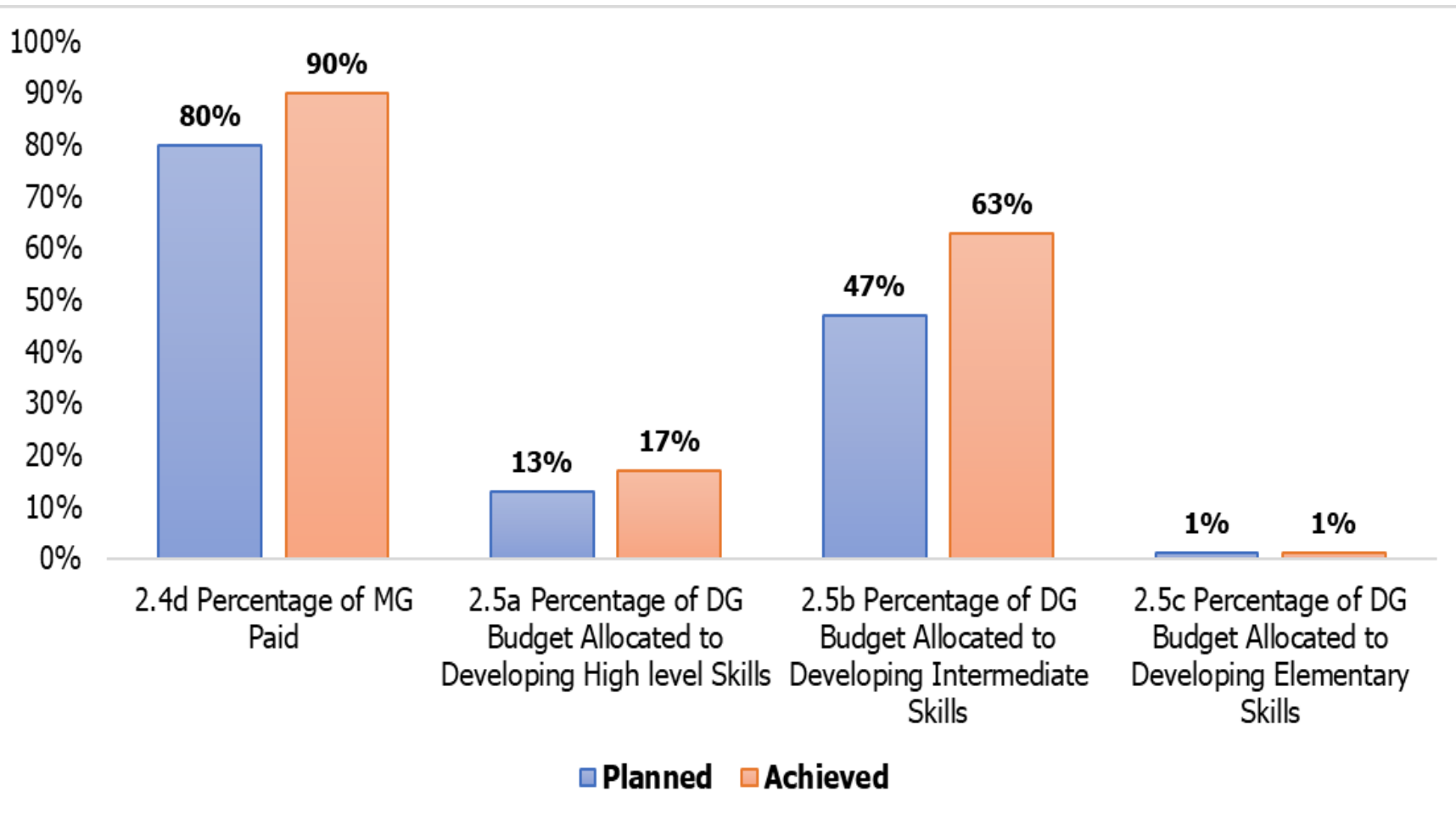




Skills Planning and Research

Refer to page 52 - 53 of the annual report

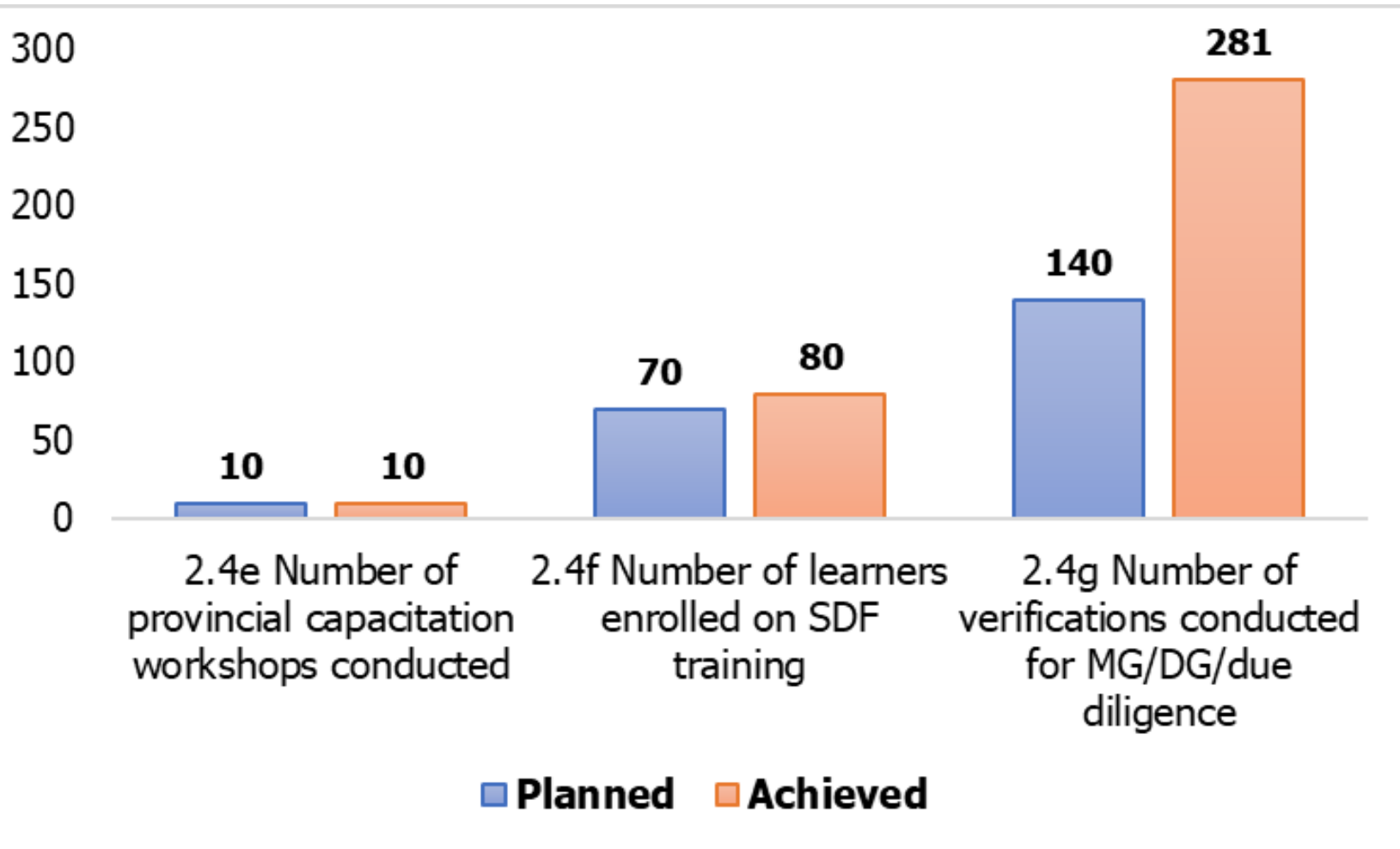
Mandatory Grant target was overachieved due to more Mandatory Grant applications approved. Targets on Discretionary Grants Budget allocated to High level and intermediate skills were overachieved due to high demand of high level and intermediate skills.





Skills Planning and Research

Refer to page 53 of the annual report



Number of learners enrolled on SDF training were overachieved due to more learners enrolled on the programme by the provider at no extra cost.

Number of verifications conducted for MG/DG/du diligence were overachieved due to legacy contracts being monitored.

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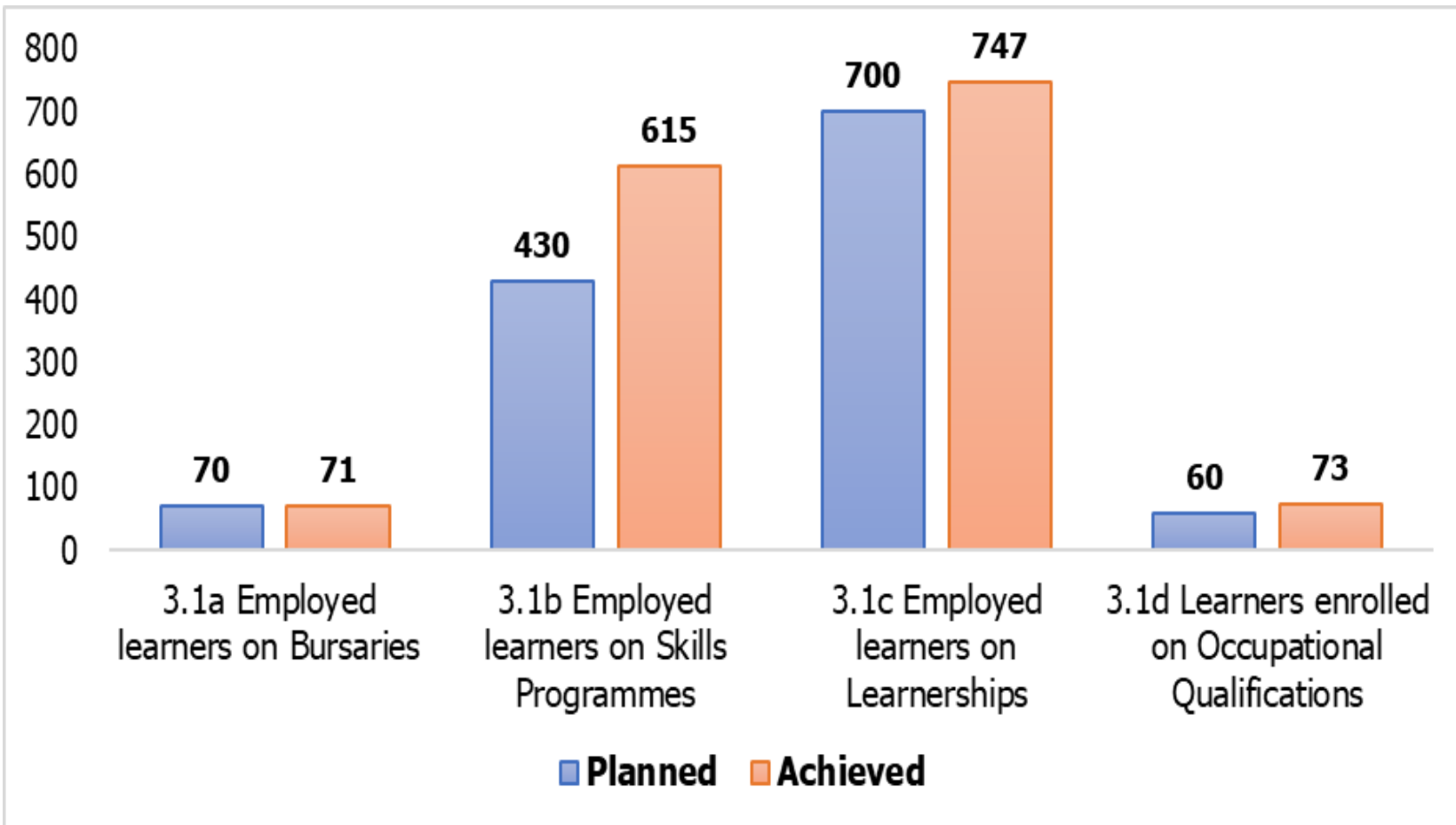
PROGRAMME 3
LEARNING PROGRAMMES AND
PROJECTS



Learners on Occupationally Directed Programmes

Refer to page 54 - 55 of the annual report

All employed interventions overachievement was due to prior year contracts implemented in the 2022/23 financial year.





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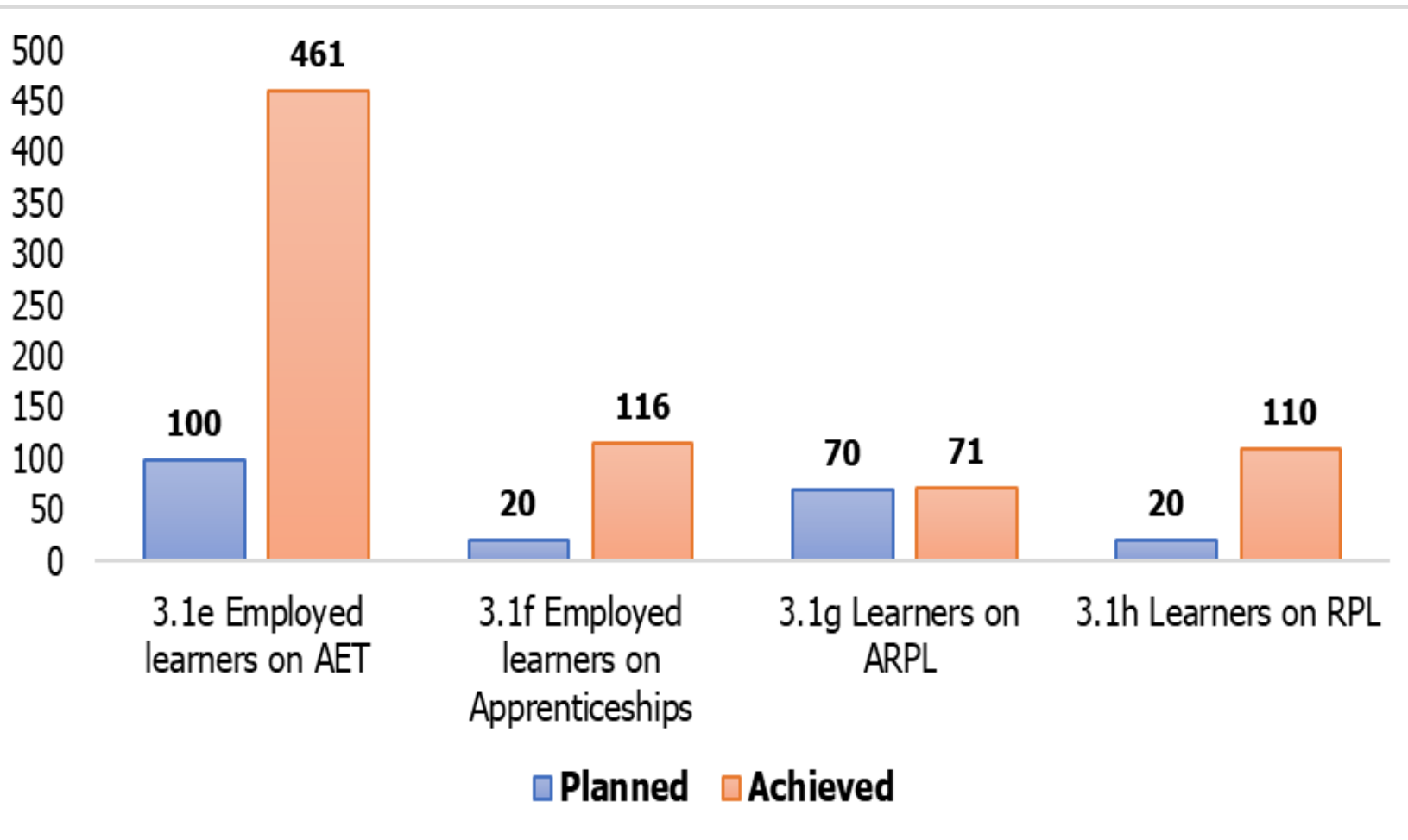
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Learners on Occupationally Directed Programmes

Refer to pages 55 – 56 of the annual report

30

Targets overachieved due to prior year contracts implemented in 2022/23 financial year.



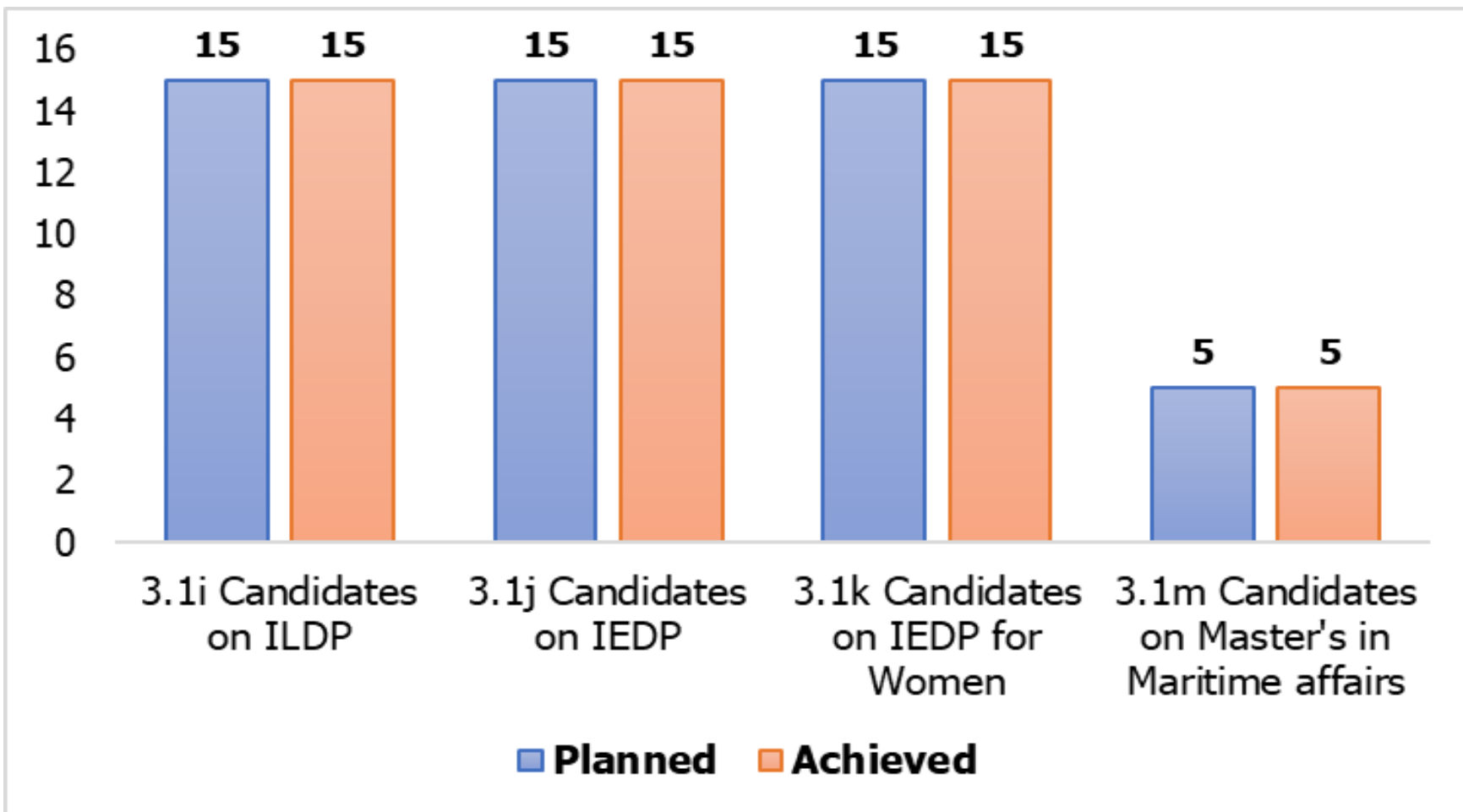


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Enrolments on Leadership Development Programmes

Refer to page 56 - 57 of the annual report

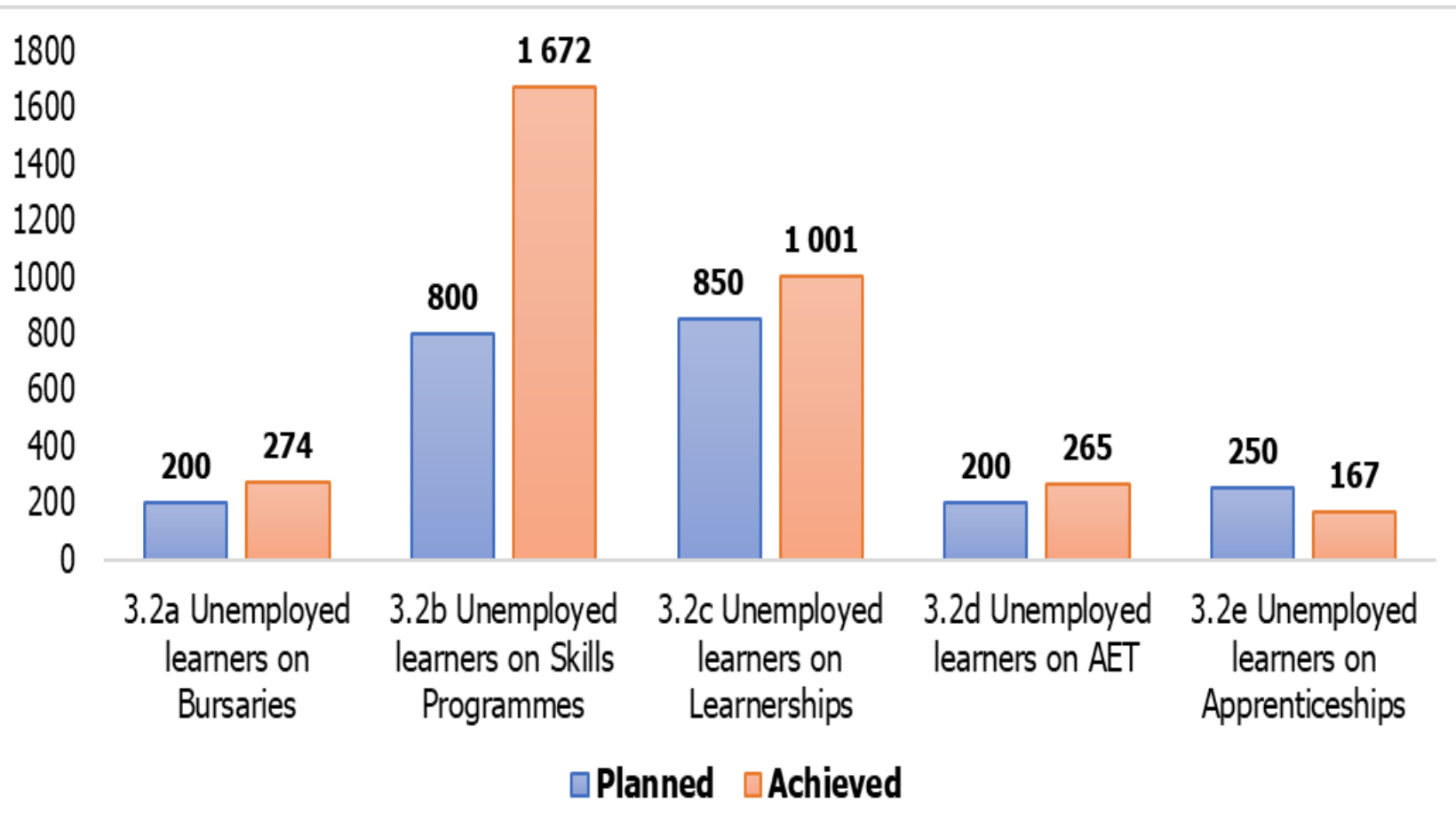




Learners on Occupationally Directed Programmes

Refer to page 57 - 58 of the annual report

Unemployed bursary, skills programme, learnerships and AET were overachieved, however apprenticeship programme was not achieved due to operational requirements from stakeholders.





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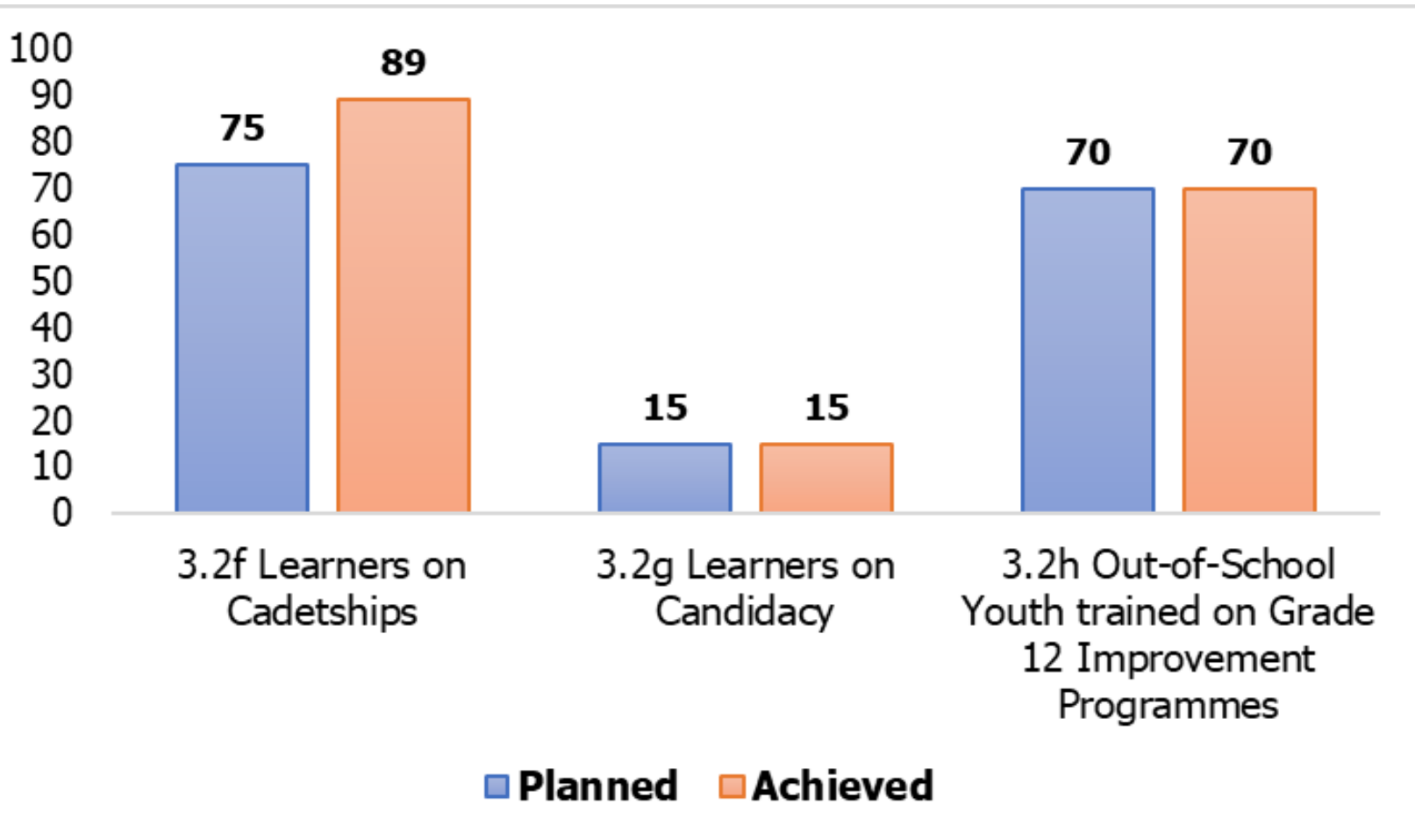
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Learners on Occupationally Directed Programmes

33

Refer to page 59 of the annual report

Cadetships target overachieved due to prior year contracts entered in the 2022/23 financial year.





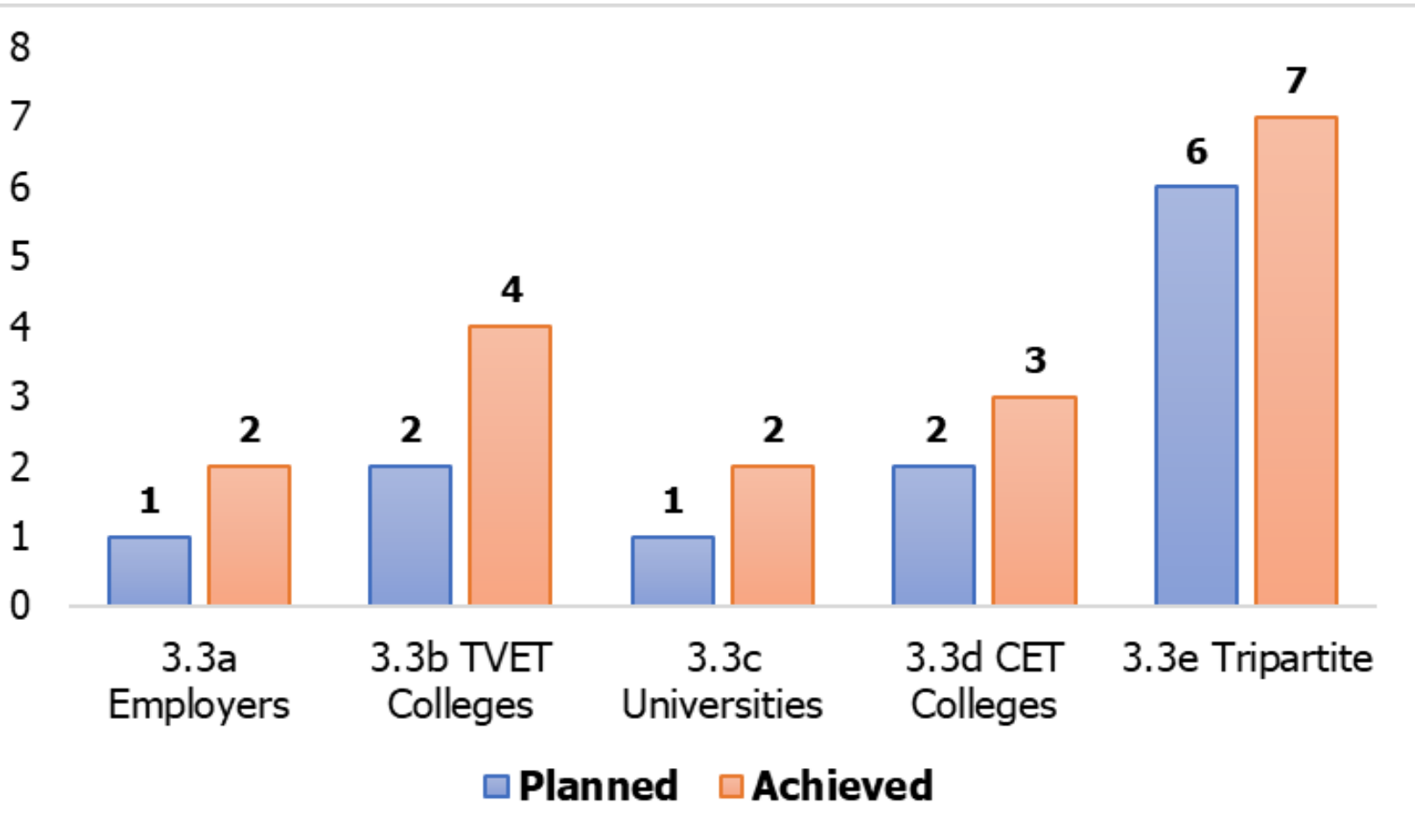
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Partnerships Successfully Signed

Refer to page 59 - 60 of the annual report

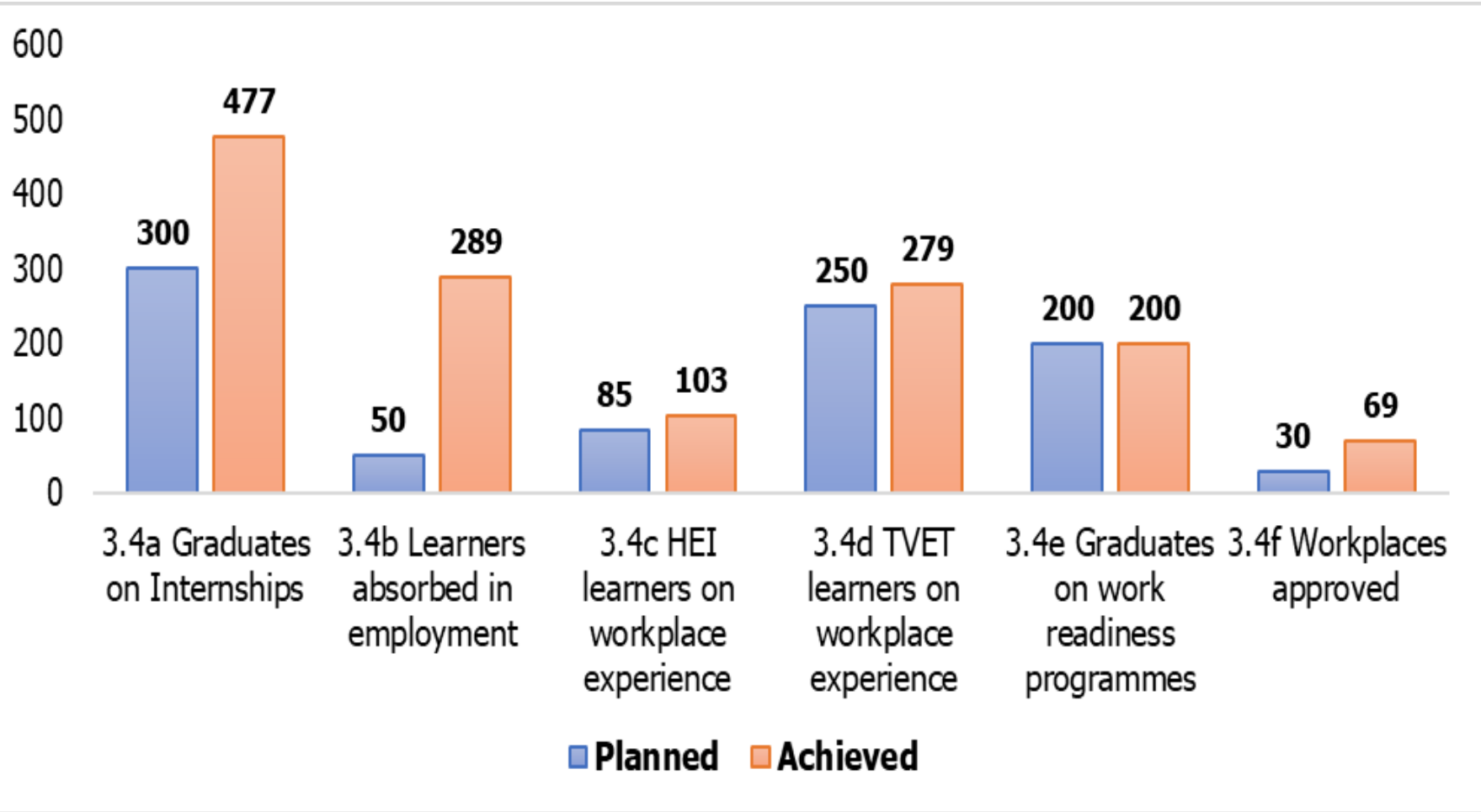
Over-achievement in Partnerships, is due to proactive participation by the Employers, TVET colleges, CET colleges and University with TETA.





Learners and Graduates Placed on Workplace-based Training

Refer to page 61 – 62 of the annual report

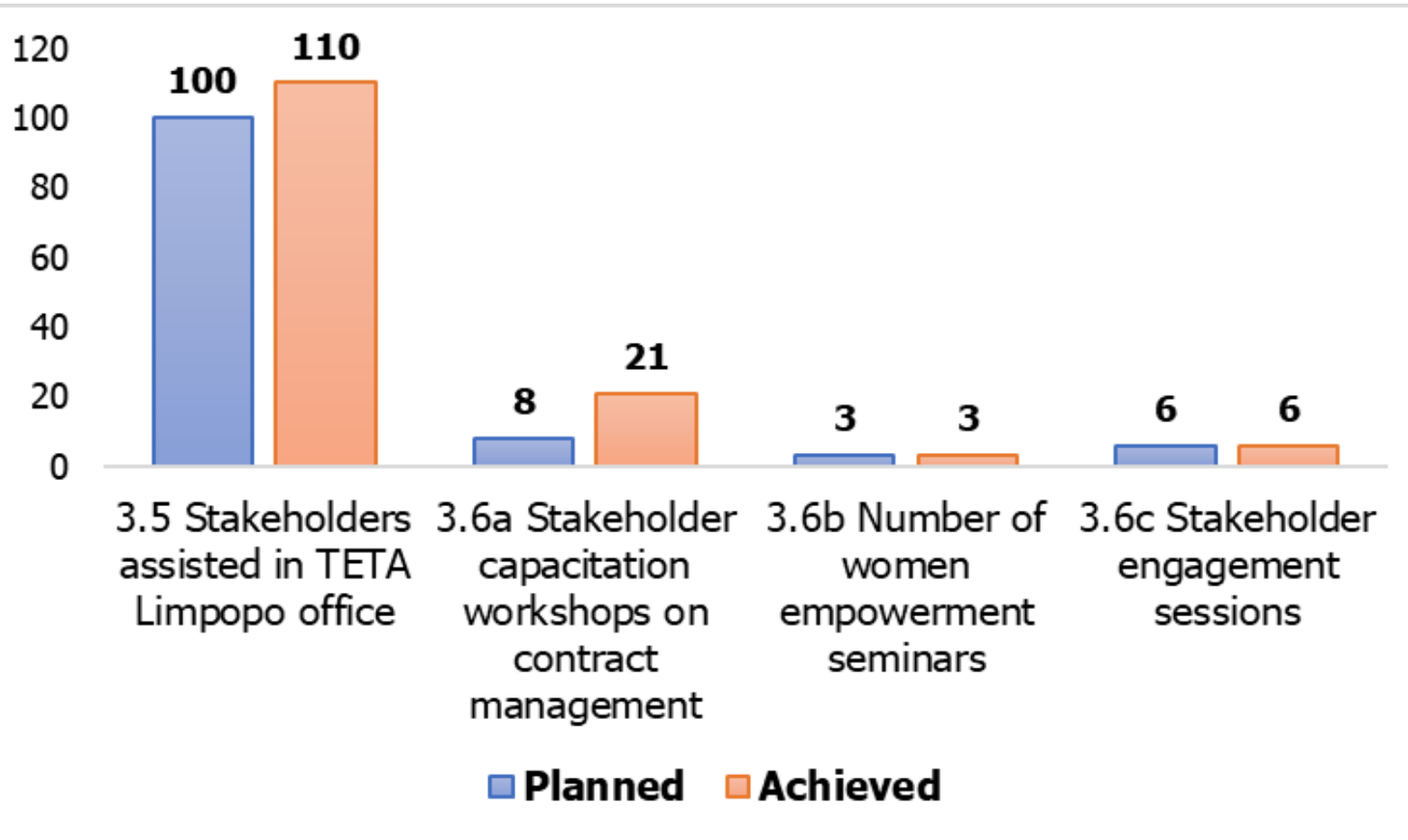


All learners and graduates placed on workplace-based training interventions were overachieved due to prior year contracts implemented in the 2022/23 financial year. Number of Workplace approved was overachieved due to changes in legislation.



Stakeholder Support Interventions Implemented

Refer to page 62 - 63 of the annual report

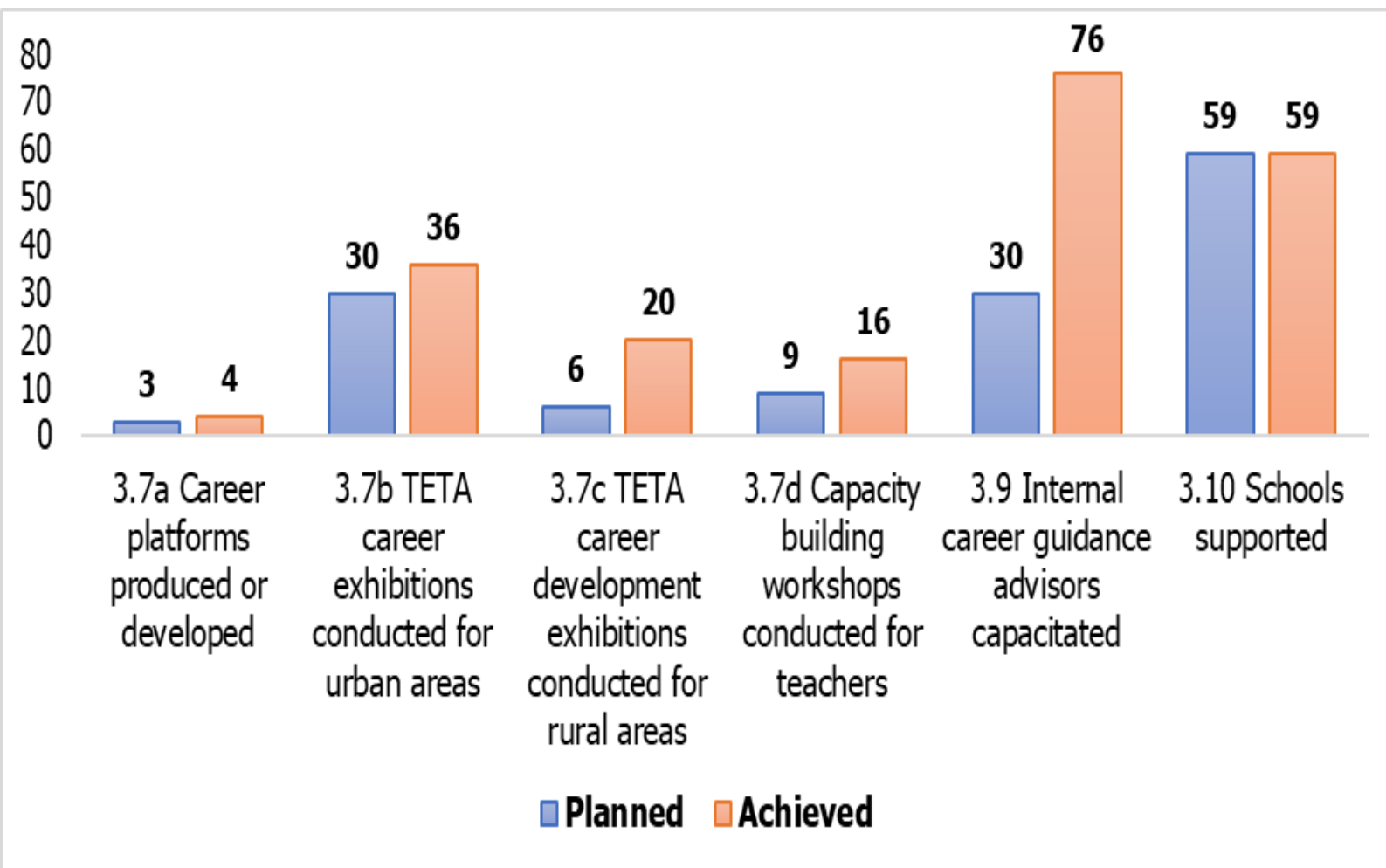


Target on stakeholders assisted in TETA's Limpopo office overachieved due to increased number of stakeholders in the province. Contract management workshops overachieved due to hybrid approach in the rollout of workshops.



Career Guidance and Capacity Building Interventions Implemented

Refer to page 63 - 64 of the annual report

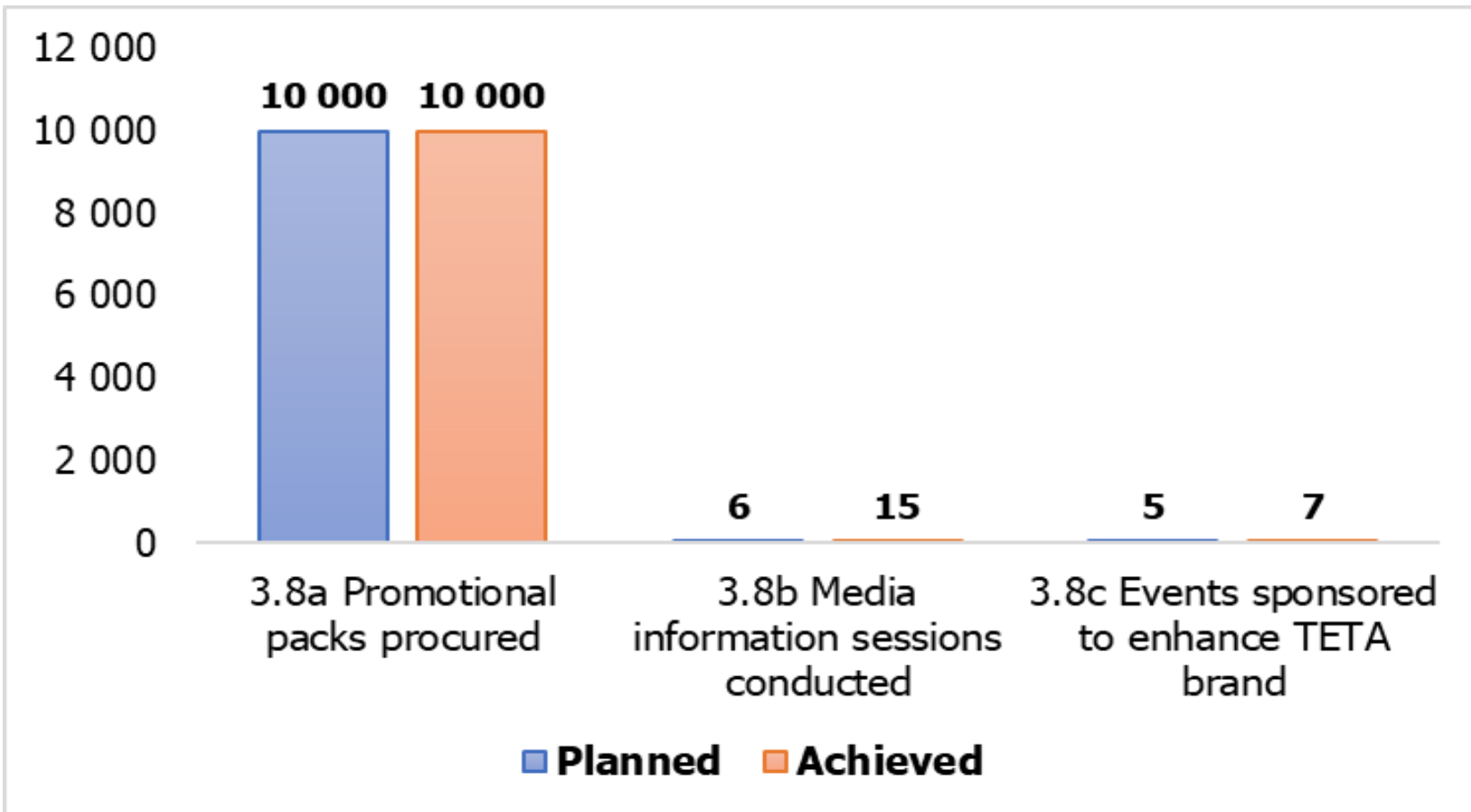


All Career guidance interventions were overachieved as a result of adhoc requests received from various social partners in the career development services environment and internal career guidance over-achievement was due to TETA recruiting interns and the interns formed part of the support system for career development services advising on career guidance.



Media Information Sessions and Events Implemented

Refer to pages 63 - 64 of the annual report



Media information sessions target overachieved due to the maturity of the TETA brand attracting an increase in media presence. Sponsored events to enhance TETA brand target was overachieved due to events related to hosting Namibian delegation and National Skills Authority.

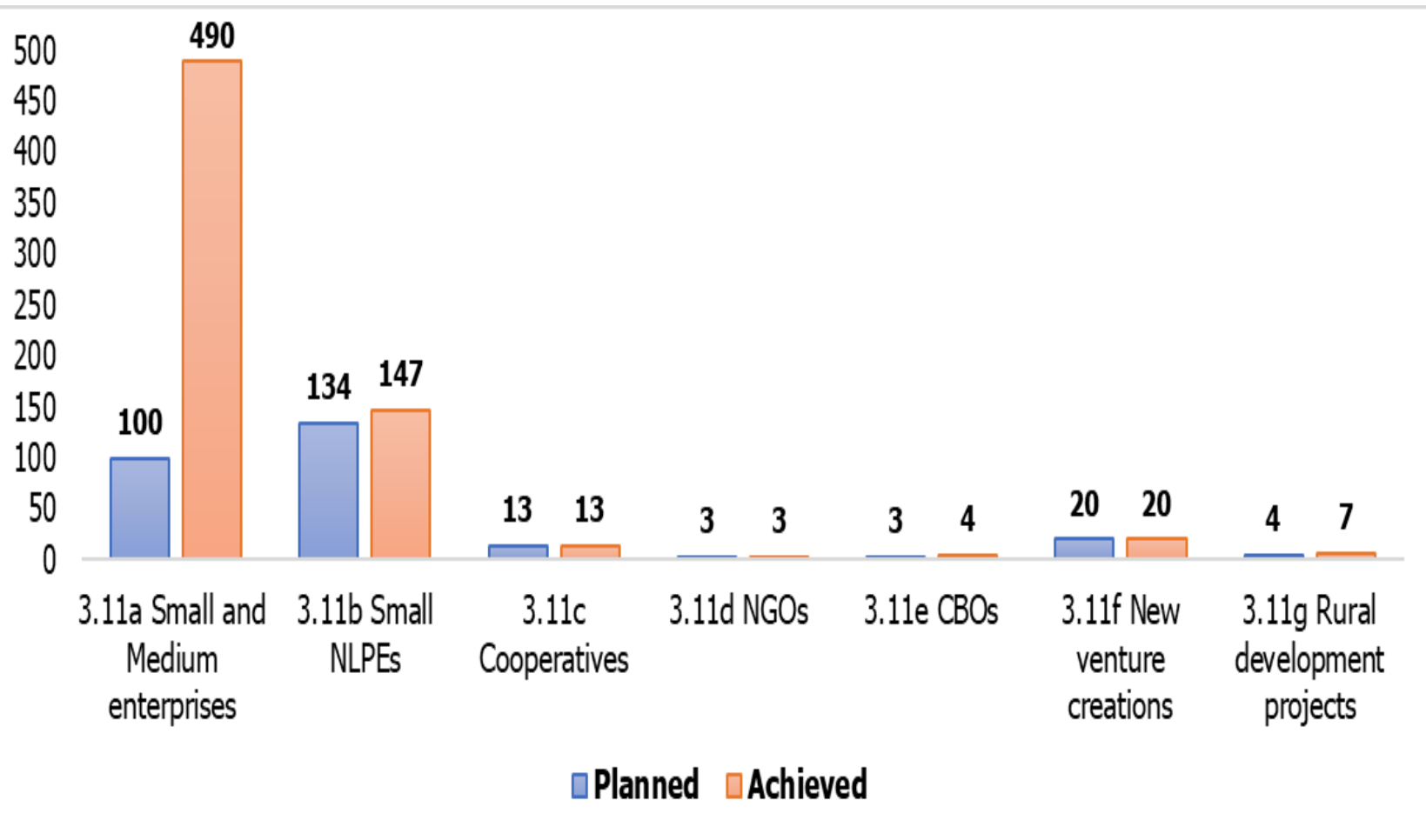


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Business Development Programmes Supported

Refer to pages 64 - 65 of the annual report

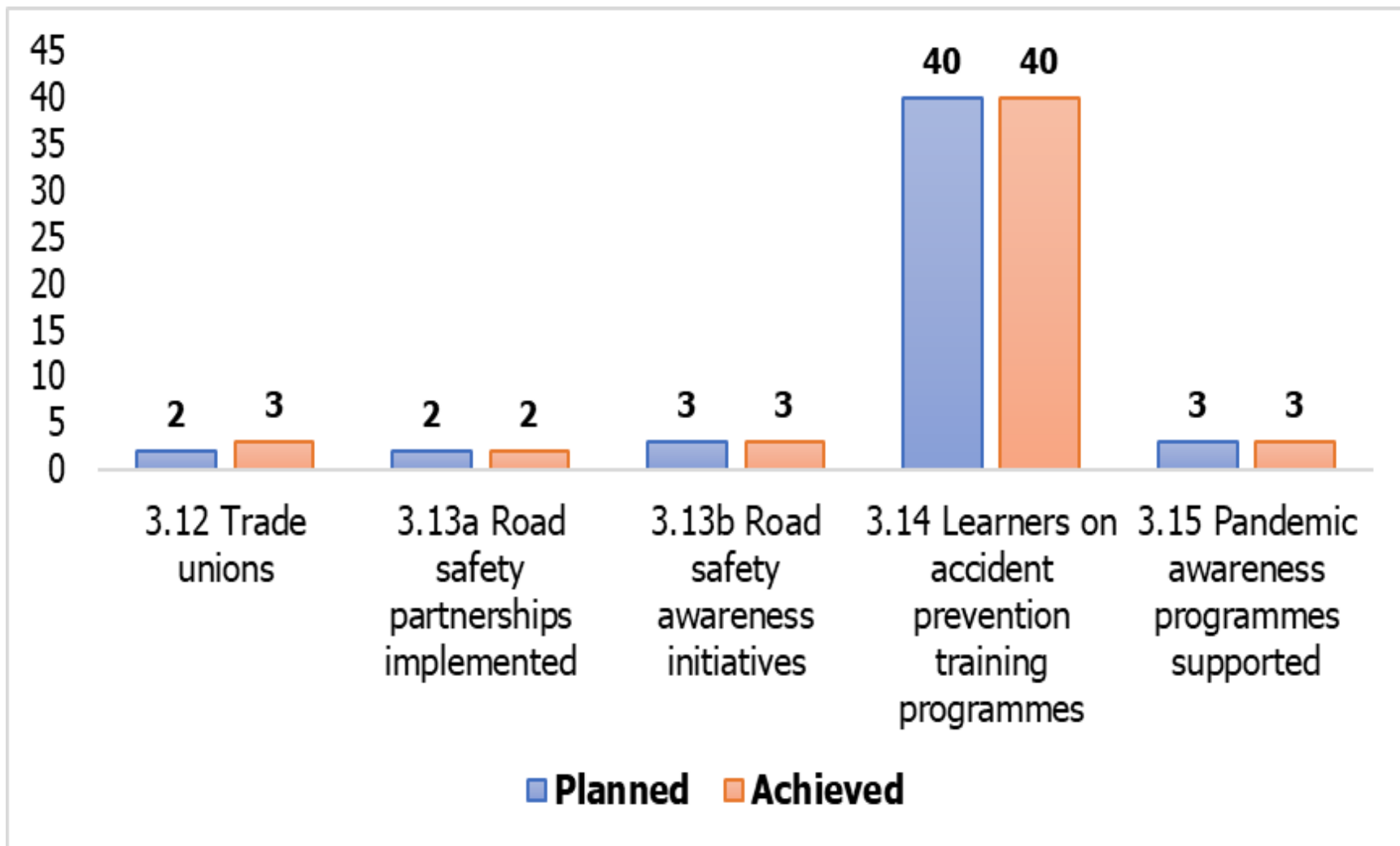


SMME's training overachieved due to focus on issues of national priority such as the ERRP. CBOs and rural development projects targets overachieved due to prior year contracts implemented in the 2022/23 financial year.



Trade Union, Road Safety and Pandemic Awareness Interventions Implemented

Refer to page 65 of the annual report



Trade union target overachieved due to higher-than-expected demand for trade union support

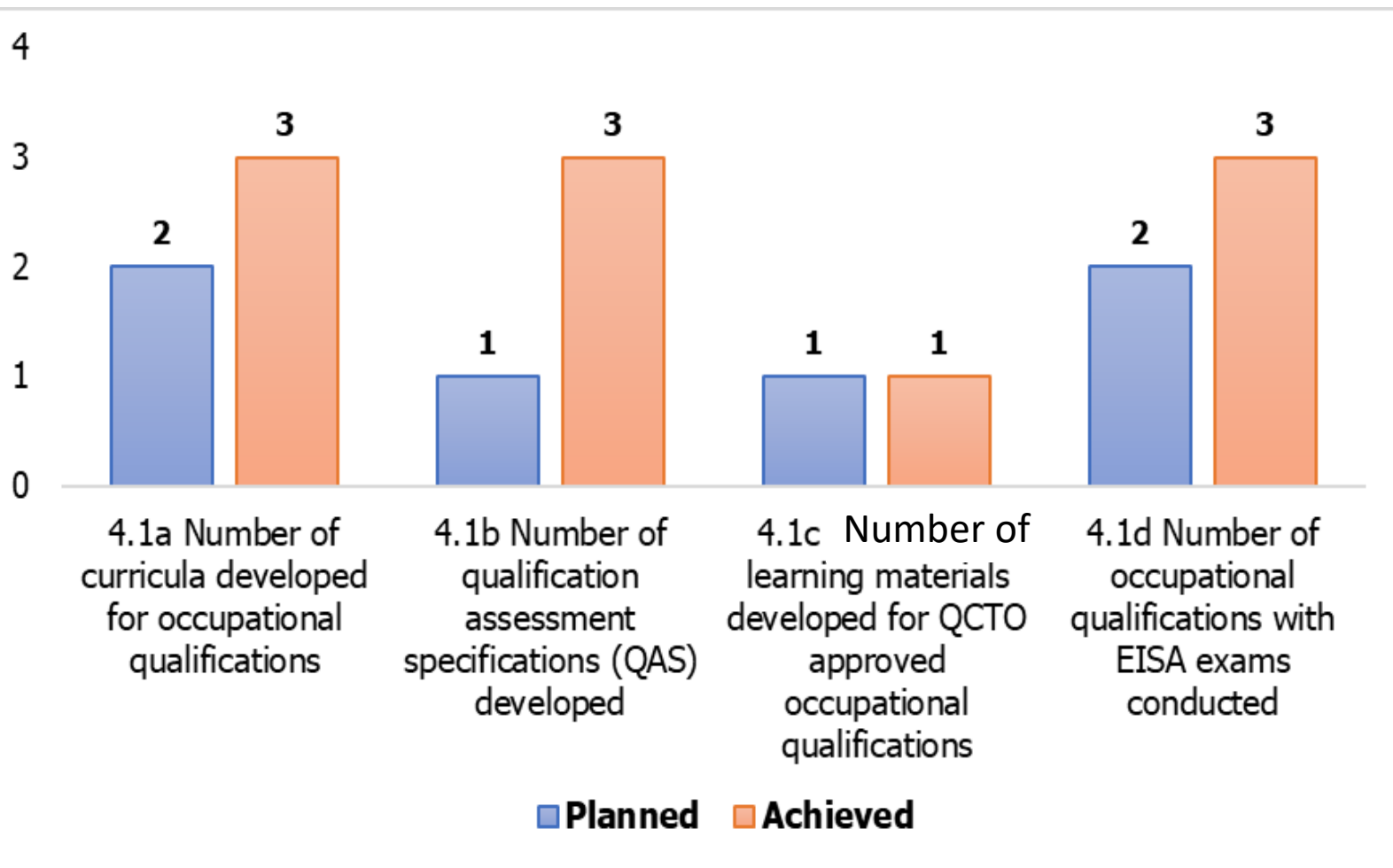
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PROGRAMME 4
QUALITY ASSURANCE
SYSTEMS



Occupational Qualifications, QAS and Learning Materials Developed

Refer to page 66 of the annual report



Curricula developed for occupational qualifications were over-achieved, due to occupational qualifications previously developed that were reviewed in line with QCTO policies and industry. Number of qualification assessment specifications and number of occupational qualifications with EISA exams were overachieved due to the necessity of qualifications reviews to align to the updated OQSF policy.

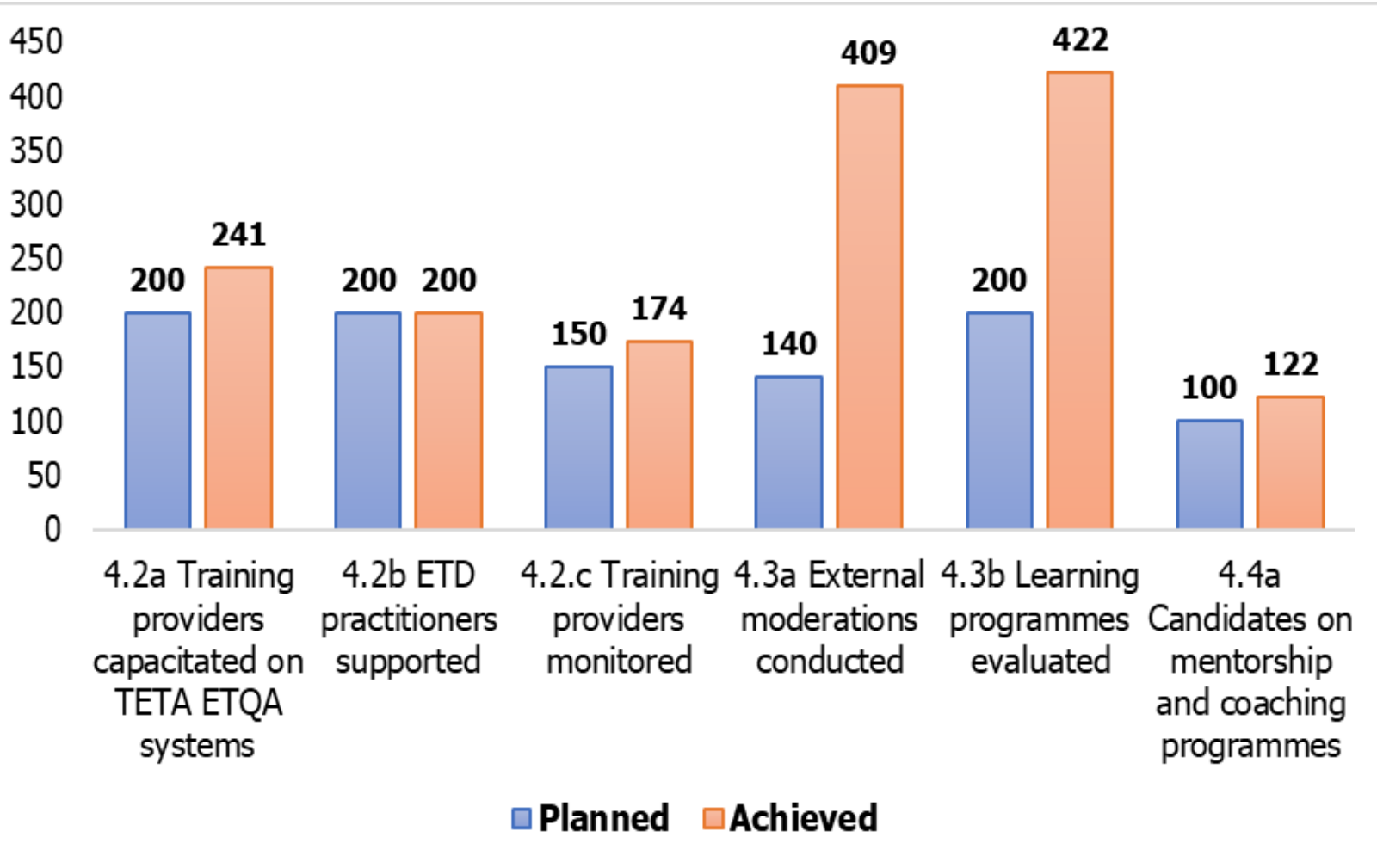


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Training Providers, ETD practitioners and mentorship and coaching programmes supported

Refer to pages 66 – 67 of the annual report

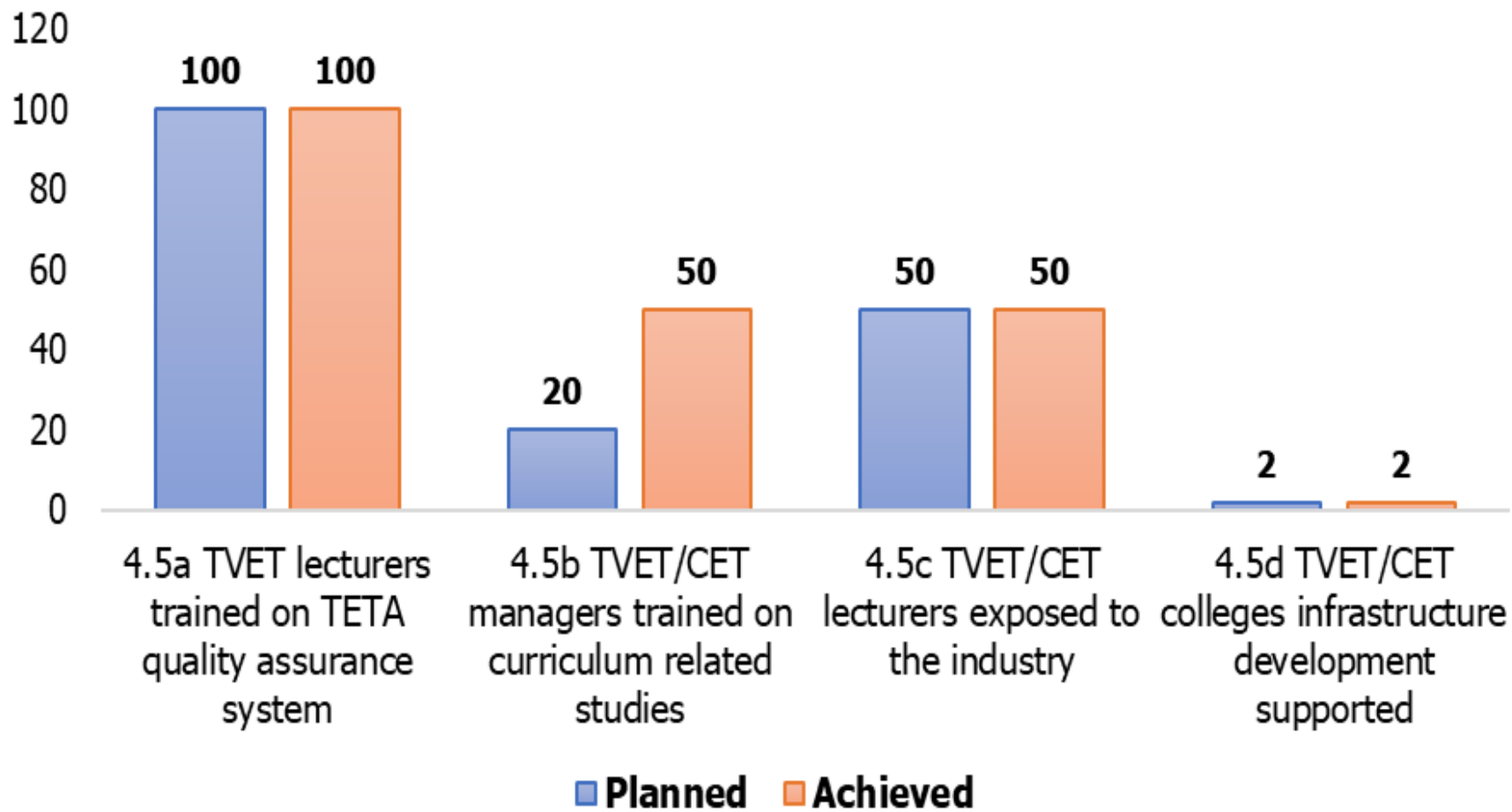


Targets were overachieved due to more training providers than expected attending the capacity building workshops; diversified approach to monitoring of training providers which included one-on-one support for providers; more applications for external moderations received because of ETQA efforts to encourage certification of learners; and applications for evaluation of learning programmes were more than the anticipated target.



TVET and CET Colleges Supported

Refer to page 68 of the annual report



The overachievement of TVET/CET managers trained on curriculum studies was due to more managers enrolled on the programme by provider at no extra cost.

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**COMPLETIONS FOR
THE 2022/23
LEARNING
PROGRAMMES**



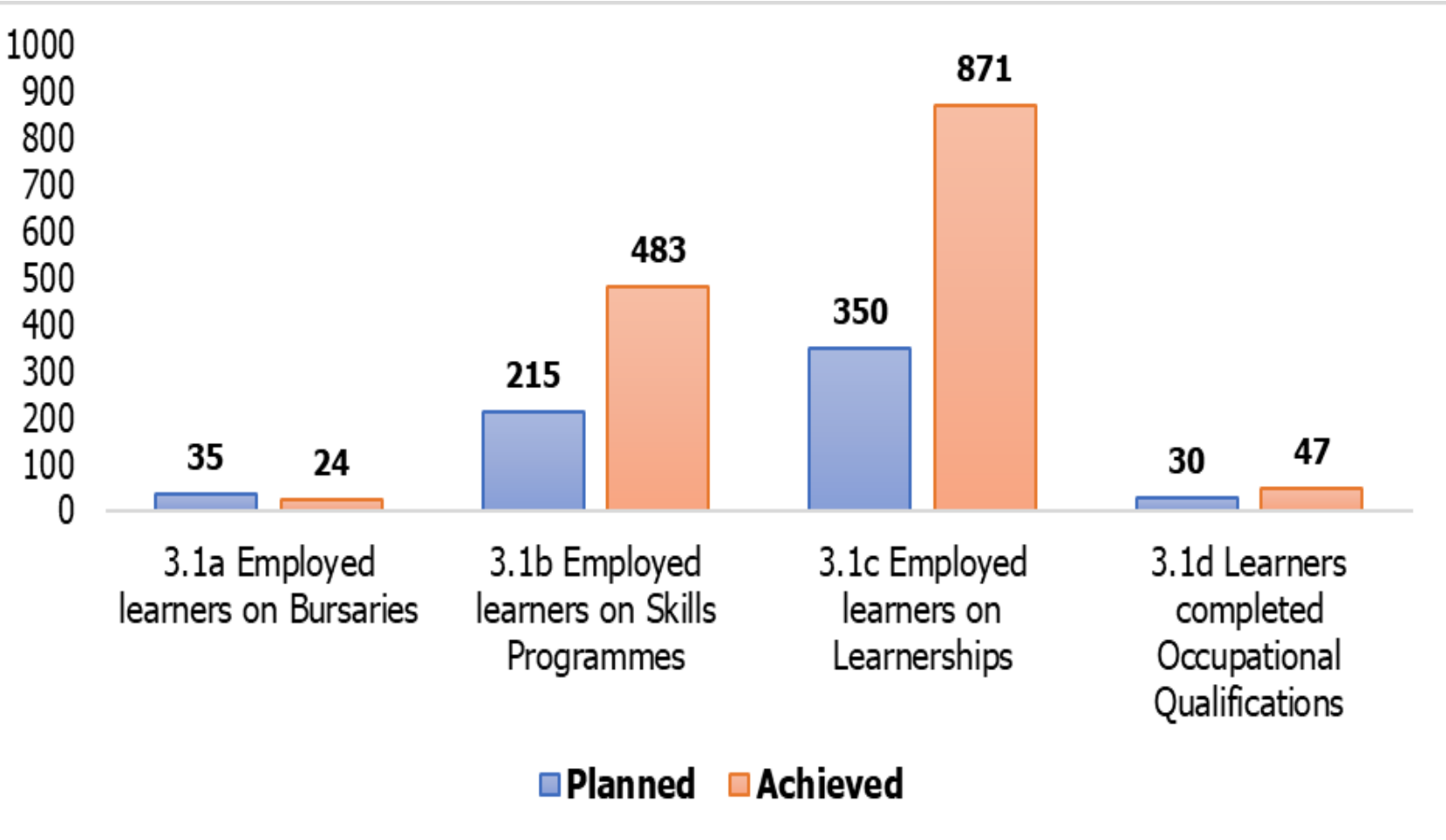
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Learners Completed on Occupationally Directed Programmes

Refer to pages 54 - 55 of the annual report

Bursary employed completed was not achieved due to higher than-expected learners not completing their studies. Skills programmes, Learnership and Occupational qualifications were over-achieved due to prior year contracts completed in the 2022/23 financial year.





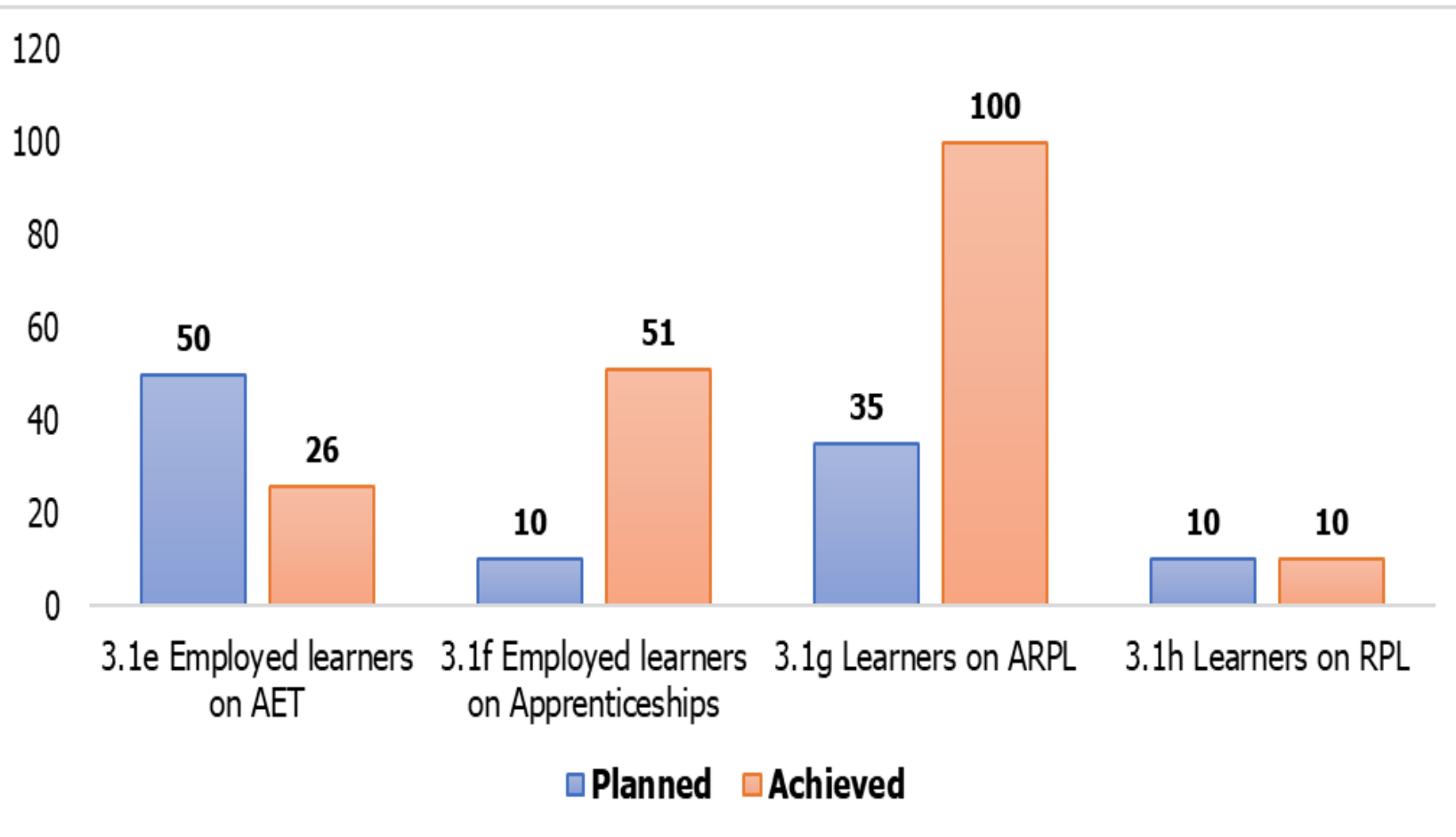
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Learners Completed on Occupationally Directed Programmes

47

Refer to page 55 - 56 of the annual report

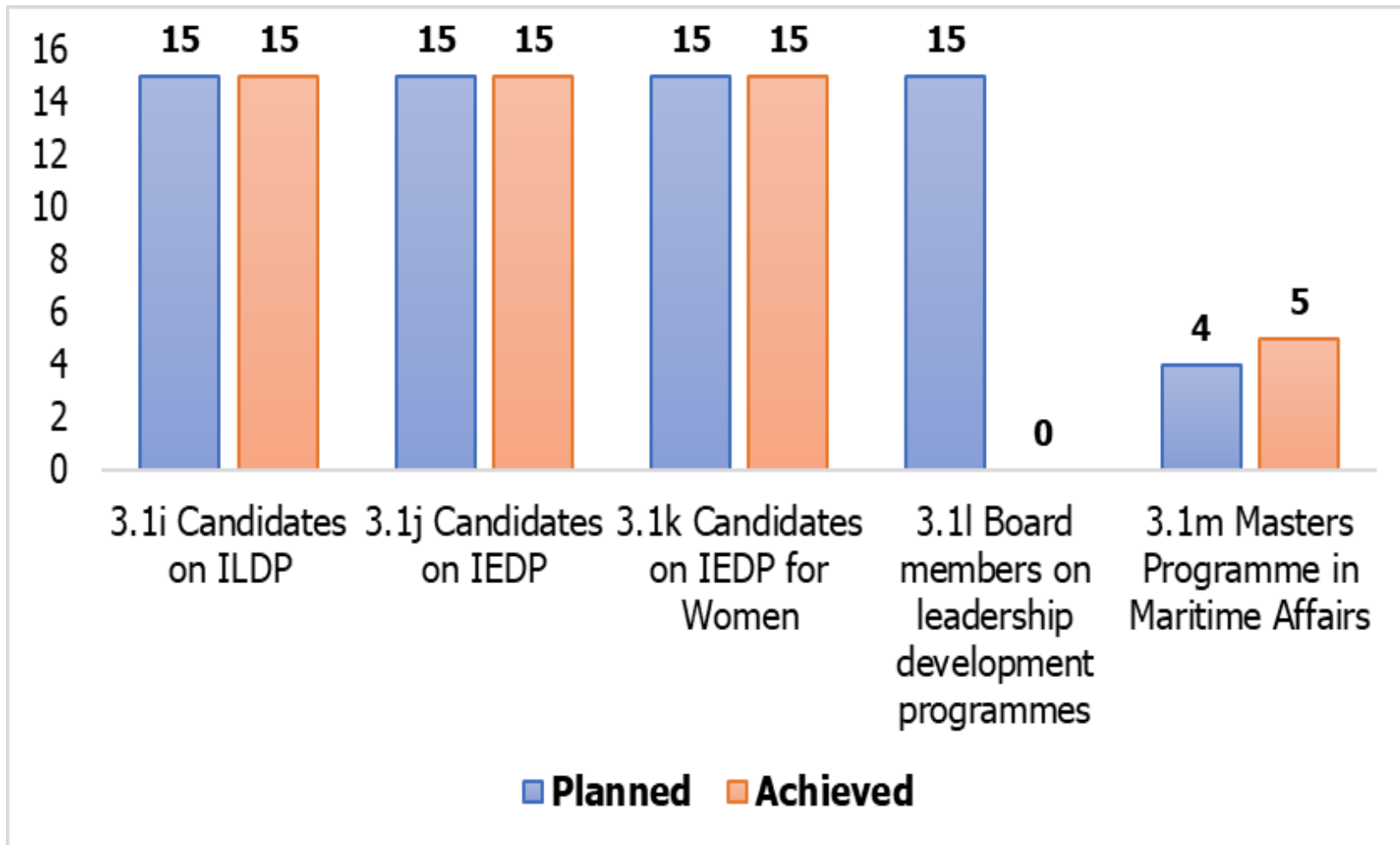


Learners found not competent in all learning areas resulted in non-achievement of AET target. Apprenticeships and ARPL targets were overachieved due to prior year contracts completed in the 2022/23 financial year.



Leadership Programmes Completed

Refer to page 56 - 57 of the annual report

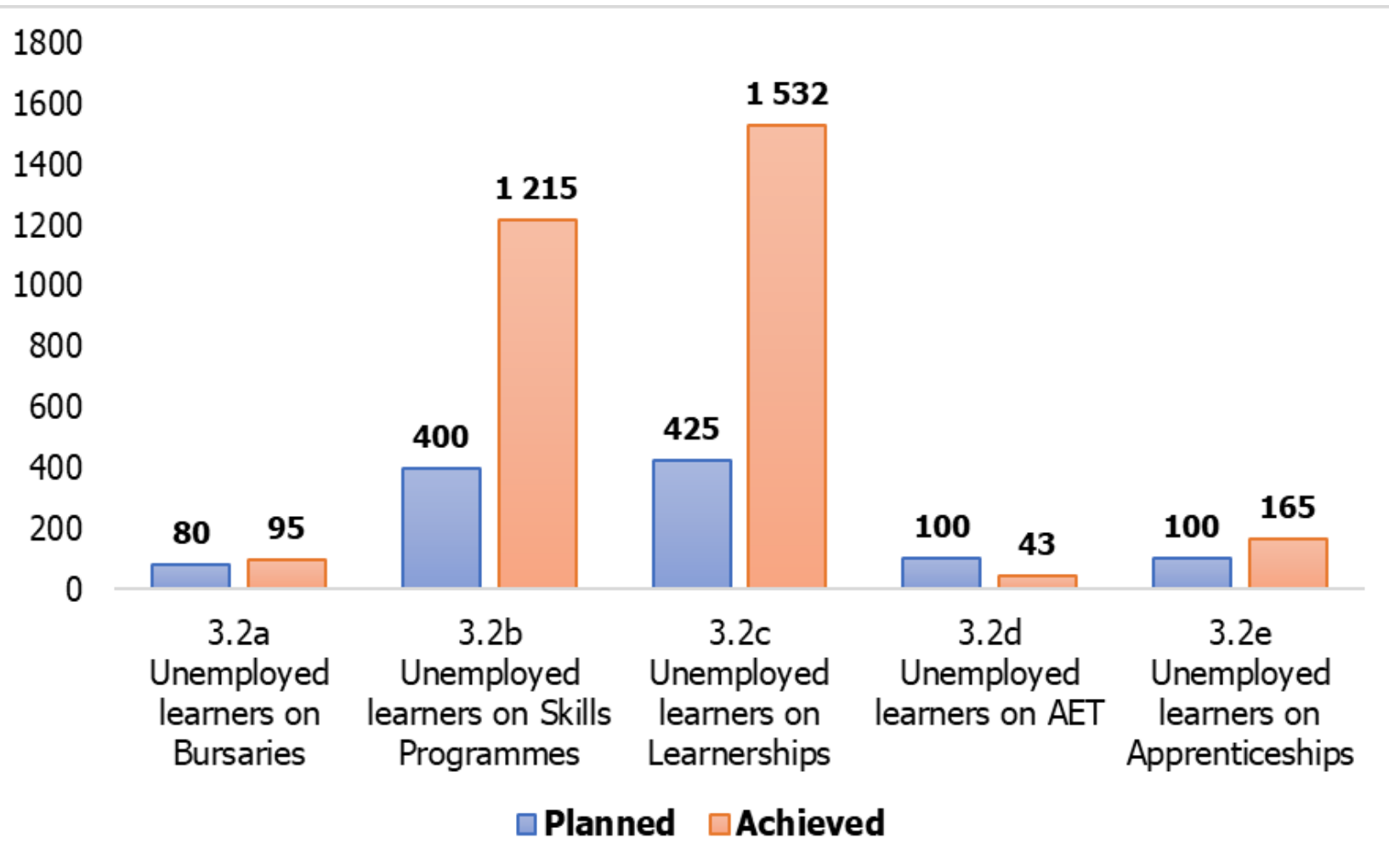


- 3.1i France and Vietnam
- 3.1j India and Dubai
- 3.1k Dublin and Singapore
- 3.1l Board members Leadership development programme still underway.
- 3.1m Malmo – Sweden (World Maritime University)



Learners Completed on Occupationally Directed Programmes

Refer to pages 57 – 58 of the annual report

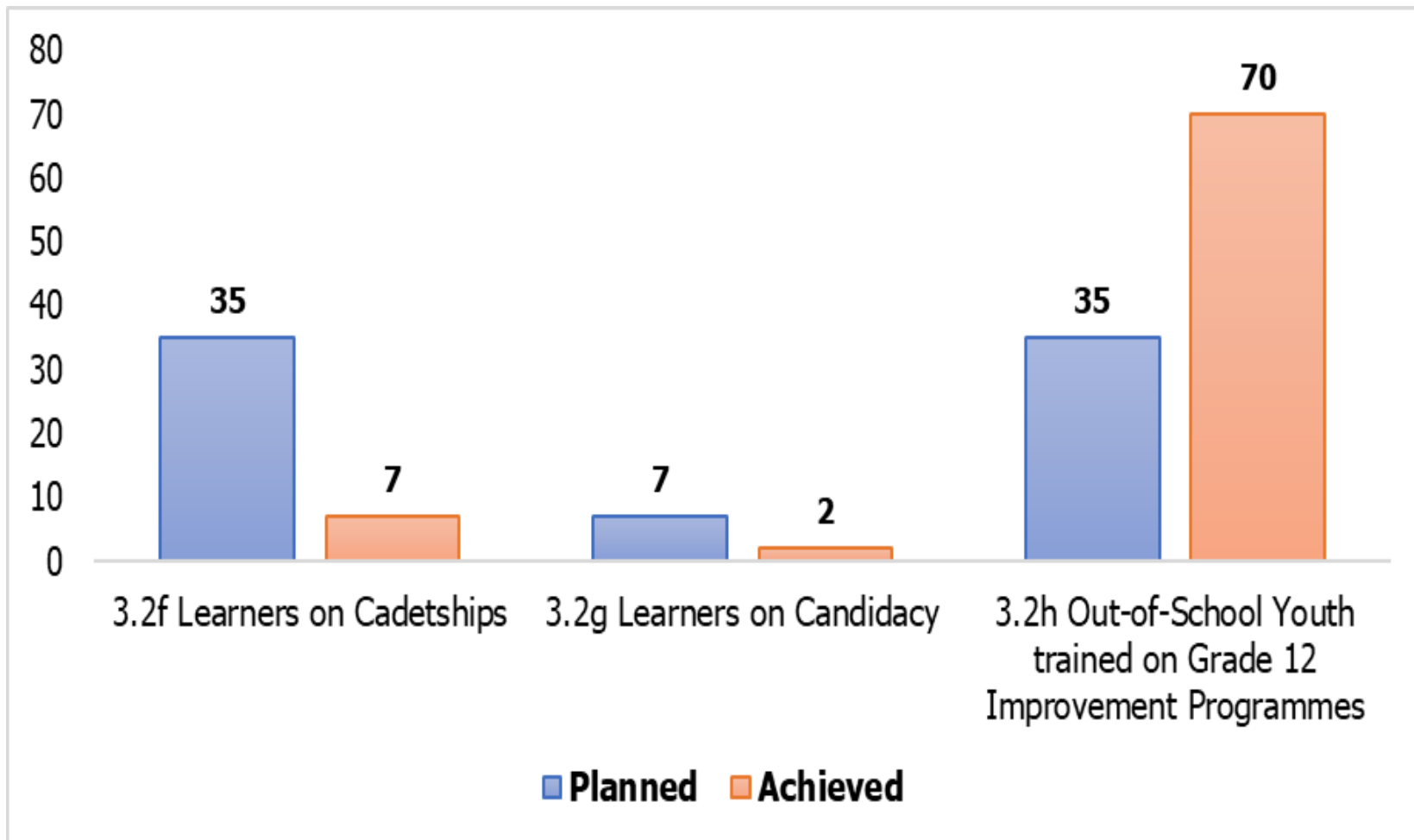


AET programmes was not achieved due to learners not found competent in all learning areas. Bursaries, Skills programmes, Learnerships and Apprenticeships were over-achieved due to prior year contracts completed in the 2022/23 financial year.



Learners Completed on Occupationally Directed Programmes

Refer to pages 59 of the annual report



Cadetships and Candidacy targets were not achieved due to delays in external quality assurance processes. Grade 12 improvement programmes target was overachieved due to prior year contracts completed in the 2022/23 financial year.

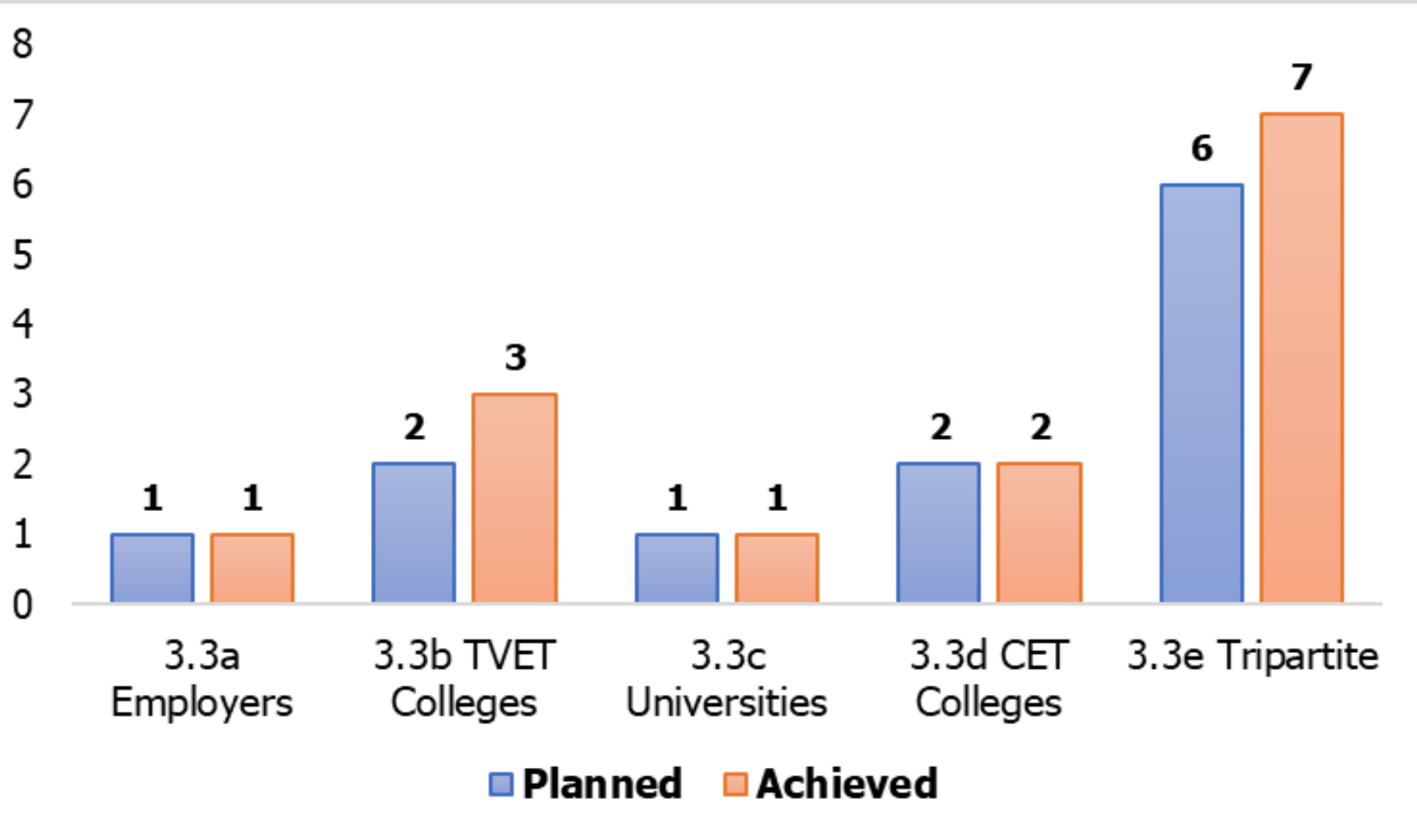


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Partnerships Successfully Implemented

Refer to page 59 -60 of the annual report



Partnerships with TVET colleges and Tripartite partnerships implemented were overachieved due to proactive participation by TVET colleges, education institutions and workplaces to partner with TETA.

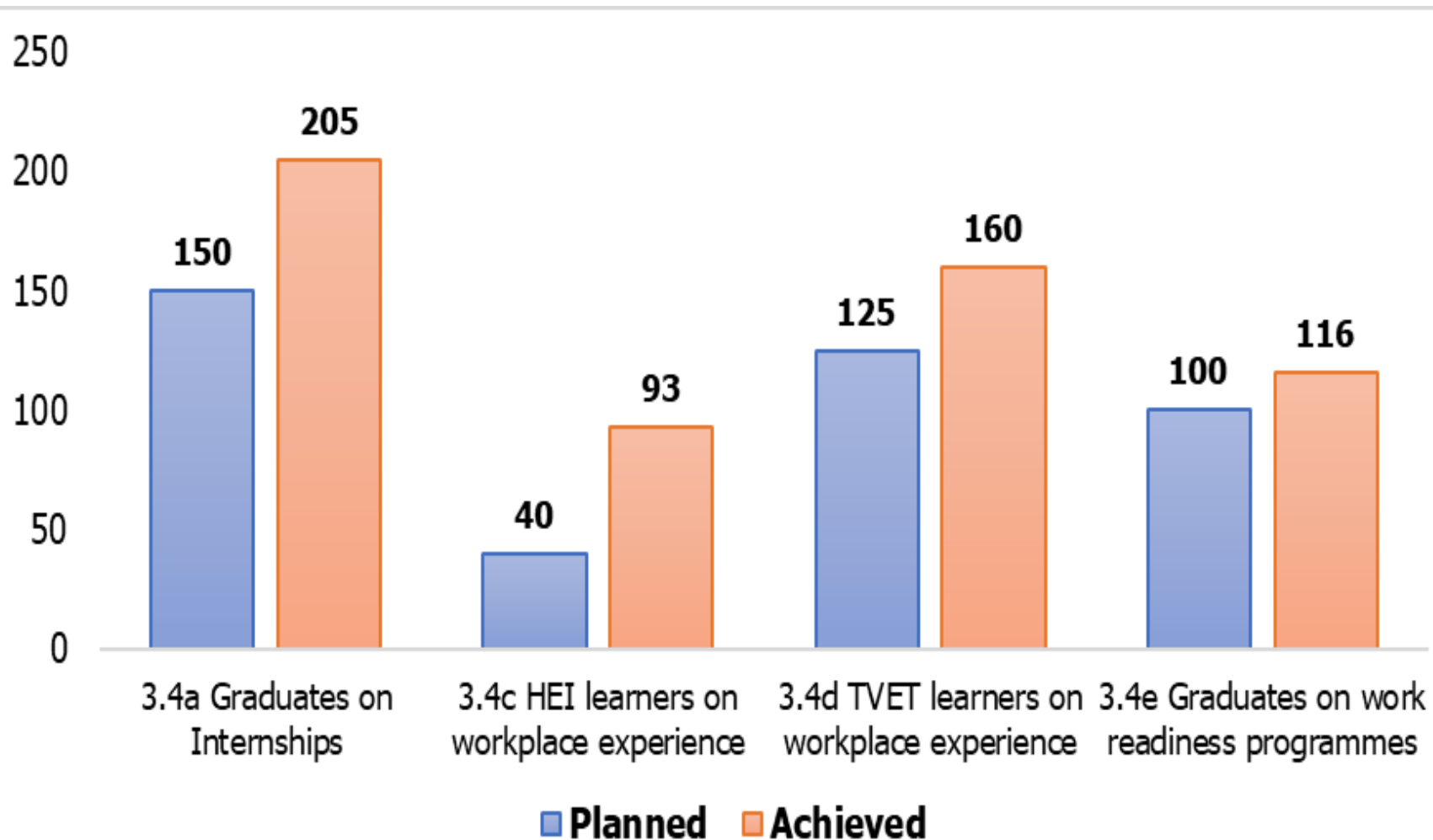


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Learners and Graduates Placed on Workplace-based Training Completed

Refer to page 61 - 62 of the annual report



Completions for learners and graduates placed on workplace-based training were overachieved due to prior year contracts completed in the 2022/23 financial year.

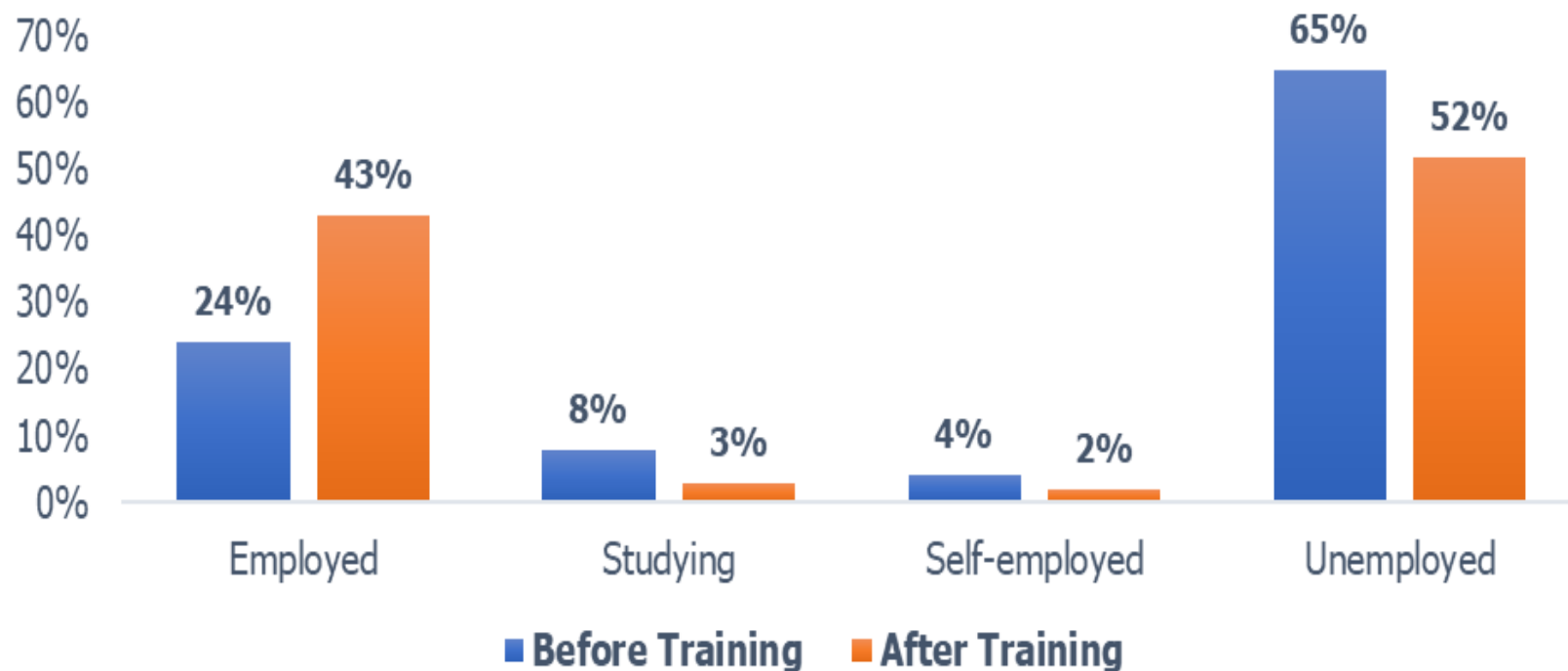
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Tracer Studies and Youth Empowerment



Tracing beneficiaries of TETA-Funded Training Interventions enrolled in the year 2018/19 to 2020/21

Employment Status of Beneficiaries Before and After Training



Employment **increased** from 24% to 43%, while Unemployment **decreased** from 65% to 52% for beneficiaries who were enrolled in TETA-funded programmes in the year 2018/19 to 2019/20 and responded to the tracer study.

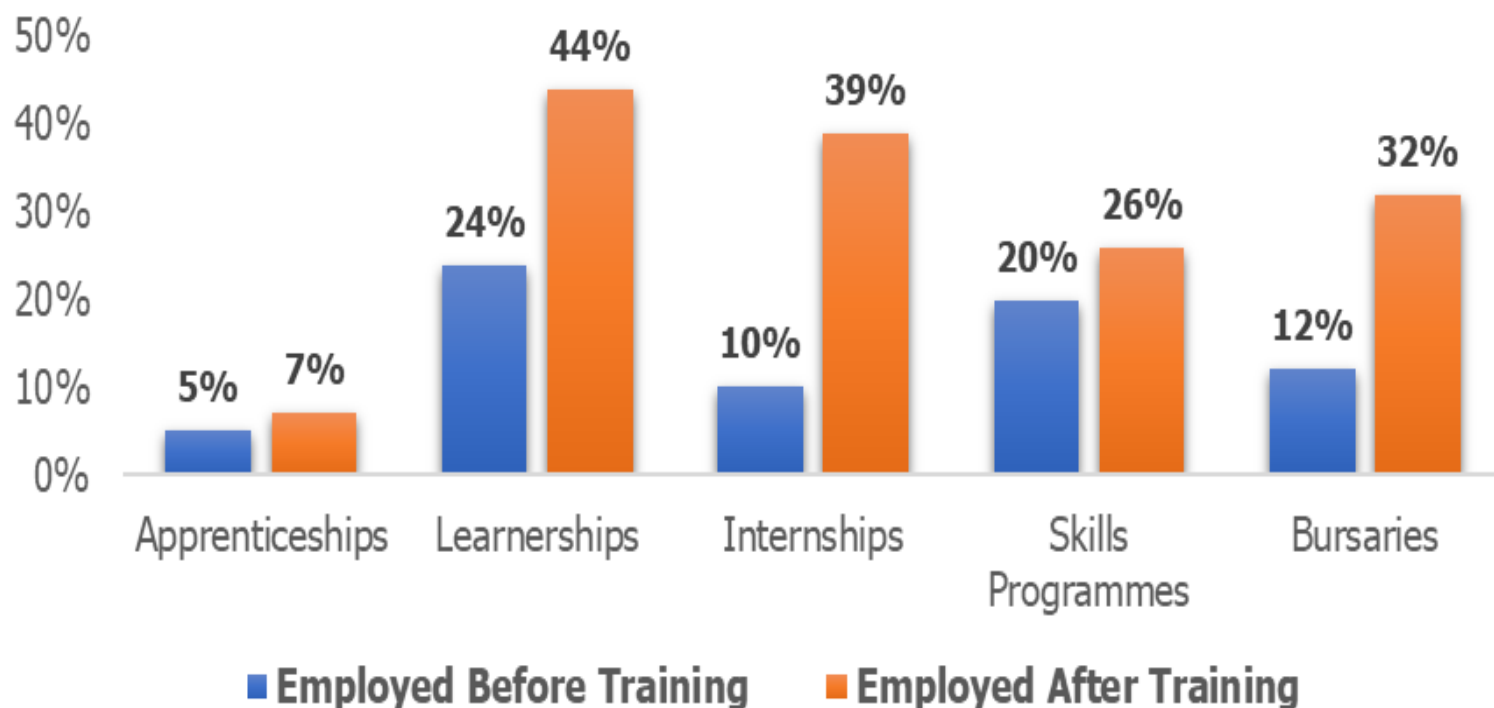


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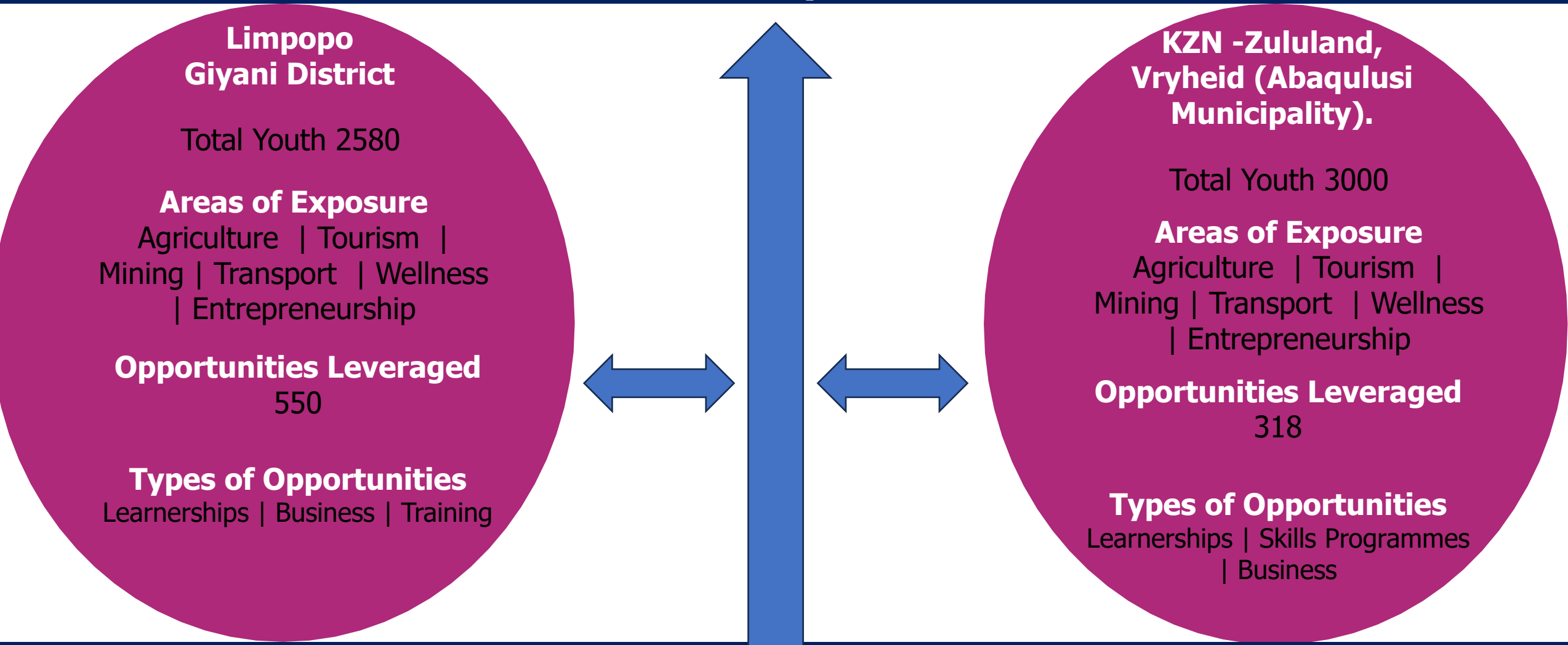
Tracing beneficiaries of TETA-Funded Training Interventions enrolled in the year 2018/19 to 2020/21

Employment status by Type of Training Intervention



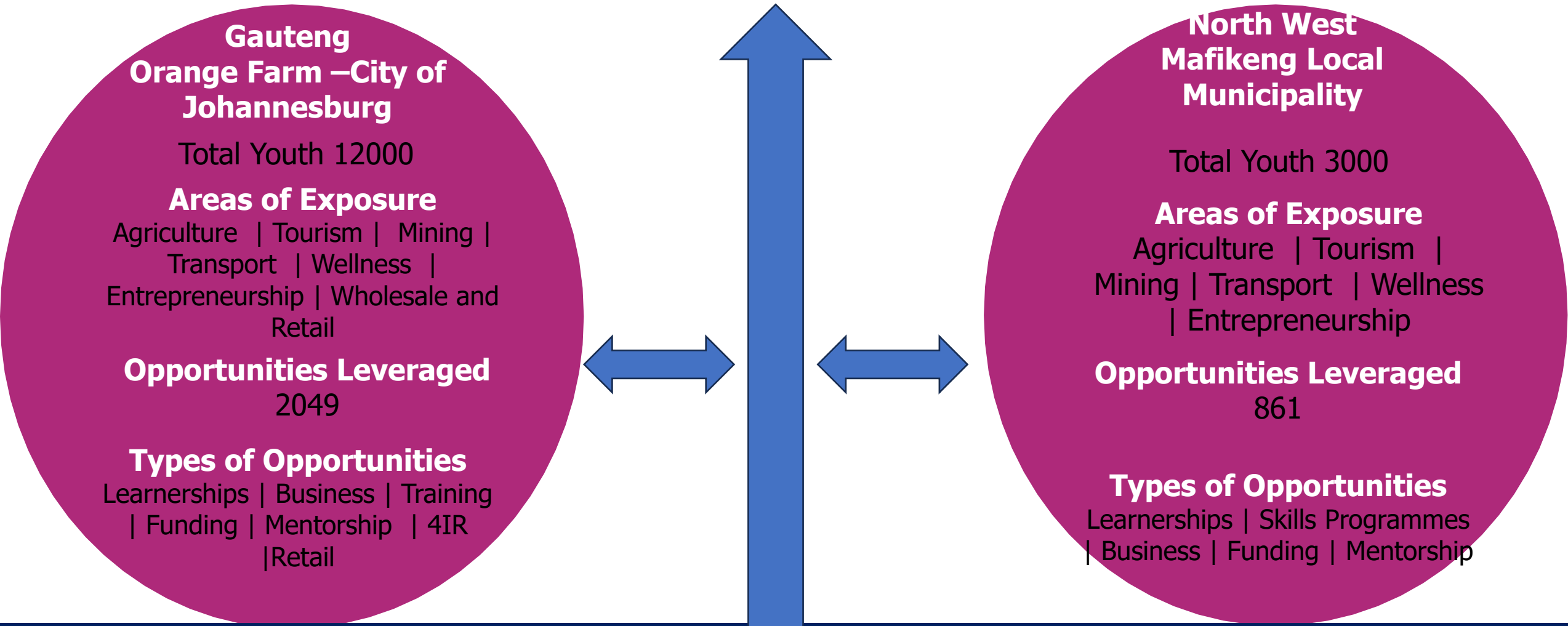
Beneficiaries of Internship programmes were more likely to be employed after completing training than the other training interventions.

TETA Empowa Youth Weekend 2022/23



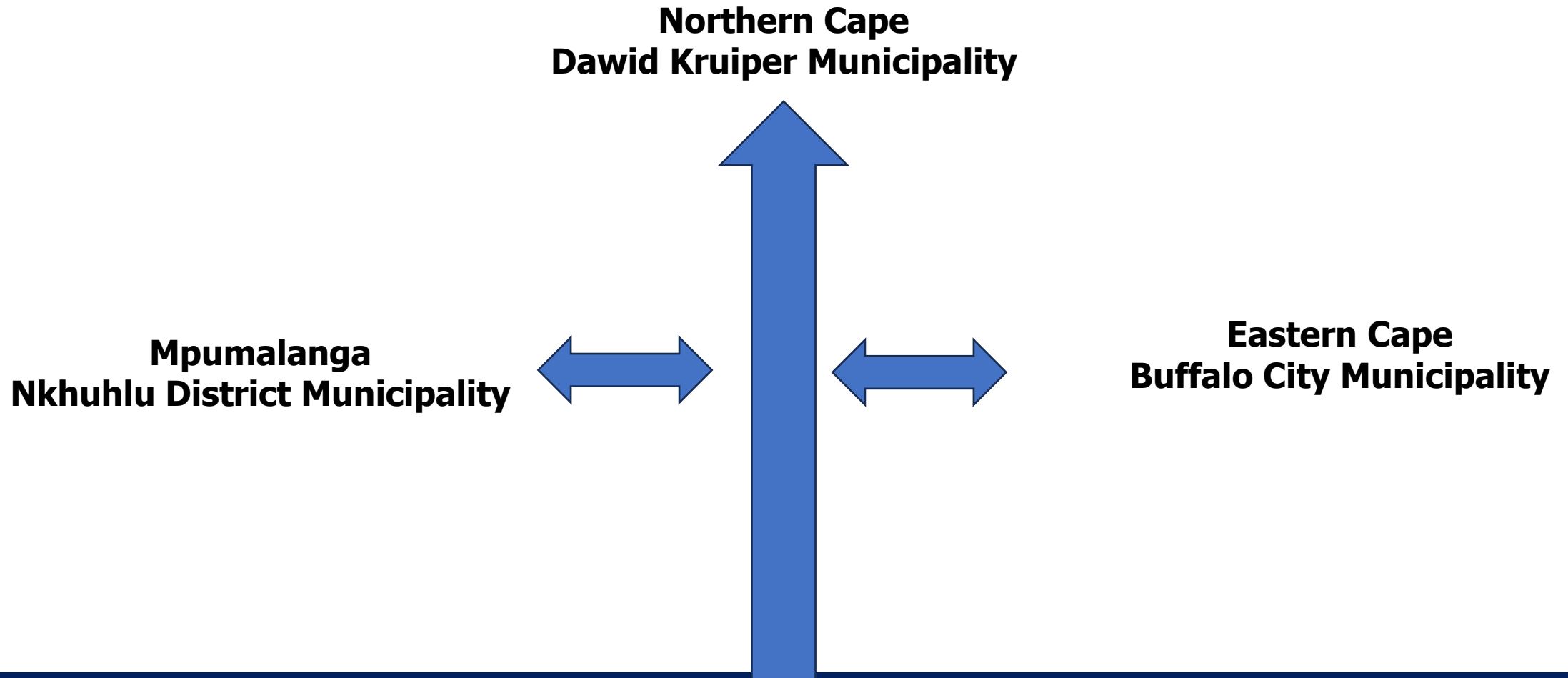
Implementation of the DDM

TETA Empowa Youth Weekend 2022/23



Implementation of the DDM

TETA Empowa Youth Weekend 2023/24



Implementation of the DDM



Last Mile Delivery Project (Youth Empowerment)

Programme Outputs

Training on NVC
Registration of Business
Training for Learners and License
Link to e-commerce business

| Programme | Province | Year | Number of Beneficiaries |
|-----------------------------|----------|---------|-------------------------|
| Last Mile Delivery Projects | Gauteng | 2022/23 | 1125 |

2023 – 24 Financial Year

TETA and BANKSETA
1200
TETA and FASSET
400
TETA and NYDA
200
of Exposure

PART C

The reasons for deviation in each of the targets that were not achieved in the 2022/23 financial year and progress towards achieving them;

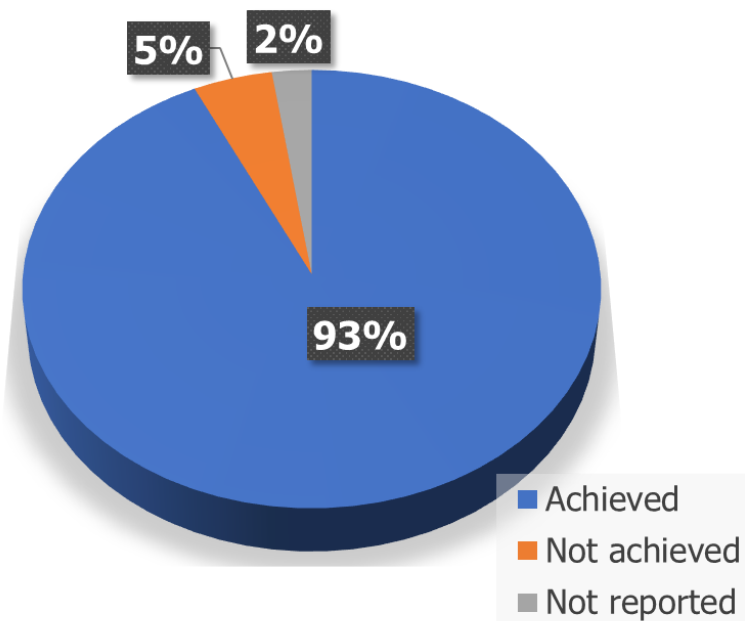
**2022/23 UNACHIEVED
TARGETS**



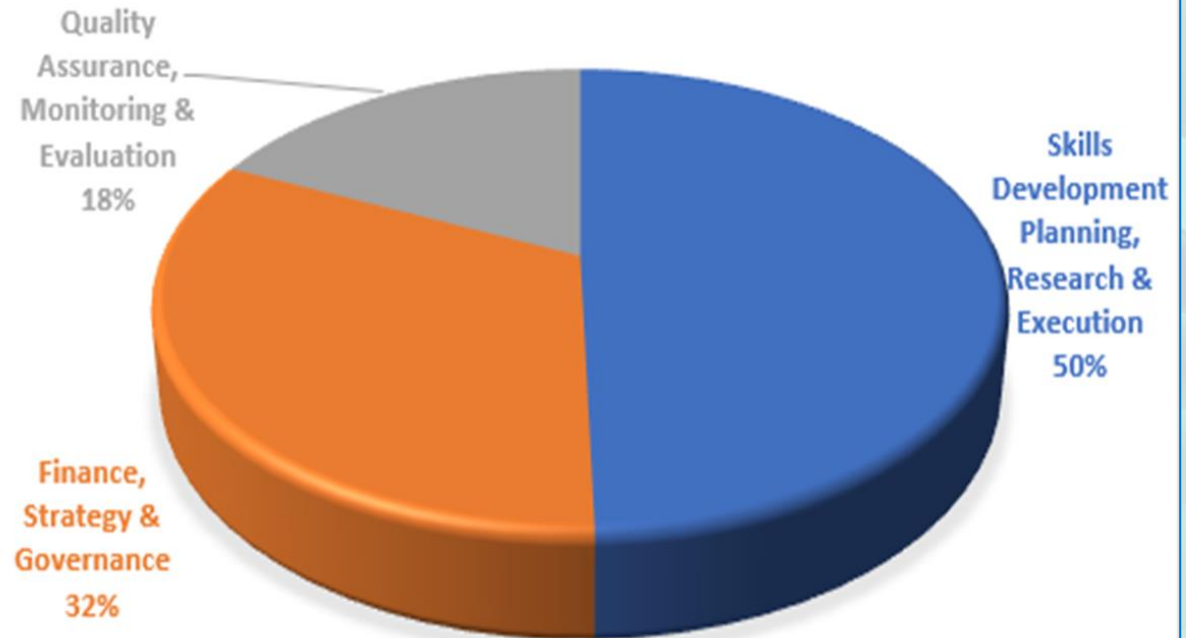
Mandate Roll Out and Capacity

1279 Project/Program Population

2022/23 Performance



DISTRIBUTION OF STAFF COMPLEMENT



Third Party Implementing Partners - Approximately 831



2022/23 UNACHIEVED TARGETS

| PERFORMANCE INDICATORS | TARGET | ACHIEVEMENT | VARIANCE |
|--|--------|-------------|----------|
| PROGRAMME 3 | | | |
| 3.1a. NUMBER OF EMPLOYED LEARNERS ON BURSARIES COMPLETED | 35 | 23 | -12 |
| 3.1e. NUMBER OF EMPLOYED LEARNERS ON AET COMPLETED | 50 | 37 | -13 |
| 3.1i. NUMBER OF BOARD MEMBER ON LEADERSHIP DEVELOPMENT PROGRAMME COMPLETED | 15 | 0 | -15 |
| 3.2d. NUMBER OF UNEMPLOYED LEARNERS ON AET COMPLETED | 100 | 71 | -29 |
| 3.2e. NUMBER OF UNEMPLOYED ON APPRENTICESHIP ENTRED | 250 | 194 | -56 |
| 3.2f. NUMBER OF LEARNERS ON CADETSHIP COMPLETED | 35 | 20 | -15 |
| 3.2g. NUMBER OF LEARNERS ON CANDIDANCY COMPLETED | 7 | 2 | -5 |
| PROGRAMME 4 | | | |
| 4.5c. NUMBER OF TVET/CET EXPOSED TO THE INDUSTRY COMPLETED | 25 | 0 | -25 |



3.1a) Number of employed learners on bursaries completed

Planned: 35

Achieved: 24

Reason for non-achievement

Bursary employed completed was not achieved due to higher than-expected learners not completing their studies

Action Plan

Completion target will be achieved as part of the targets for 23/24 financial year



3.1e) Number of Employed Learners on AET Completed

Planned: 50

Achieved: 26

Reason for non-achievement

Learners were not found competent in all learning areas, resulted in non-achievement

Action Plan

Extension of contracts to allow stakeholder to remediate(learners to re-write). The completions will be reported in 2023/24 when they are found competent. 29 learners have been reported for Q1 & Q2.



3.1L) Number of board members on leadership development programmes completed

Planned: 15

Achieved: 0

Reason for non-achievement

Programme is still underway, this was a 2 year programme.

Action Plan

Consideration of all circumstances during planning stage. Members will complete in the 23/24 financial year



3.2d) Number of unemployed Learners on AET programme Completed

Planned: 100

Achieved: 43

Reason for non-achievement

Target not achieved due to learners not found competent in all learning areas

Action Plan

Completion target will be achieved as part of the targets for 23/24 financial year. A contract entered into with a CET college towards the end of the 2022-23 financial year will close the gap.



3.2e) Number of unemployed learners on Apprenticeship programmes

Planned: 250

Achieved: 167

Reason for non-achievement

Operational requirements from stakeholders led to this shortfall. Stakeholders implementing Centres of specialisation could not secure workplaces timeously.

Action Plan

Close monitoring will be strengthened to detect challenges earlier and resolve. Outstanding learners will be reported as part of the targets for 23/24 financial year. 70 learners have been reported for Q1 and Q2.



3.2f) Number of learners on cadetships completed

Planned: 35

Achieved: 7

Reason for non-achievement

Delay in the external quality assurance processes led to the non-achievement of the target

Action Plan

Completion target will be achieved as part of the targets for 23/24 financial year



3.2g) Number of learners on candidacy programmes completed

Planned: 7

Achieved: 2

Reason for non-achievement

Delay in the external quality assurance processes led to the non-achievement of the target

Action Plan

Completion target will be achieved as part of the targets for 23/24 financial year



4.5c) Number of TVET/CET lecturers exposed to the industry implemented

Planned: 25

Achieved: 0

Reason for non-achievement

Unavailability of workplaces to host lecturers resulted in this target not being met

Action Plan

Targeted strategic partnership with industry to host lecturers as one of the areas of collaboration. Completion target will be achieved as part of the targets for 23/24 financial year. 20 lecturers have completed between May and July 2023.

PART D

Annual Financial Statement Summary

**Page 127 to 173 of the 2022/23
Annual Report**



Financial Highlights

- ❑ Total revenue increased by R88m in 2022/2023 financial year, which translates to 11% relative to the 2021/22 financial year. This is due to an increase in levy income, interest and penalties, investment income and other income.
- ❑ The Discretionary Grant spending decreased from R669m in 2021/22 to R657m in 2022/23, which translates to R12m decrease.
- ❑ Grants and project expenses remain the key costs drivers and directly linked to the execution of the mandate of TETA. Grants and project expenses constitutes 86% of the total expenditure for the year.
- ❑ The deficit on administration expenditure (10.5% legislated) recorded for the year is R23m. TETA obtained approval from DHET Minister to exceed the 10,5% in line with the grant regulations.



The following are the highlights on revenue trends:

- Total income including Skills development levies grew from R832m in 2021/22 to R920m in 2022/23, an increase of R88m translating to 11% increase.
- To improve the impact of our interventions in skills development space for the transport sector, TETA continues to work on a multi-year funding principle to ensure continuity and traceability for the interventions being funded.

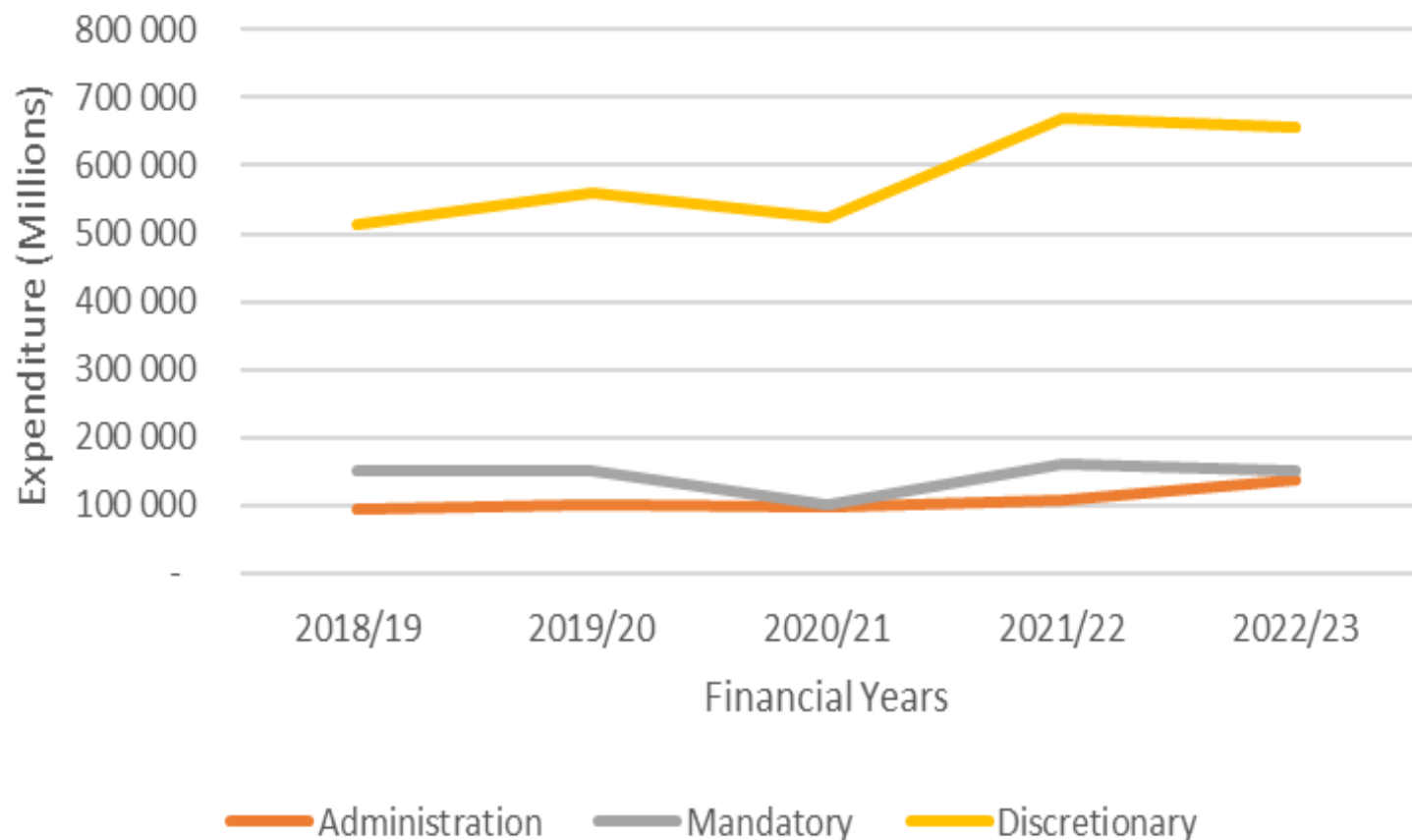


Expenditure Trends

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Five Year Expenses Trend



- This trend is directly proportional to the income trends
- Investment in high impact and high value projects with economies of scale followed increase in Discretionary Grant funding;
- Over the period of five-year TETA spent around R 2, 920 billion towards Discretionary projects and a significant part was paid towards PIVOTAL programmes with a qualification focus.

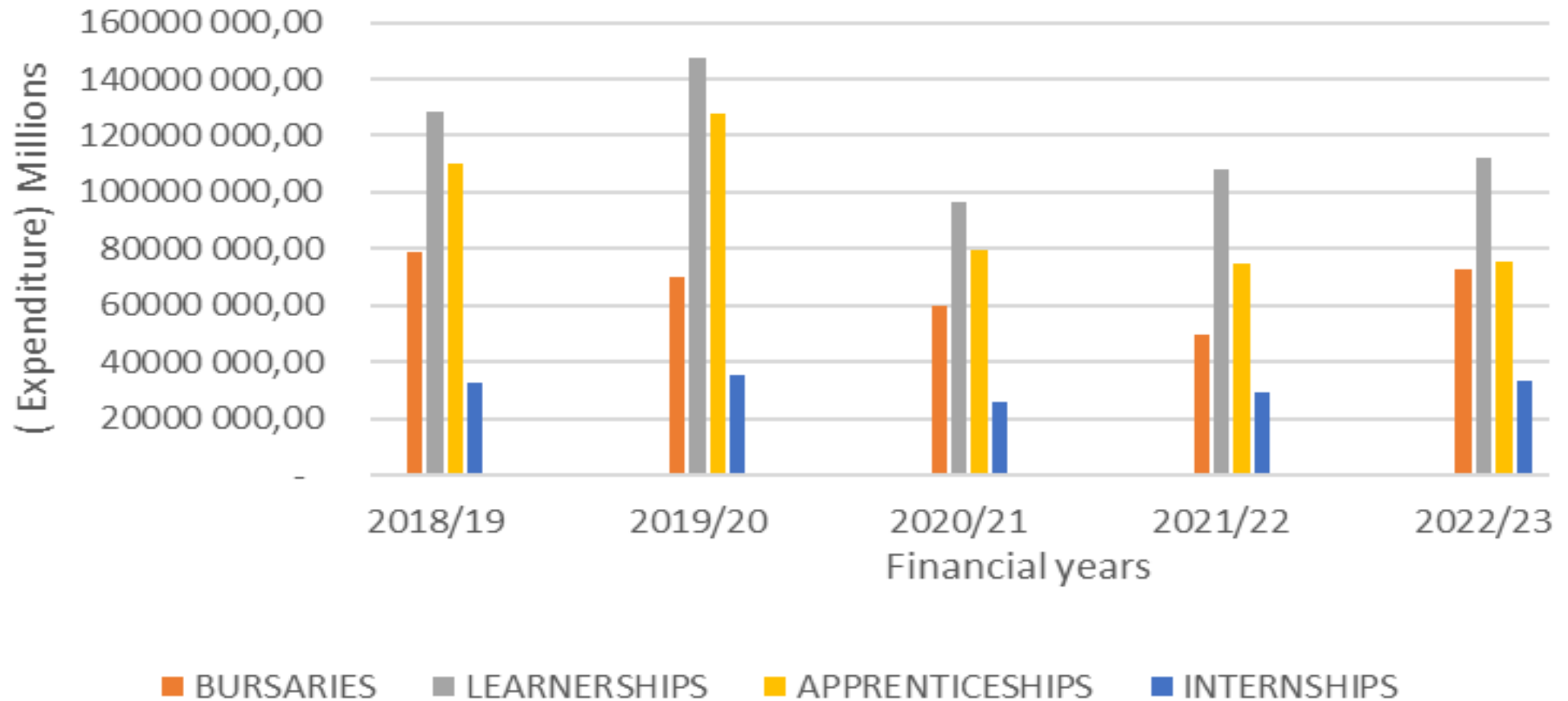


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PROGRAMME FINANCIAL EXPENDITURE

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TETA funding model is funding qualification driven skills interventions as follows:

- The Discretionary Grant expenditure decreased from R669m in 2021/22 to R657m in 2022/23 which translates to a slight decrease of R12m.
- The expenditure incurred is in proportionate increase with revenue collected for Discretionary Grant allocation .



Financial Performance

Transport Education Training Authority

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| Financial Performance | | | |
|---------------------------------------|----------------|----------------|------------|
| Description | 2023 | 2022 | % |
| | 000 | 000 | Variance |
| Revenue | | | |
| Non from Exchange transactions | | | |
| Skills Development Levy Income | 838 562 | 761 910 | 10% |
| SDL Interest and Penalties | 15 249 | 12 599 | 21% |
| Other Income | 4 990 | 19 419 | -74% |
| Exchange transactions | | | |
| Interest on Investment (CPD) | 60 465 | 38 215 | 58% |
| Other Income | 1 203 | 34 | 3438% |
| Total Revenue | 920 469 | 832 177 | 11% |



Financial Performance

| Financial Performance | | | |
|-----------------------------|-----------------|------------------|-------------|
| Description | 2023 | 2022 | % |
| | 000 | 000 | Variance |
| Expenditure | | | |
| Employee related costs | 76 137 | 61 790 | 23% |
| Grants and Project Expenses | 806 652 | 829 788 | -3% |
| Administration Expenses | 60 954 | 44 830 | 36% |
| Total Expenditure | 943 743 | 936 408 | 1% |
| Decifit for the year | - 23 274 | - 104 231 | -78% |



Financial Position

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| Financial Position | | | |
|---|------------------|------------------|-------------|
| Description | 2023 | 2022 | % |
| | 000 | 000 | Variance |
| ASSETS | | | |
| Current Assets | | | |
| Receivables (Exchange and Non Exchange) | 2 909 | 2 417 | 20% |
| Inventories | 223 | 254 | -12% |
| Cash and Cash Equivalents | 1 009 272 | 1 047 164 | -4% |
| Non Current Assets | | | |
| Property, Plant and Equipment | 21 569 | 22 389 | -4% |
| Intangible Assets | 744 | 1 913 | -61% |
| Total Assets | 1 034 717 | 1 074 137 | -4% |
| Liabilities | | | |
| Current Liabilities | | | |
| Payables (Exchnage and Non Exchange) | 30 011 | 52 021 | -42% |
| Provisions | 26 107 | 20 244 | 29% |
| Total Liabilities | 56 118 | 72 265 | -22% |
| Reserves | 978 599 | 1 001 872 | -2% |

PART E

Details of irregular, fruitless and wasteful expenditure incurred during the year under review and progress on the investigation as well as implementation of consequence management against those who transgressed the Supply Chain Management policy;



Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses

Reconciling notes to the annual financial statement disclosure

| Description | 2022/23 |
|---|----------|
| | R'000 |
| Irregular expenditure that was under assessment in 2021/22 | 0 |
| Irregular expenditure that relates to 2021/22 and identified during 2022/23 | 0 |
| Irregular Expenditure for the current year | 0 |
| Total | 0 |

- ✓ There was no irregular, fruitless wasteful expenditure and material findings in the year under review;
- ✓ Irregular expenditure recorded in the prior financial year related to an amount of R92 million, which was a variance between budget and actual expenditure. The amount represented payments for historical commitments from the approved surplus funds;

PART F

Action plan with timeframes to address the audit findings raised by the Auditor-General.



Overall Audit Assessment

Transport Education Training Authority

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Audit results per outcome area

| Outcome area | Movement | 2022-23 | 2021-22 | 2020-21 |
|---|----------|------------------------------------|------------------------------------|------------------------------------|
| Financial statements | | Qualified | Material findings | Unqualified / No material findings |
| Annual performance report | | | | |
| • Programme 3: Learning programmes and projects | | Qualified | Unqualified / No material findings | Unqualified / No material findings |
| • Programme 4: Quality Assurance | n/a | Unqualified / No material findings | n/a | n/a |
| Compliance with legislation | | | | |
| • Annual financial statements, performance reports and annual reports | | Material findings | Material findings | Unqualified / No material findings |
| • Expenditure management | | Material findings | Material findings | Unqualified / No material findings |
| • Asset management | | Unqualified / No material findings | Unqualified / No material findings | Unqualified / No material findings |
| • Consequence management | | Unqualified / No material findings | Unqualified / No material findings | Unqualified / No material findings |
| • Strategic planning and performance management | | Unqualified / No material findings | Unqualified / No material findings | Unqualified / No material findings |
| • Procurement and contracts management | | Unqualified / No material findings | Unqualified / No material findings | Unqualified / No material findings |

| | | | | | | | | | |
|--|------------------------------------|--|-----------|--|---------|--|------------|--|-------------------|
| | Unqualified / No material findings | | Qualified | | Adverse | | Disclaimed | | Material findings |
|--|------------------------------------|--|-----------|--|---------|--|------------|--|-------------------|

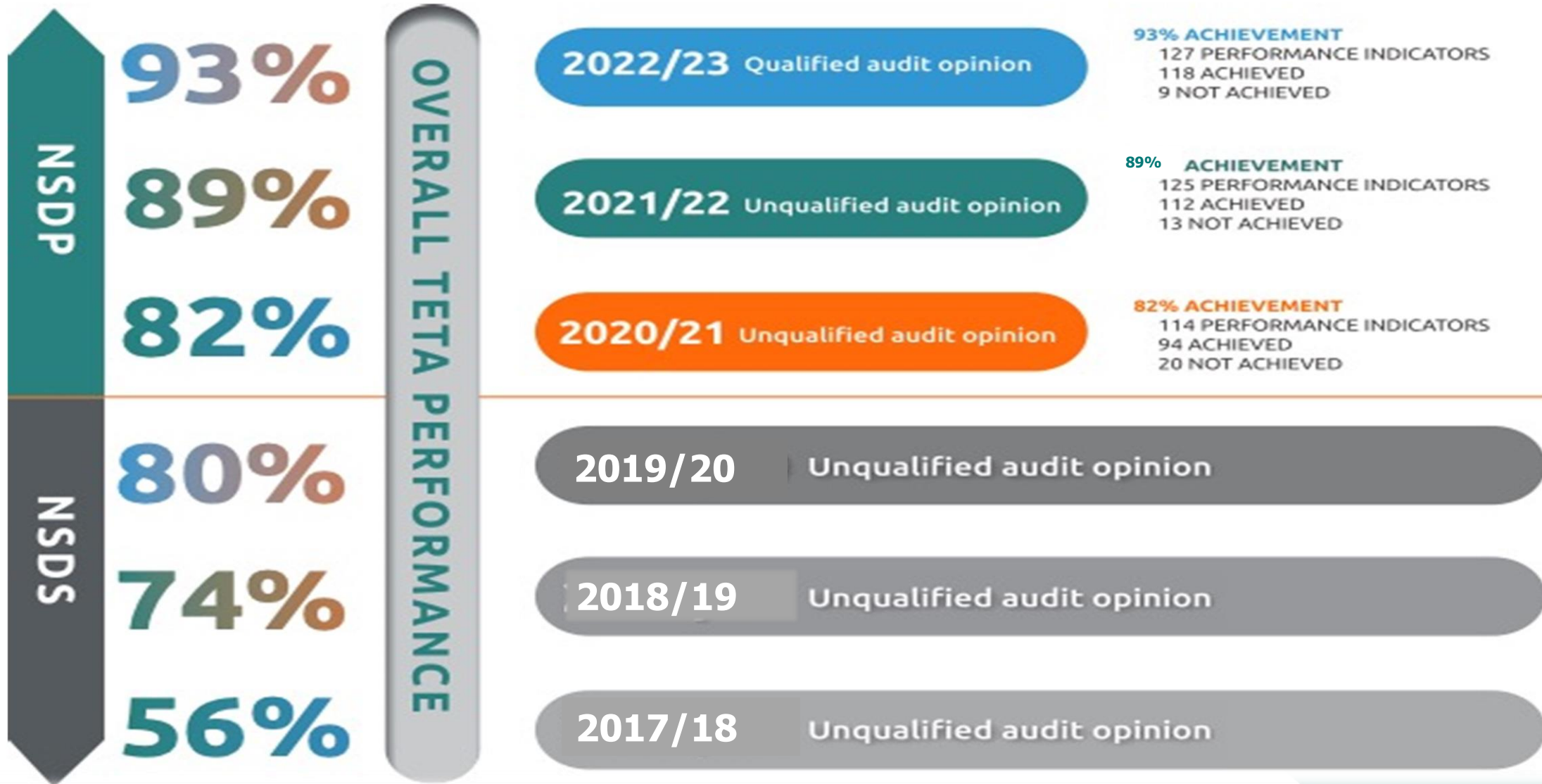
| | | | | | |
|--|-------------|--|------------|--|-----------|
| | Improvement | | Regression | | Unchanged |
|--|-------------|--|------------|--|-----------|



Overall Performance Reflection Six Year Period

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2022-2023 Audit Outcomes on AFS

| Audit Outcome | Description |
|-------------------------------|--|
| Basis of Qualification | <p>Payables/ Accruals – as per Note 15</p> <ul style="list-style-type: none"> ✓ AGSA unable to obtain sufficient appropriate audit evidence to substantiate the skills development grants payables disclosed in note 15 to the financial Statements and therefore unable to determine whether any adjustments were required to the financial statements arising from accruals not brought to account. <p>The limitation indicated above also has an impact on the following accounts in the financial statements:</p> <ul style="list-style-type: none"> • Discretionary grant and project expenses of R657,2 million in the financial statements as disclosed in note 6. ○ Commitments of R818,5 million in the financial statements as disclosed in note 22. <p>Additionally, there was an impact on the surplus for the period and on the accumulated surplus.</p> |
| Matter of Emphasis | <p>Restatement of corresponding figures – as per Note 32</p> <ul style="list-style-type: none"> ✓ Financial Instruments ✓ Related Parties (Board Fees) ✓ Commitments – 7.5% Project Administration |
| Matter of Emphasis | <p>Unaudited Irregular Expenditure – Retention of Surplus Funds</p> <ul style="list-style-type: none"> ✓ Retained Surplus of R977 million approved by DHET |



Audit Action Plans

➤ Action plans to address the **basis of audit of qualification**.

| Basis of Qualification | Action Plans | Timeframe | Current Status |
|--|---|--------------------------|---|
| Material misstatement relating to discretionary expenditure, DG payables and commitments | Introduction of standardized claim register for all chambers and business units | August 2023 | Standardized claim registers in place for reporting purposes by chambers and business units |
| | Use of central email addresses for receipt of invoices and claims/deliverables on discretionary grants projects | September 2023 | Implemented |
| | Strengthen project monitoring and annualize project implementation plans to align project deliverables for each financial year. | August 2023 and on-going | On-going engagements with training stakeholders |
| | Strengthen quarterly reconciliation between reported performance, claim registers and commitment register | October 2023 | Reconciliation for September to be done by end of October |
| | Conduct stakeholder awareness on new business process and requirements | October – November 2023 | Scheduled and on-going from the 25 th October. |



Audit Action Plans

➤ Action plans to address **matters of emphasis**.

| Matters of Emphasis | Action Plans | Timeframe | Current Status |
|---|--|-----------------------------|---|
| Incorrect classification of financial instruments | Overall review of accounting policies and disclosure notes | March 2024 | Included as part of the year-end procedure to be implemented during the preparation of the AFS, both during the interim financials and at year-end. |
| Incomplete declaration of interest by members of AA and subsequently misstatement of related party transactions | Enhanced management and Internal Audit reviews of AFS | | |
| Incorrect disclosure of 7.5% administration as commitment without contractual arrangement | GRAP update session for relevant staff members | March 2024 | GRAP updates session to be attended in the 4 th quarter. |
| Audit differences on calculation of remuneration for AA members | Maintain complete disclosure of interest for Members of the AA | July 2023 and on-going | Complete register was put in place in July and to be updated at year-end |
| | Implement disclosure template for confirmation of related party transactions by members of the AA and management | March 2024 | Template on related party transaction done and to be implemented at year-end. |
| | Addition of an Addendum for 7.5% project administration expenditure for active contracts | September 2023 and on-going | Addendums of active contracts have been sent out. The clause is included in all new contracts. |



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Audit Outcomes and Action Plan(s)

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| Audit Outcome | Description |
|---------------------------|--|
| Matter of Emphasis | Unaudited Irregular Expenditure – Retention of Surplus Funds ✓ Retained Surplus of R977 million approved by DHET |

Retention on Retained Surplus

- TETA applied for retention of surplus funds to both National Treasury and DHET as required
- National Treasury indicated that the approval of the retention of surplus rest with DHET in line with the applicable legislation
- DHET's view was that National Treasury approval for the retention of surplus funds is still required in accordance with the PFMA,
- DHET subsequently approved the retention of surplus funds
- As at year-end, DHET and National Treasury were still deliberating on the matter
- AGSA therefore brings this to the attention of the users of the AFS and indicate that discussion are on-going

Action Plans

- ✓ TETA awaits the outcomes of the deliberation between National Treasury an DHET and future application based on the outcome
- ✓ If matter not finalised, future applications will be directed to both National Treasury and DHET



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Audit Outcome on AOP0 2022-23

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Qualified Audit Opinion on Programme 3 – Learning Programmes & Projects

Basis for qualification:

*“Some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, **the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.**”*

Performance Indicators affected:

- 3.1b – Skills Programme Employed Entered – 31 learners in the population captured as entered instead of completion
- 3.1b – Skills Programme Employed Completed - 4 learners duplicated
- 3.2c – Learnerships Unemployed Completed – 3 learners not reported
- 3.2f – Cadetships Entered – 1 learner not reported

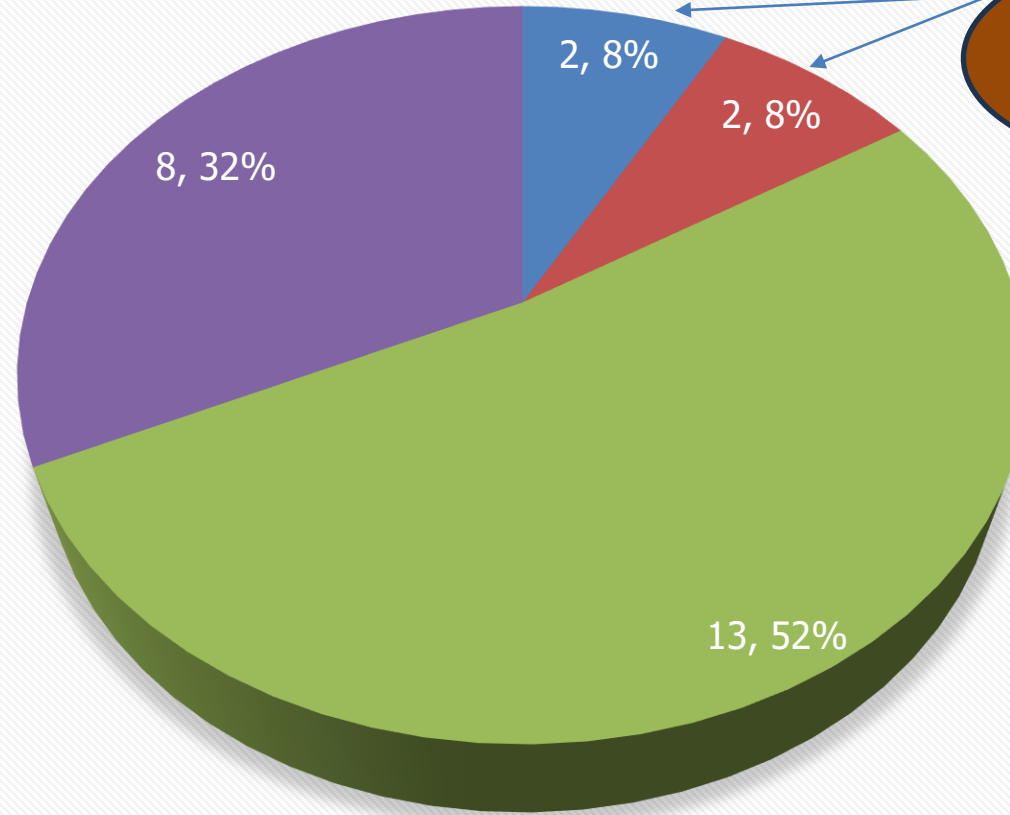
Programme 4 – Quality Assurance

No findings raised



Audit Outcomes and Action Plan(s) AOPO

Summary of audit findings- AOPO



Basis for qualification

- Overstatement of performance (not corrected)
- Understatement of performance (not corrected)
- Understatement of performance (corrected)
- Disagreements (various indicators)

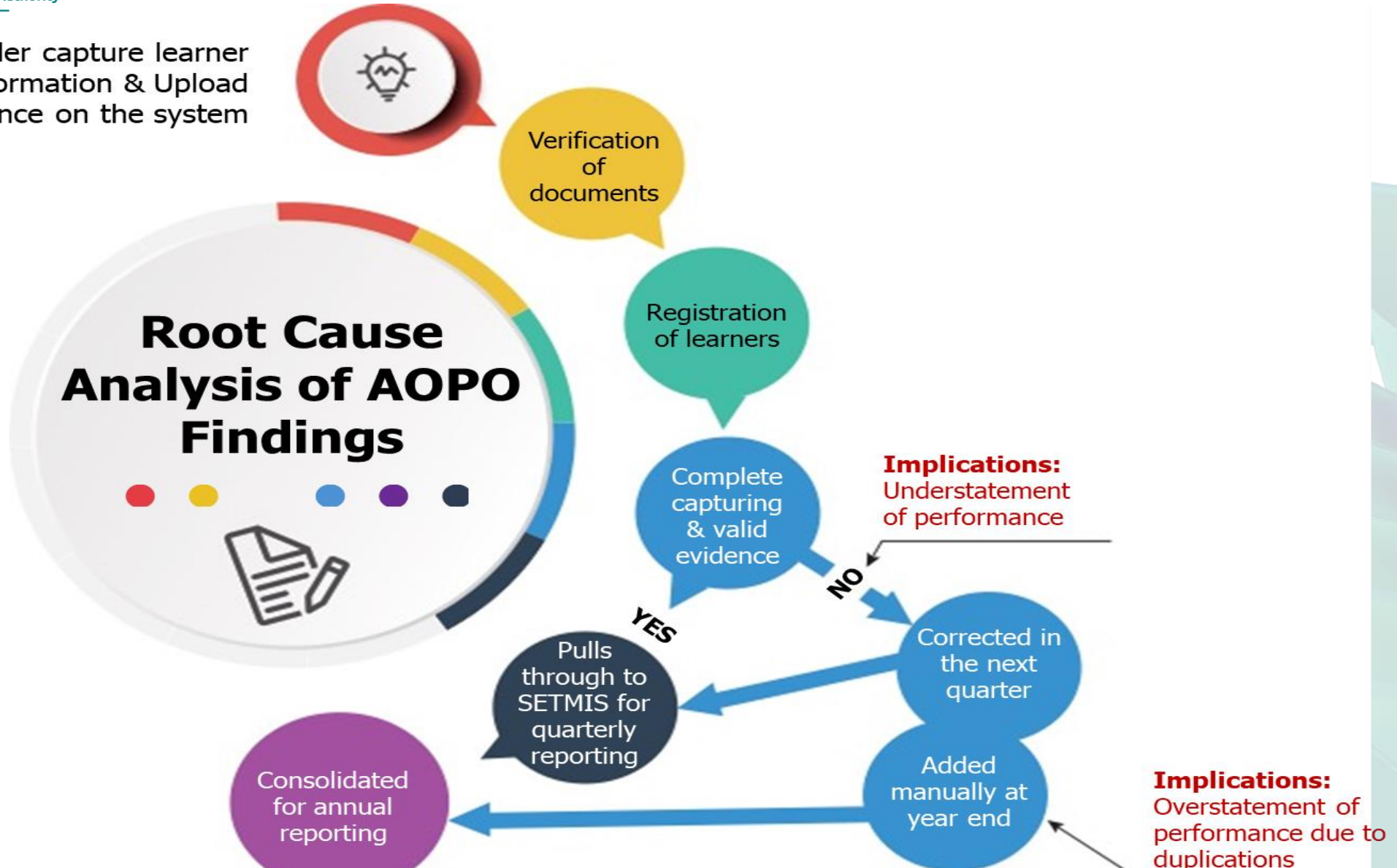


Root Cause Analysis of AOPPO Findings

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Stakeholder capture learner information & Upload evidence on the system





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Audit Outcomes and Action Plan(s)

AOPO

➤ Action plan to address basis for qualification relating to misstatements on Pre-Determined Objectives

| Basis of qualification | Action Plan | Timeframe | Current tatus |
|--|--|--------------------------------------|---|
| <p>1. Overstatement of performance – due to learners captured as entered instead of completed in the same intervention resulting in duplications.</p> <p>3.1b Skills programme entered (31 learners)</p> <p>3.1b Skills Programme Completed (4 learners)</p> | <p>Review for accuracy at source before consolidation, sign off by unit managers</p> <p>Review the Standard Operating Procedure to clearly indicate segregation of duties between the consolidating unit and PM&E for review</p> | <p>Monthly</p> <p>September 2023</p> | <p>Implemented and maintained on a monthly basis</p> <p>Monthly sign off by unit managers to confirm accuracy</p> <p>SoP reviewed</p> |
| <p>1. Understatement of performance – due to learners not captured on the performance report</p> <p>3.2c Learnership unemployed (3 learners)</p> <p>3.2f Cadetship entered (1 learner)</p> | <p>Strengthen verification process to ensure the system requirements for reporting are met</p> <p>Testing for completeness of performance to be done on a quarterly basis rather than at the end of the year</p> | <p>Monthly</p> <p>Quarterly</p> | <p>On-going</p> <p>Completed for Q1 performance report. Q2 is not yet finalised</p> |



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Audit Outcomes and Action Plan(s)

AOPO

➤ Action plan to address basis for qualification relating to misstatements on Pre-Determined Objectives

| Additional Findings | Action Plan | Timeframe | Current tatus |
|---|---|--------------------------|---|
| Overstatement of performance – Duplication of learners (corrected misstatements) | Conduct regular data validation of performance uploaded on shared drive | Monthly | Implemented and maintained on a monthly basis |
| Various findings on additional evidence required | Include additional information such as declaration for SMMEs, additional information to confirm support | March 2024 | On-going, evidence is being saved on shared drive for each reported performance |
| Misstatement of performance information | Stakeholder engagements sessions to highlight areas affecting the audit & contract management | 23 October – 14 November | Currently underway |

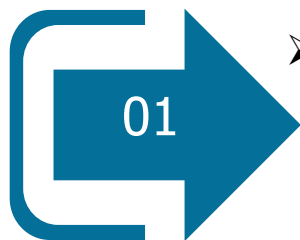


Stakeholder Engagement – Responsibility on Audit Focus

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- Project visits conducted by AGSA and learners providing AGSA with false information



- **Credible and Verifiable Data** – submit correct entry of learner data, correct invoices, balances and contract values provided to AGSA



- **AG Computer-aided audit tools** - *CAATs, SARS, CIPC, PERSAL for Government Employees, GEPEF, SASSA, Population Register at Home Affairs* - AG verifies if the records submitted to TETA are accurate or falsified - If falsified AG regards that as fraud, misrepresentation resulting in harm, misuse of state resources and could cause harm to the state.



- Conflict of interest - Employees working for government doing business with the state



- Slow or non-moving contracts



- Cancellation of contracts after Tranche 1 payments

PARTNERSHIP



TETA will provide stakeholders with Internal Audit support through the South African Institute of Government trainee Auditors to ensure overall compliance



Thank you!

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