



Annual Report

2020/2021





Farming is a craft and a calling. It is said that a person has to have green fingers to plant a crop and for that crop to grow and flourish.

This year's theme is the hand over the planting of the crop. It is reminiscent of the sector.

The hand is also symbolic of the "hand that feeds you", which is linked to the work of AgriSETA, regarding its learning programmes, projects and partnerships.

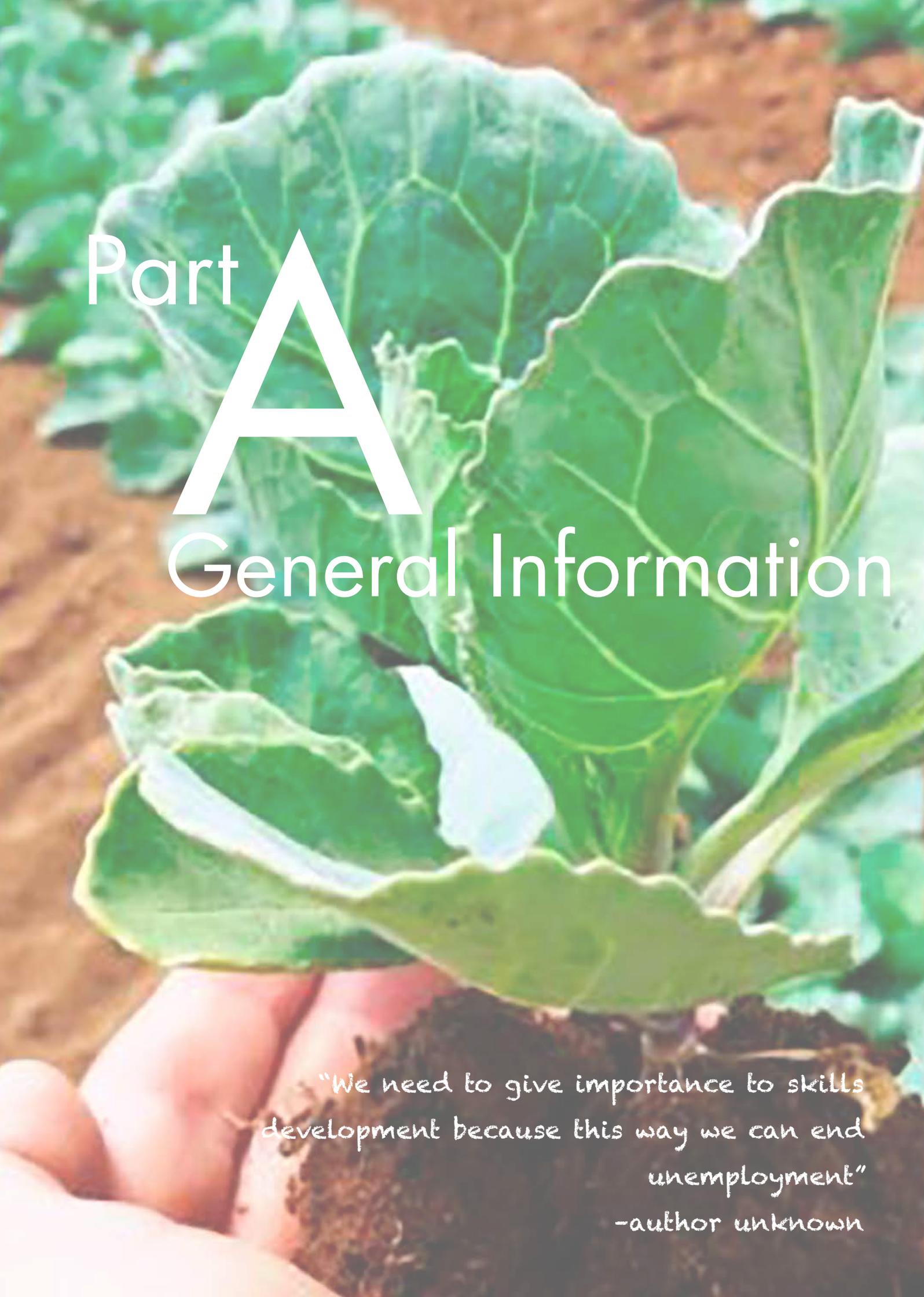




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Part

A

General Information

*"We need to give importance to skills
development because this way we can end
unemployment"*

-author unknown

AGRISETA INFORMATION

REGISTERED NAME OF THE PUBLIC ENTITY	Agriculture Sector Education and Training Authority
ISBN NUMBER	ISBN:978-0-621-49406-8
REGISTERED OFFICE ADDRESS	529 Belvedere Street, Arcadia, Pretoria
CONTACT TELEPHONE NUMBERS	+ 27 12 301 5600
EMAIL	info@agriseta.co.za
WEBSITE	www.agriseta.co.za

EXTERNAL AUDITORS

AUDITOR-GENERAL SOUTH AFRICA	
Physical Address	4 Daventry Road, Lynnwood Bridge Office Park, Lynnwood Manor, Pretoria, South Africa
Postal Address	Box 446, Pretoria, 0001
Telephone	+ 27 12 426 8000
Fax	+ 27 12 426 8257

BANKER

BANKER'S INFORMATION	
BANK	ADDRESS
STANDARD BANK	9th Floor Standard Bank Centre 5 Simmonds Street Johannesburg Gauteng 2001

ABBREVIATIONS/ACRONYMS

18.1	Permanent Employees
18.2	Unemployed people and under resourced farmers
AET	Adult Education and Training
AG	Auditor-General
AgriSETA	Agriculture Sector Education Training Authority
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ATR	Annual Training Report
ATVET	Agricultural Technical Vocational Education and Training
CBO(s)	Community-Based Organisation(s)
CEO	Chief Executive Officer
CET	Community Education and Training
CFO	Chief Financial Officer
DAFF	Department of Agriculture Forestry and Fisheries
DHET	Department of Higher Education and Training
DALRRD	Department of Rural Development and Land Reform
ETQA	Education Training and Quality Assurance
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practices
ICT	Information Communication Technology
IODSA	Institute of Directors South Africa
ISRDS	Integrated Sustainable Rural Development Strategy
KWANALU	KwaZulu-Natal Agricultural Union
LPP	Learning Programmes and Projects
MoA	Memorandum of Agreement
NCOP	National Council of Provinces

ABBREVIATIONS/ACRONYMS

NGOs	Non-Governmental Organisation(s)
NSDP	National Skills Development Plan
PFMA	Public Finance Management Act
PIVOTAL	Professional Vocational Technical and Academic Learning
PSET	Post-School Education and Training
QCTO	Quality Council for Trades and Occupations
FINREMCO	Finance and Remuneration Committee
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SDFs	Skills Development Facilitators
SETA	Sector Education Training Authority
SETMIS	Sector Education and Training Management Information System
SSP	Sector Skills Plan
StatsSA	Statistics South Africa
TVET	Technical Vocational Education and Training
WSP	Workplace Skills Plan

ACKNOWLEDGEMENTS



Minister, Dr Blade Nzimanda



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



Deputy Minister, Mr Buti Manamela

To The Executive Authority

In accordance with the Public Finance Management Act (Act 1 of 1999, as amended), it gives me great pleasure to present the Annual Report of the Agriculture Sector Education and Training Authority (AgriSETA).

This report covers the period from 01 April 2020 to 31 March 2021 and provides an overview of the operations, financial performance and developments across all performance targets as encapsulated in the Annual Performance Plan (APP).

AgriSETA's Accounting Authority, management and staff express their heartfelt appreciation for

the insightful and prolific leadership of both the Minister and Deputy Minister of Higher Education, Science and Technology. We look forward to another dynamic financial year with challenging targets to enhance the skills development and training of people in the sector we prudently serve.

A handwritten signature in black ink, appearing to read 'Ms G S Sepeng', written over a horizontal line.

Ms G S Sepeng

ACCOUNTING AUTHORITY CHAIRPERSON

FOREWORD BY THE CHAIRPERSON OF THE ACCOUNTING AUTHORITY



Ms G S Sepeng

"It is literally true that you can succeed best and quickest by helping others to succeed"

Napolean Hill.

Agriculture was the only industry that experienced positive growth in the year under review. It is therefore no small feat to form part of a sector that is thriving, though due to its importance in food security, health and medicine. It would not be reasonable to articulate the dire effects of the COVID-19 pandemic on the lives of our people as we hear of it and read of it, daily. Whilst agriculture was spared some economic favour, we are aware that not all organisations in the sector were secure – and, had to shed jobs or place employees on short time or shift work. Together these factors negatively impacted our income as we rely on levies, as well as where it matters most, our performance in training and skills development. Employers had to prioritise outputs over training, which caused delays in our contracts and plans.

Governance

During the course of the year under review, we inducted a new Board, along with a new Chief Executive Officer, who joined AgriSETA on 01 December 2021. The CEO, Dr Innocent Sirovha, in his first 100 days in office, provided the members of the board with a fully satisfactory report on the operations of the organisation and furthermore, through a committee he put in place, reviewed 49 policies.

A number of Board activities scheduled before the new CEO resumed his duties, proceeded according to plan and he played an important role in assisting the Board and the organisation in concluding the year 2020 on a positive note, and in planning for the 2021 opening.

As a new board, capacity building serves an important function and training was therefore carried out through the Institute of Directors SA (IODSA), which was concluded within a short space of time of the CEO's arrival, i.e., on 03 February 2021. Furthermore, a Risk Workshop for Board members was conducted in March 2021.

Agriculture landscape

According to Statistics South Africa (Stats SA), the country's economy contracted by 7% during 2020, compared with the growth rate of 0,2% in 2019. This was revealed in the 2020 fourth quarter and 2020 full-year GDP results report, which was released by Stats SA on Tuesday, 9 March 2021. The report indicated how the COVID-19 pandemic and associated restrictions hurt the economy.

Despite this, in the primary sector, agriculture recorded the highest growth rate of 5,9% in the fourth quarter. According to the report by StatsSA, the increase was mainly due to the increased production of animal products.

AgriSETA's function is to facilitate and make available funding to employers in the Agriculture Sector. Employment and employability also forms part of this value chain, in that, businesses need to be economically viable and in good standing to employ our people. This, in turn allows for the payment of levies which then provides funding for the training of people in the sector to ensure further employability.

World economic issues, such as Brexit, (noting that the UK is a critic of current European subsidies) which have historically had an impact on African farmers' export capacity (Sow & Sy, 2016) and add to that South Africa's current negotiations on a large United States (US) poultry import deal which would lead to the import of over 65 000 tonnes of US poultry a year (BMI, 2016), puts the South African poultry industry under severe pressure.

Sub-sectors, of course, are heavily dependent on exports and imports, and are severely affected by policy uncertainty. The Milling, Pet Food and Animal Feed; Seed and Fibre sub-sectors have highlighted the uncertainty in the sector as a key driver, especially looking at the investor confidence in the sectors.

The South African currency has seen severe fluctuations which have also impacted exports and imports. The type of skills needed by the industry will have to focus on the creation of new markets.

The agriculture sector has seen an increase in small-scale farming with an expected further sharp increase, given the current discourse on land distribution in South Africa.

The expectation is that various skills sets will be required from small-scale farmers to survive the current challenges faced by the sector; this includes skills to combat climate change, consumer demands for quality products, business skills and primary farming skills to ensure that businesses remain sustainable.

Economic viability

The four-month levy imposed on SETAs had a knock-on effect and in essence cut our budget by a third. Amendments to our budget therefore had to be made to ensure effective delivery of our programmes, despite the limitations of budgets and the impediments of the pandemic.

The CEO hit the ground running and sensibly continued the practices he found in place, such as the organisation's broader management team meetings and further enhanced accountability and transparency by establishing committees for managers to monitor each performance area. He has also strengthened and clarified the role of the EXCO of the Board in supporting the Accounting Authority (AA). His efforts in this regard have eliminated the risks and grey areas that existed before.

Partnership modelling

As a SETA, our interventions were not fully implemented due to the country's lockdown and many businesses coming to a halt. Furthermore, training became a secondary factor as most businesses struggled to stay afloat and also tried to keep their operations going. Despite being part of the agriculture sector, some sub-sectors did not fare well due to limitations being placed on their operations – these include Tobacco and Wine Commodities, among others.

The COVID-19 pandemic led to a shutdown of all activities in the country that was not considered primary to the health of the people of South Africa, and in March 2020, all learning programmes were negatively impacted. As I indicated in my introduction, this is due to the nature of our learning programmes, which is contact based, thus leading to delayed contracting and postponed implementation of programmes. The actual contracting could only begin in June 2020 and negatively impacted the rollout of programmes. In addition, the academic year was extended and had a serious effect on the completion of the plans.

Fortunately, and as a mitigating factor to ensure that we meet at least some of our key targets,

we leveraged on our strategic partnerships that were signed in the previous years - to supplement our completions and entries of the 2020-2021 financial year. We are most thankful to our strategic partners and continue to pursue such an approach which will greatly benefit our sector and country.

"It is literally true that you can succeed best and quickest by helping others to succeed" Napoleon Hill.

Acknowledgements

My heartfelt gratitude goes out to my fellow board members, the former CEO, Mr Zenzele Myeza, all our strategic partners, including DALRRD, our Principal DHET, AgriSETA's management team and employees and last, not least the CEO, Dr Innocent Sirovha who will be leading the pack going forward.

Sincerely



Ms G S Sepeng
CHAIRPERSON

CHIEF EXECUTIVE OFFICER'S OVERVIEW



CEO: Innocent Sirovha (Dr)

"Find what you are good at and don't stop learning about it."

Yohancé salimu

It gives me great pleasure to present to you, our valued stakeholders, AgriSETA's results for the 2020/21 Financial Year. AgriSETA received an Unqualified Audit and achieved a performance of 74%. This is marginally on par with the previous year's results, despite the impact of the lockdown at various levels of the year in which we are reporting.

Performance

AgriSETA achieved 73% of its performance targets which gives reference to the alignment of policies and mapping of the DHET Service Level Agreement (SLA) with our Annual Performance Plan (APP). Furthermore, stringent monitoring and evaluation (M&E) measures were put in place to timeously mitigate any shortcomings and implement corrective measures.

Therefore, a major achievement of the year was the integration of various departments to implement a standardised monitoring tool during project visits. The data collected from these visits will assist the organisation to strengthen its value proposition to the sector.

Financial analysis

The need for Discretionary Grant funded support to deliver the required learning programmes in the sector outstripped the available resources of AgriSETA and added to that, was the four-month skills levy holiday which was imposed on 01 May 2020 to assist businesses with cash flow. In essence, this is a third of a SETA's income and it impacted on AgriSETA's outputs as with all other entities, during a period of business unusual.

AgriSETA reported a significant decrease of 26% in the total revenue to reach R373,7 million in 2020/21 compared to the R503,8 million collected in 2019/20. Total grant and project expenditure dropped by 26% to R275,5 million compared to the R372 million in the corresponding year. This is attributed mainly to slow project implementation by training providers and further cascaded to sluggish claim submissions where grant recipients had achieved contractual targets. The havoc caused by the COVID-19 pandemic equally contributed to the halting of training programmes due to the lockdown levels the country faced.

There was a R126,8 million (27,4%) decrease in levy income attributable to the four (4) months levy holiday due to the COVID-19 pandemic, while the disbursement of mandatory grants also declined significantly as the number of employers who qualified for mandatory grants were impacted by this four months levy holiday. However, the disbursement of mandatory grants to employers amounted to R56,5 million and ensures the industry has the funding to develop skills to achieve the NSDP goals through workplace skills plans.

AgriSETA reported R515,9 million in total financial commitments for the 2020/21 Financial Year. The commitments related to interventions aligned to the key responsibilities as outlined in the Skills Development Act. Key responsibilities include implementing the Sector Skills Plan (SSP) by establishing and promoting learning programmes that include identifying workplaces for practical work experience. This was achieved through funding Learnerships, Bursaries, Internships and Skills Programmes.

Controls

Policies are reviewed periodically, i.e., every, one to three years and to this end, we have assessed our policies. The policy framework and process of assembling it were found lacking in format and consistency and I therefore established a Policy Review Committee to ensure that it is not just a tick box exercise. This committee is headed by the Manager, Office of the CEO (OCEO) and constitutes all Executive Managers, the Company Secretary, the Human Resources Manager, the Head of Marketing and Communications and a Union Representative. The work of the committee has not only excelled in a short period of time, but it has raised the bar for Policy Development. I am indeed very proud of the work being done by the committee.

In fulfilling their mandate, the committee has reviewed 49 policies.

Strategic Partnerships

After years of working together on an adhoc basis, we have concluded a strategic partnership with DALRRD through a Memorandum of Agreement (MOA). Central to the agreement between DALRRD and AgriSETA, is to specifically further the objectives of the National Skills Development Plan 2030, as well as the objectives of the National Agricultural, Forestry and Fisheries Education and Training Forum (NALRRDETF).

AgriSETA works closely with RCL Foods in Malelane to train SMME's in Governance and enterprise development. We provided support to a total of 30 Small Scale Sugar-Cane Growers and land restitution beneficiaries. These growers are suppliers to RCL Foods Malelane sugar mill.

Through our continued implementation of partnerships, the KWANALU Graduate Placement programme has significantly added much-required impact to the delivery of Work Integrated Learning (WIL). A total of 100 (one hundred) learners were enrolled in the programme in KwaZulu-Natal.

Though, this is only the beginning of our strategic partnerships.

Stakeholder satisfaction

We have made very good progress with our stakeholder tracking tools and for which weekly reports are drawn up to ensure our stakeholders from all categories of our business receive exemplary service. We respond to all queries and track our responses on a 24-hour basis to confirm that we measure our own efforts.

AgriSETA is also developing a Stakeholder Engagement Mobile Application to conduct research and to deliver programmes directly to the

youth, in a manner they are accustomed to. This forms part of our innovative methods of virtual communication and gathering of information.

COVID-19 obstacles and opportunities

The analysis of an industry study among farmers and producers by AgriSETA, indicates that 56% of the respondents were not able to market their produce/products, both locally and internationally, which led to the retrenchment of, on average, 33% of employees to reduce costs. The study also showed that to continue successfully with business amidst the pandemic, employees needed to be trained in skills such as, among others, Health and Safety; Information Technology; Communications; and Strategic Planning.

On the other hand, according to an extract from *Farmers Weekly*, whilst the South African economy recorded its most significant decline in annual economic activity since 1946, the good news is that the Citrus Industry fared so well, that its impact on exports ensured the economy grew by 13.1% in 2020.

For us at AgriSETA, the COVID-19 pandemic created an opportunity for the Marketing and Communications unit to embrace various other mediums to profile the work of the SETA. Its career guidance activities and AgriSETA's brand. Community Radio, Digital Applications and Social Media reached an unprecedented audience, underlining the importance of diversification.

Organisational Programmes' Performance

Skills Planning and Research (SP&R)

Skills planning is the 'engine room' of the organisation.

It is here where all the plans for the year are laid bare for interrogation and positioning. The functions of the Skills Planning and Research unit

include the administration of Mandatory Grants, Reporting, Research, Monitoring and Evaluation and Marketing and Communications.

A highlight of the year was the completion of the first-ever Impact and Tracer Studies by the research team. The outcomes of these research projects will change the perceptual value of AgriSETA's offering and shape future interventions.

The upgrades to the Mandatory Grants system laid the foundation for an effective submission and evaluation process. This, combined with a successful virtual Mandatory Grant roadshow, which includes the training of SDF's that were initiated in the previous financial year, paid dividends during the year under review, significantly increasing the quality of WSP/ATR submissions. The unit approved and recommended all qualifying submissions for payment during the reporting period.

In the Marketing and Communications unit, key policy documents and frameworks were approved during the reporting period that allowed the unit to fully utilise social media and to increase access to a younger generation of potential agriculturists. The unit also established and strengthened the organisational communication channels further through the office of the CEO, ensuring that efficient and effective messages reached all stakeholders.

Education, Training and Quality Assurance (ETQA)

The divisional executive has noted that the agriculture sector requires more collaborative structures to enable the implementation of sectoral programmes. As the Post-School Education and Training (PSET) system places emphasis on the revitalisation of TVET Colleges for implementation of occupations in high demand. Synergies must be sought among state departments e.g., building

linkages between DHET and the Department of Agriculture Forestry and Fisheries (DAFF), (now DALRRD). The collaborative work will assist in, amongst others, to streamline the role of agricultural colleges in the PSET system and how it is expressed within the definition of a TVET system. Our MoA with DALRRD in this regard, will serve to provide such collaboration.

Learning Programmes and Projects (LPP)

If Skills Planning is the engine room, then the LPP division is the Engineer.

The Learning Programmes and Projects division is responsible for delivering on the core business of skills development in AgriSETA. This division drives the Annual Performance Plan and Service Level Agreement targets signed between AgriSETA and the Department of Higher Education and Training.

The COVID-19 pandemic led to a shutdown of all activities in the country that was not considered primary to the health of the people of South Africa, and in March 2020, all learning programmes were negatively impacted. This is due to the nature of our learning programmes, which is contact based, thus leading to delayed contracting and postponed implementation of these programmes, due to COVID-19 restrictions. The actual contracting could therefore only begin in June 2020 and had a knock-on effect on the implementation of these programmes. In addition, the academic year was extended and had a serious effect on the completion of the plans. As a mitigating factor and to ensure that we meet at least some of our key targets, we leveraged on our strategic partnerships that were signed in the previous years, to supplement our completions and entries of the 2020-2021 financial year.

Human Resources

A safe and healthy workplace is a fundamental right and adherence to health and safety standards purports AgriSETA to maintain a productive workplace by minimising the risk of accidents, injury and exposure to health hazards. The organisation therefore appointed an Occupational Health and Safety Committee responsible for implementing the requirements of the Occupational Health and Safety Act, 1993. This is in addition to the COVID-19 Task Team who address all cases and make the necessary recommendations regarding the steps to be taken in addressing such cases, and the safety of other employees who may have been exposed to the infected persons.

Acknowledgements

Almost one year into the job, I continue to learn from my fellow SETA colleagues, my Executive Team and not least the broader Management Team and Staff. I am proud of the achievements we have made and look forward to the next few years of taking AgriSETA to higher ground.

To our Chairperson and Members of our Board, I am indeed grateful for your continued guidance, and support – you make leading this organisation, a joy and not a job.

I also wish to thank our valued stakeholders for their participation in our initiatives and contributions, to what is a national duty, in collaborating and pooling resources to build a skilled and resourceful agricultural sector.

Sincerely



Innocent Sirovha (Dr)
Chief Executive Officer
31 July 2021

AGRISETA MANAGEMENT TEAM



CEO: Innocent Sirovha (Dr)



MZUYANDA DLANGA
Company Secretary



SUZAN MAROLENG
Manager: Office of the CEO



MOGAU SEBELA
Chief Financial Officer



FRIKKIE FOUCHE
Executive Manager: Skills Planning



MEDUPI SHABANGU
Executive Manager:
Learning Programmes and Projects



FANNY PHETLA
Executive Manager: ETQA and Acting
Executive Manager: Human Resources



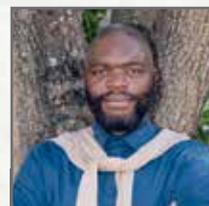
KUBENOKUTHULA NDLOVU
Chief Risk Officer



CLEMA MANGWATO
Finance Manager



MANDY RUTGERS
Head: Marketing and Communications



KHENSANI KHOZA
Chief Information Officer



HAPPY SEGOE
HR Manager



SINDISWA DLAMINI
Manager: Supply Chain
Management



MASHILO MOROKO
Manager: Artisan Development



SIBONGILE SIBIYA
Manager: Learning Programmes



BAVUYISE HERMANUS
Manager: Mandatory Grants and
Reporting



NOKUTHULA SIBIA
Manager: Research,
Monitoring and Evaluation



MINAH MATLOA
Manager: Qualification
Development and Compliance



AgriSETA's Management Team and locally based Board Members

“our diversity is our strength”

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements (AFS) audited by the Auditor-General.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board,
- The Accounting Authority has an oversight role in the preparation of the Annual Financial Statements by the Chief Financial Officer and her team and is assisted by both the Finance and Audit Committees who review these financial statements prior to submission to the Accounting Authority, the National Treasury and the Department of Higher Education and Training.

- The Accounting Authority has an oversight role in the establishment and implementation of a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements. The CEO and the management team, the internal auditors and the Audit Committee assist the Accounting Authority in accomplishing this task.
- The Auditor-General has been engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of AgriSETA for the financial year ended 31 March 2021.



Ms G S Sepeng
CHAIRPERSON
31 July 2021

AgriSETA Vision, Mission and Values

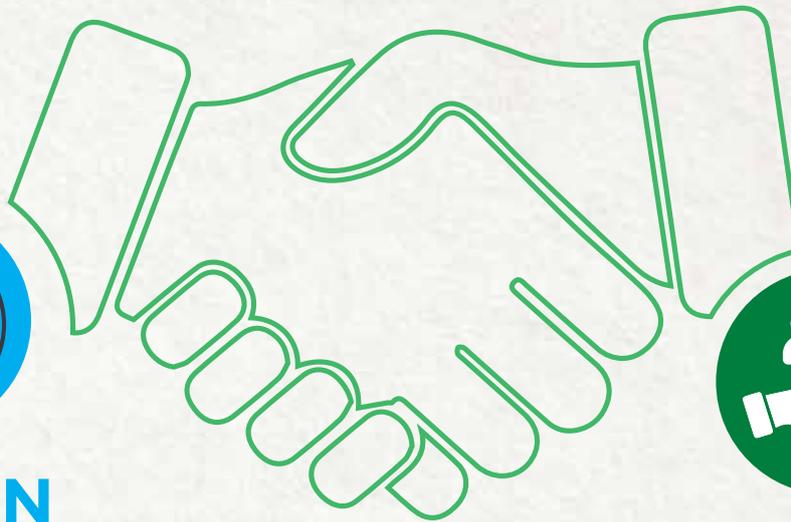
Our Vision

Enabling a skilled and prosperous agricultural sector



MISSION

To increase access to relevant skills that is impact driven through strategic partnerships and credible research leading to inclusive economic growth



VALUES

Transparent | See through us
Responsible | I own it
Unity | In diversity
Service delivery | We are here to serve
Team work | Together we do more

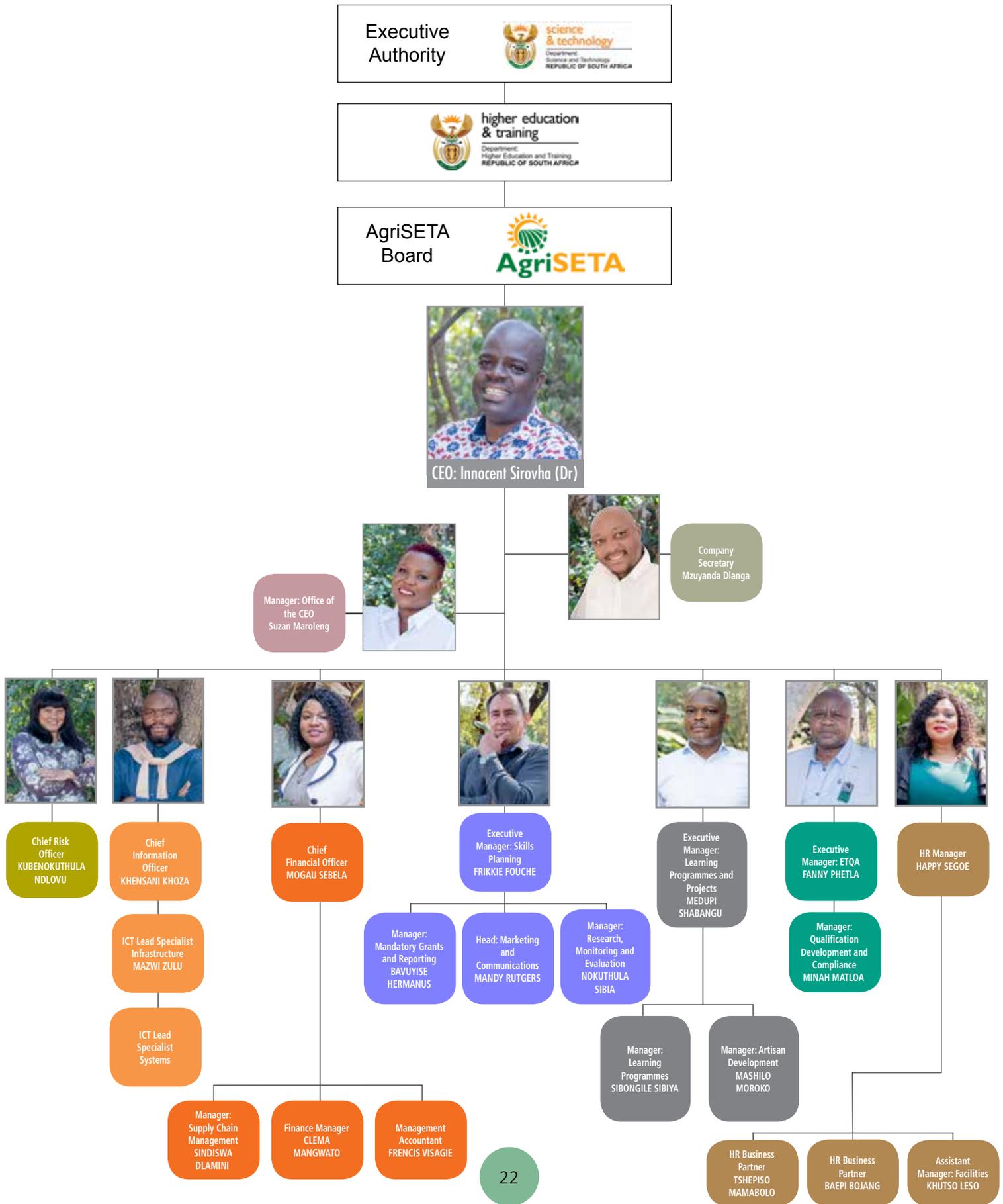
LEGISLATIVE AND OTHER MANDATES

The Agriculture Sector Education and Training Authority (AgriSETA) is established in terms of the Skills Development Act (Act 97 of 1998 as amended) and listed in terms of the Public Finance Management Act (PFMA, Act 1 of 1999, as amended) as a Schedule 3A public entity.

The following are the legislative, policies and other frameworks that govern the work of AgriSETA:

- Skills Development Act (Act 97 of 1998, as amended).
- Skills Development Levies Act (Act 9 of 1999).
- National Qualifications Framework Act (Act 67 of 2008).
- Public Finance Management Act (Act 1 of 1999, as amended).
- National Treasury Regulations (2005 as amended).
- National Skills Development Strategy (2011).
- SETA Grant Regulations regarding monies received by SETAs and related matters (2012 as amended).
- National Development Plan 2030.
- Medium-Term Strategic Framework (MTSF, 2014-2019).
- White Paper on Post School Education and Training (2014).
- National Human Resource Development Strategy for South Africa 2030.
- National Skills Accord (2011).
- National Integrated Human Resource Development Plan (2014-2018).

ORGANISATIONAL STRUCTURE





Part **B**
Performance
Information

"Agriculture is the
most healthful, most useful
and most noble employment of
man."
- George Washington

1. SITUATIONAL ANALYSIS

Whilst AgriSETA's Sector Skills Plan (SSP) aim to address a wide range of issues in the Agricultural sector, in essence it captures the following important realities which have a direct impact on the process of development of such skills in the sector¹;

- AgriSETA is required to fairly serve all constituencies despite deriving the bulk of its income from a relatively small group of top levy payers. The top levy payers' contributions justify that their skills needs be catered for, but there is also an equal democratic imperative to support subsistence farmers and rural development for the sake of improved livelihoods and food security.
- AgriSETA's constituencies have differing skills requirements. Commercial farmers require high level technical skills for managerial positions, and improved AET and RPL for their unskilled workforce. While co-operatives require partnerships (with big business, Governmental Departments, other SETAs, and industry bodies) that are targeted to helping co-operatives develop into proper businesses with access to finance, corporate governance, and business management skills. These should be provided in the form of mentorships which are beyond traditional SETA learnerships.

- It appears that the skills mismatch in the Agricultural Sector is, that neither of these constituents currently fully benefit from existing AgriSETA learnerships. There is a group of unskilled workers who are not eligible for lower level NQF AgriSETA learnerships because they do not have the requisite basic literacy and numeracy skills or require RPL to be launched into a career development path. AgriSETA provides sufficient low to medium level NQF interventions, while agricultural colleges and higher education institutions provide medium to high level skills required by commercial enterprises.

1.1. Performance environment

The following change drivers were identified through a thematic synthesis of internal stakeholders' views, policy documents, existing research and stakeholder engagement, and pertinent current affairs issues reported in the media over time and will have an impact over the medium term:

- **Fourth Industrial Revolution: Technology and Mechanisation**

The Grains and Cereal; Sugar; and Tobacco sub-sectors specifically highlighted the rapid change in technology as a key change driver. These sectors identified the ability to develop and research new innovations, technologies and analysis of large data sets as a key driver of skills. The ability to integrate and implement

1. A comprehensive situation analysis is available in the Sector Skills Plan.

new technologies and innovation in workplaces were also identified as an important aspect to take these industries forward. The increased need for employees, at all levels within the industry, were further highlighted.

- **Green Economy**

Skills relating to sustainable farming practices were identified by various sub-sectors, these include Tobacco, Fibre, Aquaculture, Milling, Pet food and Animal Feed, Pest Control, Poultry & Seed sub-sectors. The proper utilisation of resources and efficient use of land through relevant green knowledge and skills, the conservation of resources through and amongst others, Agro-processing and energy efficient farming methods ensure sustainable agriculture practices. These sub-sectors highlighted the importance of continuous research and development to ensure that industries remain on par with technological changes in this area. To respond appropriately to this driver, industries identified the need for environmental health officers, conservation officers and environmental and agricultural research scientists.

- **Climate change (production area is shifting eastwards, introduction of new production technologies)**

Due to climatic changes, the South African agricultural production area is moving eastwards, resulting in a need for new or adapted production technologies. The Horticulture; Milling; Pet Food and Animal feed; and Seed sub-sectors highlighted this change in the production area as a key skills

driver in their sectors. To respond to this change, new skills sets are required to deal with the migration of workers and the incorporation the latest innovations and technologies to deal with natural disasters. Changing climates also require research into the health of plants, making the availability of agricultural scientists and advisors critical to deal with the dynamics in the sector.

- **The youth bulge and skills development**

Stats SA (2019) reported that youth aged between 15–24 years are the most vulnerable in the South African labour market as the unemployment rate among this age group was 55,2% in the first quarter of 2019. Alarmingly, the unemployment rate was 31% among graduates in this age group during this period compared to 19,5% in the fourth quarter of 2018 – an increase of 11,4% quarter-on-quarter. The cyclic rise in youth unemployment can be attributed to new entrants into the labour market. Youth unemployment accounts for 63,4% of the total number of unemployed persons in South Africa. Just under 30% of the youth in South Africa have jobs and about half of them (48,8%) participate in the labour market.

The Tobacco; Red Meat and Sugar sub-sectors reported that they required skills development aimed at a younger age group (high school level). It is notable that these industries also acknowledged that the workforce is becoming younger and this requires a new set of skills from the sector to manage a younger employee.

- **Brexit & EU trade agreements**

While the effects of Brexit on South African agri-businesses are yet to become clear, what is clear, is that South Africa would have to re-negotiate its trade agreements with the UK. Senior agricultural economist in the Agricultural Business Chamber, Mr Wandile Sihlobo, commented that, “Market access benefits that existed through the agreement would no longer apply” (Mchunu, 2016). The Poultry; Red Meat and Sugar sub-sectors have raised concerns relating to the effects of Brexit.

Agricultural subsidies are one of the key issues related to Brexit. The UK is a critic of current European subsidies which have historically had an impact on African farmers’ export capacity (Sow & Sy, 2016). The outcome of re-negotiated trade agreements will have to be monitored.

- **Poultry Imports**

The African Growth and Opportunity Act (AGOA) is a United States (US) Trade Act that enhances market access to the US for qualifying Sub-Saharan African countries based on certain conditions (AGOA, 2016). To gain access to these markets, South Africa is currently negotiating a large US poultry deal which would lead to the import of over 65 000 tonnes of US poultry a year (BMI, 2016), putting the South African poultry industry under severe pressure.

The outcomes of this deal are being monitored by agri-business experts, but the knock-on effect of this type of deal could have implications for skills development in the sector.

- **Political and policy uncertainty, weakening of the local currency**

Sub-sectors that are heavily dependent on exports and imports are severely affected by policy uncertainty. Political uncertainty will lead to farmers not investing or expanding their farming activities. The Milling; Pet Food and Animal Feed; Seed; and Fibre sub-sectors highlighted the uncertainty in the sector as a key driver, especially looking at the investor confidence in the sectors.

The South African currency has seen severe fluctuations which has impacted on exports and imports. The trade war between America and China resulted in investors withdrawing investment capital from emerging markets. The type of skills needed by the industry to respond, will have to focus on the creation of new markets.

- **Growth of small-scale farmers**

The Agricultural sector has seen an increase in small-scale farming with an expected further sharp increase given the current discourse on land distribution in South Africa. Small-scale farmers significantly contribute to the national production of produce, especially within the Poultry and Fibre sub-sectors. The expectation is that various skills sets will be required from small-scale farmers to survive the current challenges faced by this sector. This includes skills to combat climatic change, consumer demands for quality products, business skills and primary farming skills, to ensure that businesses remain sustainable. Furthering support is needed in the form

of mentoring and extension services to ensure that the correct cultivars are used to increase annual yields.

- **COVID-19 Pandemic**

The outbreak of the novel Coronavirus, also known as COVID-19, has become the biggest driver of change relating to key skills in the South African Agriculture Sector in 2020. Thus far, many sub-sectors within the agricultural sector have lost millions of Rands as a result of banned exports due to the COVID-19 pandemic (Arndt et al., 2020; Troskie, 2020). To understand the impact of COVID-19 in the Agricultural Sector,

AgriSETA commissioned a research study that targeted all the agriculture entities in the sector.

Analysis of the study by AgriSETA indicates that 56% of the respondents were not able to market their produce/products, both locally and internationally, which led to the retrenchment of an average of 33% employees in order to reduce costs. The study also showed that to continue successfully with business amidst the pandemic, employees needed to be trained in skills such as, among others, Health and Safety; Information Technology; Communication; and Strategic Planning.



2. SERVICE DELIVERY ENVIRONMENT

The need for Discretionary Grant funded support to deliver the required learning programmes in the sector outstrips the available resources of AgriSETA. The Strategic plan has been updated with the National Treasury framework with the following significant changes:

- AgriSETA identified four (4) programmes that will be driven to achieve the organisational goals, which is aligned with the proposed Higher Education Science and Technology framework for Strategic Plans.
- Strategic outcome orientated goals were devised for the organisation.

2.1. Organisational environment

AgriSETA has a well-established Human resource and financial system to enhance its capacity to deliver on its mandate.

- **Organisational strategy**
AgriSETA is fully aligned to achieve the strategic goals set in the strategic planning documentation. The Strategic plan and Annual performance plans are shared with all employees so that the short- and medium-term goals are internalised and collectively achieved.
- **Leadership style**
All management levels within the SETA are implementing a democratic, participative management style. The oversight function of the board is effectively executed through functional board sub-committees that ensure that the board is well informed of the SETA's progress in implementing its mandate.

- **Shared values**

AgriSETA's management and staff constantly strive to serve the interests of the sector as a whole, actions are geared towards the interests of learners in terms of progression. Furthermore AgriSETA prioritised its mandate in terms of discretionary and mandatory grants, with a keen focus on rural development.

2.2 Key policy developments and legislative changes

- **Compliance to BBBEE Act.**

AgriSETA is in full compliance with the Broad Based Black Economic legislation.

- **Designated groups**

AgriSETA is prioritising marginalised groups and members from designated groups during recruitment and development activities.

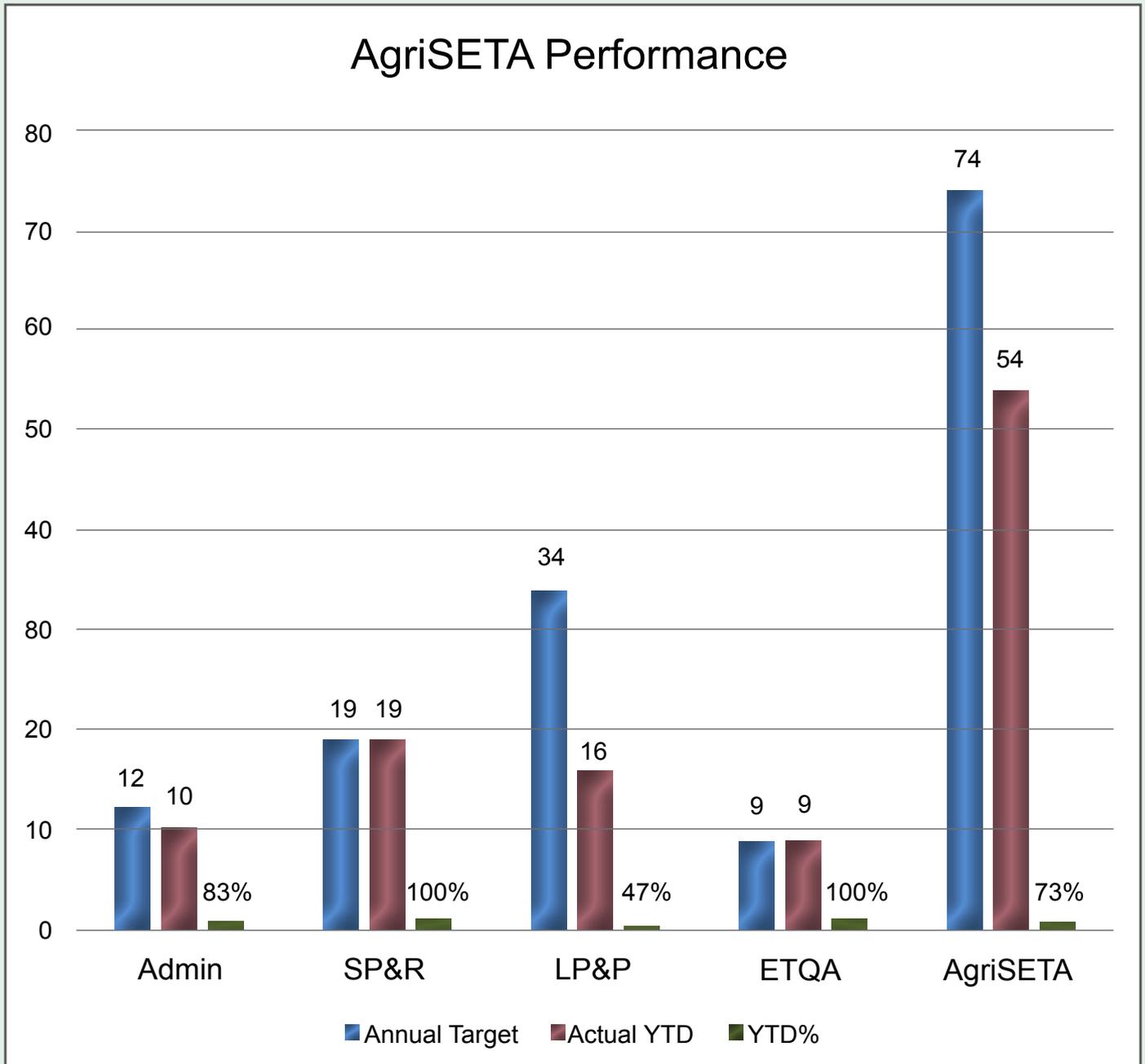
2.3 SETA Landscape

AgriSETA, as with all SETAs were re-established to a lifespan until 2030. This provides further stability to the organisational structure. The NSDP was officially launched in February 2019 for implementation on 01 April 2020. AgriSETA will implement strategies to ensure that the national footprint of the organisation is expanded and the mandate of the organisation to link workplaces with learners, is further strengthened.

Strategic outcome 1	Identify and increase the production of occupations in high demand
Outcome indicator	To establish and enhance a credible institutional mechanism for skills planning
5-year target	1 credible mechanism
Strategic outcome 2	Improved linkage between education and the workplace
Outcome indicator	Increased exposure of beneficiaries to workplaces through PIVOTAL initiatives
5-year target	10%
Strategic outcome 3	Improving the level of skills in the South African workforce
Outcome indicator	Increased workplace training of workers already in employment
5-year target	10%
Strategic outcome 4	Increase access to occupationally directed programmes
Outcome indicator	Access to occupationally directed programmes increased
5-year target	by 5% annually up to 2024.
Strategic outcome 5	Increased growth of public colleges as a key provider of skills required for socio-economic development
Outcome indicator	Increased enrolment of learners into the post-school system through the TVET and CET colleges by 20%.
5-year target	20% by 2024.
Strategic outcome 6	Increased skills development support for entrepreneurship and cooperative development
Outcome indicator	Increased access of unemployed, youth, women, and people with disabilities to entrepreneurial and cooperative development by 20%
5-year target	20% by 2024
Strategic outcome 7	Increased support for worker-initiated training
Outcome indicator	Increased worker training initiatives through trade unions and federations by 15%.
5-year target	15% by 2024
Strategic outcome 8	Improved career development services
Outcome indicator	Increased participation of Youth in Agriculture
5-year target	45% of AgriSETA beneficiaries are youth

3. PERFORMANCE INFORMATION BY PROGRAMME / ACTIVITY / OBJECTIVE

Key Performance Indicators, Planned Targets And Actual Achievements





Programme 1: Administration

Sub programme 1: Finance

Output: Achieve an unqualified audit report each year for the period covered by the strategic plan

Performance Indicator (Specific outcomes)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
1.1.1. To collect the budgeted revenue	No Target	104,1%	100%	93%	-7%	Target not achieved; the collection of revenue was impacted negatively by COVID 19
1.1.2. Prepared and submitted timeous financial and annual reports to Board and Executive	No Target	4 Quarterly financial reports	4 Quarterly financial reports	4 Quarterly financial reports	0	No variance
1.1.3. Percentage of audit (external) queries resolved, based on audit findings reported in the prior financial year	No Target	No target	100%	100%	0	No variance

Sub programme 2: Governance

Output: Functional governance structures

Performance Indicator (Specific outcomes)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
1.2.1. Board and standing committees capacitated through training programmes;	No target	1	2	2	0	No variance

Sub programme 2: Governance
Output: Functional governance structures

Performance Indicator (Specific outcomes)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
1.2.2. Quarterly submitted SETA good Governance reports	No target	No target	4	4	0	No Variance

Sub programme 3: Information Technology
Output: 90% of approved and funded ICT plan implemented

Performance Indicator (Specific outcomes)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
1.3.1. 90% of reported ICT faults and incidents logged and resolved within service level standards.	57%	96 %	90% resolved in 24 hours	93%	3%	Target exceeded due to improved implementation of standard operating procedures.
1.3.2. 90% of approved ICT interventions implemented	No target	No target	90%	75%	-15%	Target not achieved due the impact of COVID 19 and resulted delays in procurements processes.
1.3.3. Maintained 98% availability of ICT Infrastructure. (Servers & LAN)	No target	No target	98%	98%	0	No variance

Sub programme 4: Human Resources

Output: Employee turnover rate kept below 5% annually

Performance Indicator (Specific outcomes)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
1.4.1. 70% of employees participate in further career development	34%	51%	70%	80%	10%	Target exceeded due to increased accessibility of employees virtually
1.4.3. All employees sign performance contracts annually	98%	100%	100%	100%	0	No variance

Sub programme 5: Risk

Output: Annual approved risk management implementation plan

Performance Indicator (Specific outcomes)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
1.5.1. Strategic risk register updated quarterly	No target	No target	4	4	0	No variance
1.5.2. Fraud risk register updated quarterly	No target	No target	4	4	0	No variance

Programme 2: Skills Planning
Sub-programme 2.1: Research
Output: Established and maintained mechanism for skill planning annually

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
2.1.1. Sector skills plans, updated	1	1	1	1	0	No variance
2.1.2. Annual performance plans updated	1	1	1	1	0	No variance
2.1.3. Strategic plans updated	1	1	1	1	0	No variance
2.1.4. Number of SSC committees established and strengthened	11 SSC's 2 Meetings 2 Plenaries	11 SSC's 2 Meetings 2 Plenaries	11	11	0	No variance
2.1.5. Number of research projects established	No Target	10	11	22	11	The target was exceeded due an enhanced research process.

Sub-programme 2.2: Monitoring and Evaluation
Output: Established and strengthened an organization wide monitoring and evaluation framework

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
2.2.1. Quarterly verification report of predetermined objectives issued	No Target	No target	4	4	0	No variance
2.2.2. Quarterly verification report of financial performance issued	No Target	No target	4	4	0	No variance
2.2.3. Percentage of Monitoring and Evaluation visits on PIVOTAL projects conducted	No Target	No target	7% of projects verified	7% of projects verified	0	No variance
2.2.4. Percentage of Monitoring and Evaluation visits Non-PIVOTAL projects conducted	No Target	No target	5% of projects verified	5% of projects verified	0	No variance

Sub-programme 2.3: Mandatory Grants

Output: Increased employer access to grant information

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
2.3.1. Number of WSPs and ATRs approved for Large firms	No target	No target	350 large firms	389	39	Target exceeded due to improved evaluation procedures
2.3.2. Number of WSPs and ATRs approved for Medium firms	No target	No target	480 medium firms	534	54	Target exceeded due to improved evaluation procedures
2.3.3. Number of WSPs and ATRs approved for Small firms	No target	No target	700 small firms	768	68	Target exceeded due to improved evaluation procedures
2.3.4. Increased payment of mandatory grants to 78% annually,	65%	86%	78% of grants paid	81%	3%	Target exceeded due to improved evaluation procedures
2.3.5. Number of SDF's trained annually as part of support to employers.	81	451 SDFs trained	80 SDFs trained	220	140	Target exceeded due to the implementation of a national virtual training session

Sub programme 2.4: Marketing and Communications

Output: Established strategic partnerships to strengthen career guidance in the sector

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
2.4.1. Number of Agricultural career summits launched nationally	No Target	2	1	2	1	Target exceeded due to the implementation of virtual career events
2.4.2. Number of career exhibitions attended, schools involved, and learners exposed	-21 exhibitions -169 schools -13 038 learners exposed	31	3 x Exhibit.	3	0	No variance

Sub-programme 2.5: Reporting
Output: Increased accessibility of Information and knowledge

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
2.5.1. Quarterly submitted performance information on SETMIS timeously	No target	4 Reports	4 Reports	4	0	No variance
2.5.2. Percentage variance maintained between SETMIS and indicium information.	No target	No target	10% variation	0	10%	Target exceeded due to improved information processing procedures
2.5.3. Percentage of non-financial audit (internal and external) queries resolved, based on audit findings reported in the prior financial year	No target	No target	90%	100%	10%	Target exceeded due to improved internal controls

Programme 3 Learning Programmes and Projects
Sub programme 3.1: Workplace Learning
Output: Increased access to learning opportunities annually

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
3.1.1. Percentage of discretionary grant budget allocated at developing high level skills	No Target	New Target	34%	40%	6%	Target exceeded due to additional applications received
3.1.2. Percentage of discretionary grant budget allocated at developing intermediate skills	No Target	New Target	30%	30%	0%	No deviation
3.1.3. Percentage of discretionary grant budget allocated at developing elementary skills	No Target	New Target	8%	51%	43%	Target exceeded due to increased number of applications for elementary skills
3.1.4. Number of employed learners entering learnership programmes	LS-2415	LS-1770	LS-2843	1765	-1078	Target not achieved due to delays relating to COVID 19

Programme 3 Learning Programmes and Projects

Sub programme 3.1: Workplace Learning

Output: Increased access to learning opportunities annually

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
3.1.5 Number of employed learners completing learnership programmes	LS-868	LS-2067	LS-0	1247	1247	The target was set at zero due to the projected restricted access of workplaces in 2020. AgriSETA did however manage to complete learners as COVID 19 restrictions were lifted
3.1.6. Number of employed learners entering skills programmes	SP-4074	SP-2184	SP-2500	2174	-326	Target not achieved due to delays in contracting
3.1.7. Number of employed learners completing skills programmes	SP-4074	SP-2184	SP-1445	823	-622	Target not achieved due to learner and contract cancellations
3.1.8. Number of employed learners entering AET programmes	AET-574	AET -877	AET -895	642	-253	Target not achieved due to a high number of contract cancellations
3.1.9. Number of employed learners completing AET programmes	AET-238	AET -540	AET -435	72	-363	Target not achieved due to a high number of contract cancellations
3.1.10. Number of learners entering Internship programmes	INT-400	INT-405	INT-542	321	-221	Target not achieved due to restricted access to workplaces
3.1.11. Number of Internship and programmes completed;	G.PL-54	INT-339	INT-250	269	19	Target exceeded due to improved follow-up procedures
3.1.12. Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	No target	No target	G.PL100	127	27	Target exceeded due to improved follow-up procedures
3.1.13. Number of TVET students completed their work integrated learning placements.	No target	No target	50	66	20	Target exceeded due to improved follow-up procedures

Programme 3 Learning Programmes and Projects

Sub programme 3.1: Workplace Learning

Output: Increased access to learning opportunities annually

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
3.1.14. Number of universities students requiring work integrated learning to complete their qualifications placed in workplaces	No target	No target	250	253	3	Target exceeded due to improved follow-up procedures
3.1.15. Number of university students completed their Work Integrated Learning placements	No target	No target	50	161	111	Target exceeded due to improved follow-up procedures
3.1.16. Number of bursaries to employed learners	B(18.1)–110	22	B (18.1)–380	129	-251	Target not achieved due to restrictions relating to the COVID 19 pandemic
3.1.17. Number of employed learners completing bursary programmes;	B(18.1)–33	67	B (18.1)–60	76	16	Target exceeded due to improved follow-up procedures
3.1.18. Number of bursaries to un-employed learners	B(18.2)-43	67	B (18.2)- 600	122	-478	Target not achieved due to restrictions relating to the COVID 19 pandemic
3.1.19. Number of un-employed learners completing bursary programmes;	B(18.1)–33	199	B (18.2)-80	136	64	Target exceeded due to improved follow-up procedures
3.1.20. Number of learners entering Artisan Development programmes;	Artisan 237	Artisan 312	Artisan 280	299	19	Target exceeded due to additional learners could be accommodated through partnerships
3.1.21. Number of learners completing Artisan Development programmes;	Artisan 237	Artisan 144	Artisan 50	125	75	Target exceeded due to improved assessment procedures
3.1.22. Number of learners supported in centers of specialization.	No Target	No target	25	25	0	No variance

Sub programme 3.2. Worker initiated training						
Output: Increased skills levels in the workplace through projects implemented						
Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
3.2.1. Number of Federations /Trade Unions supported through the relevant skills training interventions	No target	No target	8	2	-6	Target not achieved due to a lower-than-expected application
3.2.2. Number of training projects implemented through commodity organisations	24	24	20	10	-10	Target not achieved due to lower-than-expected applications
Sub programme 3.3. Rural and youth Development						
Output: Increased access to learning opportunities of un- employed learners annually						
Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
3.3.1. Number of unemployed learners entering learnership programmes	LS – 1694	LS – 1368	LS – 2300	2597	297	Target exceeded due to improved contract management
3.3.2. Number of unemployed learners completing Learnership programmes	LS – 1114	LS – 1401	LS – 0	903	903	The target was set at zero due to the projected restricted access of workplaces in 2020. AgriSETA did however manage to complete learners as COVID 19 restrictions were lifted
3.3.3. Number of unemployed learners entering skills programmes	SP – 5003	SP – 5593	SP – 3200	3625	425	Target exceeded more short programmes could be funded within the available budget
3.3.4. Number of unemployed learners completing skills programmes	SP – 5003	SP – 5593	SP – 3000	2318	-682	Target not achieved due to learner and contract cancellations

Sub programme 3.3. Rural and youth Development
Output: Increased access to learning opportunities of un- employed learners annually

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
3.3.5. Number of programmes in support of Rural structures	SRS –107	SRS -108	SRS - 50	51	1	Target exceeded more programmes could be funded within the available budget
3.3.6. Number of Co-Operatives supported with training interventions or funded	367	No target	120	100	-20	Target not achieved due to restrictions on access to workplaces
3.3.7 Number of Small Businesses supported with training interventions or funded	No target	No target	30	40	10	Target exceeded, additional small businesses than could be assisted within the available budget
3.3.8 Number of people trained on entrepreneurship supported to start their businesses	No target	No target	20	0	-20	Target not achieved due to delays in project implementation
3.3.9 Number of CBOs/ NGOs/ NPOs supported with training interventions or funded	No target	No target	25	11	-14	Target not achieved due to delays in project implementation

Sub programme 3.4. Public and private entity Partnership development (Strategic partnerships)
Output: Increased skills levels of beneficiaries of public and private sector through the implementation of projects

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
3.4.1 Number of projects supported through private sector	No Target		10	1	-9	Target not achieved due to delays relating to COVID 19 restrictions

Sub programme 3.4. Public and private entity Partnership development (Strategic partnerships)

Output: Increased skills levels of beneficiaries of public and private sector through the implementation of projects

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
3.4.2. Number of partnerships with Public sector in support of Ministerial Projects	4	9	12	1	-11	Target not achieved due to delays relating to COVID 19 restrictions
3.4.3. Number of partnerships with agricultural colleges, TVET's and Universities	No Target	No Target	12	5	-7	Target not achieved due to delays relating to COVID 19 restrictions

Programme 4: Quality assurance

Sub programme 4.1. Occupational qualifications in high demand

Output: Increased capacity building interventions of the post school education and training system, in the development and implementation of occupations in high demand

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
4.1.1. Number of occupationally directed qualifications developed/ re-aligned;	1	10	4	5	1	Target exceeded; additional qualifications could be aligned to QCTO
4.1.2. Number of learners entered into RPL programmes	No Target	218	300	310	10	Target exceeded; additional learners could be completed within the available budget
4.1.3. Number of learners completing RPL programmes	No Target	135	70	110	40	Target exceeded the efficiency of RPL processes improved

Sub programme 4.2. Agricultural Education and Training systems

Output: Increased capacity building programmes aimed at the public college sector

Performance Indicator (Specific outcome)	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
4.2.1. Number of Agricultural Colleges (TVET's) supported with capacity building programmes.	9	11	9	9	0	No variance
4.2.2. Number of accredited training providers for agricultural programs	No Target	New Target	30	136	106	Target exceeded due to improved accreditation processes
4.2.3. Number of training providers monitored	New Target	New Target	150	153	3	Target exceeded due to improved monitoring procedures
4.2.4. Number of learners certified	New Target	New Target	1000	2904	1904	Target exceeded due to an increased number of learners completing programmes
4.2.5. Number of ETDP practitioners registered	New Target	New Target	100	104	4	Target exceeded due to an improved registration process
4.2.6. Number of ATVET/ TVET lecturers capacitated	New Target	New Target	20	25	5	Target exceeded due to an additional number of lecturers that could be assisted with budget

4. REVENUE COLLECTION

Sources of revenue	2020/2021			2019/2020		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Levy Income	368 492	334 668	33 824	442 675	461 475	(18 800)
Penalties and Interest	-	9 906	(9 906)	7 388	8 024	(636)
Investment Income	30 000	18 837	11 163	39 907	33 682	6 225
Other Income	-	2 057	(2 057)	0	624	(624)
Total (Excluding donor funding)	398 492	365 468	33 025	489 970	503 805	(13 835)
Donor funding	-	8 250	(8 250)	-	-	-
Total (Including donor funding)	398 429	373 718	24 774	489 970	503 805	(13 835)

For the 2020/21 financial year, AgriSETA undercollected its budgeted revenue by 93% (under collection of R24 774 000. This was mainly attributed to the Skills Levy holiday given by the President due to the impact of COVID-19.

No withdrawals were made from the investment account. Interest received from the investment is re-invested in the account, thus increasing the capital.

CAPITAL INVESTMENTS

Capital investment at AgriSETA consists mainly of assets used on a daily basis. These include buildings, furniture and fittings and computer equipment. AgriSETA purchased new assets to the value of R2 337 000 in the current year. The biggest spending being Computer software to the value of R1 908 000 with a life span of two years.

AgriSETA does not currently hold any infrastructure assets and does not have any plans to close down or downgrade any current facilities. Capital assets purchases in the current year 2020/21 was R2 337 000, which is a decline when compared to R5 057 000 capital assets purchased in the previous financial year (2019/20)

AgriSETA has to ensure that quarterly asset counts are done, and proper reconciliations are made to the assets register to ensure that it remains accurate and complete. The condition of the public entity's capital assets is generally good; all assets in the register are still in a workable condition and will be able to sustain the SETA to the end of the current SETA licence. No major maintenance projects were undertaken during the period under review.

The SETA in the coming year of 2021/22 financial year, will be embarking on a feasibility study of the current building located on Belvedere Street, Arcadia to upgrade the offices.

CAPITAL ASSETS	2020/2021			2019 / 2020		
	Budget	Actual Expenditure	(Over) Under Expenditure	Budget	Actual Expenditure	(Over) Under Expenditure
	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
Building	-	-	-	542	542	-
Computer hardware	234	234	-	2 405	2 405	-
Computer software	1 908	1 908	-	325	325	-
Office Equipment	141	141	-	539	539	-
Furniture and Fittings	54	54	-	847	847	-
Machinery and project assets	-	-	-	399	399	-





SKILLS PLANNING AND RESEARCH (SP&R)

Introduction

The functions of the Skills Planning and Research division includes the administration of Mandatory Grants, Reporting, Research, Monitoring and Evaluation and Marketing and Communications. The department achieved 100% of its targets set in the Annual Performance Plan. This achievement is sharply up (10%) from the 2019 financial year's performance. The year under review was characterised by adapting to a changing work environment brought on by the COVID-19 pandemic. The resilience of the unit to adapt and fully on-board technology resulted in the achievement of all the set targets.

Research

The 2020 financial year was characterised by further expansion of the research function. Despite

restricted access that hindered the collection of primary data, the unit managed to produce research outputs that assisted AgriSETA to make informed decisions. A highlight of the year was the completion of the first ever Impact and Tracer studies. The outcomes of these research projects will change the perceptual value of AgriSETA's offering and shape future interventions. The establishment and strengthening of partnerships with leading Universities continued in the year under review and various research projects were approved, which will contribute to the knowledge base of the sector. The outputs of the 2020 financial year laid the foundation to becoming a node for sector intelligence.

Monitoring and Evaluation

The Monitoring and Evaluation function is one of the most critical functions within the organisation,



as the lack of project monitoring poses a major risk to the organisation. A big achievement therefore, was the integration and implementation of a standardised monitoring tool.

Marketing and Communications

The Marketing and Communications unit continued to build momentum from the previous reporting period. The implementation of dedicated career guidance events in collaboration with strategic partners strengthened AgriSETA's products and brand visibility.

The COVID-19 pandemic created an opportunity for the unit to embrace various other mediums to build AgriSETA's brand. Community Radio, Digital Applications and Social Media reached an unprecedented audience, underlining the importance of diversification.

Key policy documents and frameworks were approved during the reporting period which allowed the unit to fully utilise Social Media and to increase access to a younger generation of potential Agriculturists.

The unit established and strengthened the organisational communication channels further through the office of the CEO, ensuring that efficient and effective messages and reports reach all stakeholders. Stakeholder communications, engagements and queries are tracked on a 24-hourly basis and responses are provided to all stakeholders, no matter the nature of the query. These responses are recorded in a weekly report that is shared with the management team in ensuring efficiencies throughout the organisation.

Mandatory Grants

The payment of Mandatory Grants provides an incentive for employers to further develop employees and increase productivity. The unit achieved all its set targets with a pay-out of 86% of the budgeted grants to qualifying employers. The upgrades to the Mandatory Grants system laid the foundation for an effective submission and evaluation process. The training of SDF's that was initiated in the previous financial year paid dividends during the year under review, significantly increasing the quality of WSP/ATR submissions. The unit approved and recommended all qualifying submissions for payment during the reporting period.

Reporting

The reporting unit continued to strengthen its ability to provide accurate performance information to internal and external stakeholders. The implementation of the SETMIS system for reporting performance information against the SLA with DHET further improved with noticeable quality submissions. In the 2020 financial year, the Indicium system was fully aligned to the SETMIS system improving the credibility of performance data. The unit will continue to strengthen the capacity of employees to further improve efficiencies. The implementation of the online learner registration signalled the start of a process to significantly shorten the capturing of learner information. This system will be expanded to all learning programmes in an overall strategy to move towards a paperless environment.

EDUCATION, TRAINING AND QUALITY ASSURANCE (ETQA)

Overview

Regulated functions of Quality Assurance as per the South African Qualifications Authority ACT (SAQA Act, Act 58 of 1995). The quality assurance is delegated functions under this Act:

REGULATORY ENVIRONMENT

- Accreditation of Skills Development Providers.
- Monitoring of training provisions.
- Registration of practitioners.
- Certification of learners.
- Reporting of learner achievement to NLRD,
- Maintaining Management Information System (MIS) for quality assurance activities.

Delegation of functions by the Quality Council of Trade and Occupations (QCTO) as per the National Qualification Framework Act (NQF Act No 67 of 2008). The quality assurance is delegated functions under this Act serves to provide:

- Development Quality Partners (DQP).
- Assessment Quality Partners (AQP).
- Quality Assurance (QA) deliverables as per the NSDP vision.
- Facilitate easy access and create different entry points (articulation and RPL).
- Collaborate with QCTO to identify and increase production of occupations in high demand.

- Increase access to occupationally directed programmes by supporting TVETs, CETS and agricultural colleges.
- Establish partnership development with TVETs, CET's, universities and industries.

Quality Assurance landscape

The Agriculture Sector requires more collaborative structures to enable the implementation of sectoral programmes. As the Post-School Education and Training (PSET) system places emphasis of the revitalisation of TVET colleges for the implementation of occupations in high demand, synergies must be sought amongst state departments e.g., building linkages between DHET and the Department of Agriculture Forestry and Fisheries (DAFF). The collaborative work will assist in, amongst others, to streamline the role of agricultural colleges in the PSET system and how it is expressed within the definition of a TVET system.

Quality Assurance strategic view serves to:

- Strengthen agricultural colleges to become assessment centers.
- Establish collaboration between colleges and industries participating in the development of occupational qualifications.
- The colleges of agriculture are also critical and better placed to offer practical places for occupational qualifications.
- Rollout of Recognition of Prior Learning (RPL) on a large scale with TVETs,

Agricultural colleges and CETs to optimise access for communities to the RPL system and the articulation of learners in their career pathways.

- Include agriculturally biased TVETs, CETs and universities in capacity building for RPL assessments and the implementation of occupational programmes.

Streamlining the Quality Assurance Function

The White Paper on Post-School Education and Training (PSET) highlighted the complexity with respect to the manner in which quality assurance is implemented in respective sectors and argued that the system needs to be streamlined and simplified.

There are strong views expressed by industry players, calling for the amendment of the NQF Act and the need to minimise duplication and enhance coherence within the skills development landscape.

The observation is taken further and share the view that several dimensions of the National Qualifications Framework require changes to strengthen institutions and address challenges experienced in the qualifications development and quality assurance system in South Africa.

The Quality Assurance strategic view serves to:

- To influence the alignment of nomenclature of qualification levels within the sub-frameworks to encourage seamless articulation in programme offerings across universities and TVETs and CETs where there is deep rooted misalignment of

qualification levels and discrepancies in norms and standards.

- Support the quest to review and clarify areas of uncertainties within the NQF system to address continuing systemic challenges and proposes the reconfiguration of the functions of Quality Councils, such as the role of SAQA and the QCTO in terms of inter-dependencies, duplications and coherence. The review will assist in identifying mechanisms to advance a single-coordinated system, simplified NQF, clear vertical and horizontal expressions within programme offerings and consistent quality assurance administration.

Quality Assurance proposes that as the NQF Act be reviewed and great emphasis be placed on:

- Role clarity between QCTO and SAQA in qualification development and related processes.
- Locating and streamlining of Quality Assurance functions of the ETQA vs QCTO role, especially in accreditation, certification, assessments and registration of practitioners.
- Guidance and regulation in funding models to avoid huge disparities in subsidies of learning programmes across institutions.
- Guidance on part qualifications vs skills programmes and the respective implementation thereof.
- Guidance on mobility, articulation and progression of learners from TVET's to universities.

LEARNING PROGRAMMES AND PROJECTS (LPP)

Overview: Learning Programmes and Projects

The Learning Programmes and Projects division is responsible for delivering the core business of skills development in AgriSETA. This division drives the Annual Performance Plan Service Level Agreement targets signed between AgriSETA and the Department of Higher Education and Training. Our commitment as AgriSETA is driven by the key strategic programmes of government, encompassed in the National Development Plan (NDP) and the National Skills Development Plan (NSDP) in order to improve the quality of education and training in enhancing South Africa's skills capabilities.

The COVID-19 pandemic led to a shutdown of all activities in the country that was not considered primary to the health of the people of South Africa, and in March 2020, all learning programmes were negatively impacted. This is due to the nature of our learning programmes, which is contact based, thus leading to delayed contracting and postponed implementation of

these programmes, due to COVID-19 restrictions. The actual contracting could therefore only begin in June 2020 and had a knock-on effect on the implementation of these programmes. In addition, the academic year was extended and had a serious effect on the completion of the plans. As a mitigating factor and to ensure that we meet at least some of our key targets, we leveraged on our strategic partnerships that were signed in the previous years, to supplement our completions and entries of the 2020-2021 financial year.

Our continued implementation of partnerships, such as KWANALU graduate placement, has significantly added much required impact to delivery of Work Integrated Learning. A total of 100 (one hundred) learners were enrolled in the programme in KwaZulu – Natal.

AgriSETA continues to maintain a physical presence in Limpopo, Mpumalanga, Eastern Cape, and KwaZulu-Natal. Four provincial assistant managers are operating from those offices and part of their bigger responsibility also serves to monitor project implementation.

Part



Governance



MINISTERIAL APPOINTEES - ACCOUNTING AUTHORITY MEMBERS



Ms G S Sepeng



Mr Christo
van der Rheede



Ms Linda Gqokoma



Mr Mayoyo
Mngomezulu



Ms Stella Mthembu



Ms Bagcinile Cele



Mr Aggrey Mlulami
Mahanjana



Ms Kgadi Senyatsi



Mr Ernest Mmako



Advocate Thalente Mhlongo



Ms Pinki Luwaca



Mr Anton Rabe



Mr Kabelo
Tsimatsima



Mr Andre Kriel

Introduction

Corporate Governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, the Skills Development Act, corporate governance with regards to public entities, is applied through the precepts of the Public Finance Management Act (PFMA) and runs in tandem with the principles contained in the King Report on Corporate Governance.

Parliament, the Executive Authority and the Accounting Authority of the public entity, are responsible for corporate governance.

Portfolio Committees and Select Committees

The Portfolio Committee on Higher Education and Training and the Select Committee on Education of the National Council of Provinces (NCOP) exercises oversight over the 21 SETAs, Higher Educational Institutions (HEI) and DHET, and may invite any SETA to account on its Strategic Plan and Annual Performance Plans from time to time. The Strategic Plan and Annual Performance Plans were approved by the Executive Authority and tabled in Parliament. AgriSETA did not appear before either Portfolio Committee or Select Committee in the financial year under review.

Executive Authority

The Executive Authority of AgriSETA is the Minister of Higher Education and Training, who is responsible for appointing members of the Board and determines their remuneration in accordance with the tariffs set by the Minister of Finance. The entity is required by DHET to submit, on an annual basis, a Sector Skills Plan and Strategic

and Annual Performance Plan. It is also required in terms of the Skills Development Act, to enter into a Service Level Agreement with DHET and agree on expected deliverables that contribute towards the fulfilment of the Ministerial outcomes.

Quarterly reports detailing the performance against set targets are submitted to the Department as required in terms of the Treasury Instruction Note.³³ which amended part 5 and 30 of the Treasury Regulations, 2005. The Executive Authority convenes meetings with SETA Chairpersons and CEOs from time to time, to discuss strategic policy imperatives affecting the sector and the country. These engagements also present an opportunity for the leadership of SETAs to share the challenges that are encountered from time to time.

The Quarterly Monitoring and Governance Implementation Charter Reports of the SETA are submitted to the Department of Higher Education and Training on a quarterly basis. All reports were submitted on time.

The Accounting Authority/Board

Introduction

AgriSETA is guided by the Accounting Authority/Board as its highest decision-making body. The Accounting Authority is appointed by the Minister of Higher Education, Science and Technology for a period of five years and consists of the Chairperson and 14 Board members.

The Accounting Authority is responsible and accountable for the public entity's performance and strategic direction.

The role of the Accounting Authority:

The roles and responsibilities of the Accounting Authority are to –

- Govern and manage the SETA in accordance with the PFMA, and any other applicable legislation.
- Ensure that the SETA achieves the objectives contemplated in item 5 of its Constitution and performs the functions contemplated in item 6 of the Constitution.
- Provide effective leadership and ensure that the SETA implements the goals of the NSDP and the performance agreement with the Minister.
- Provides strategic direction for the SETA.
- Liaise with stakeholders.
- Ensure that the SETA complies with the relevant statutory requirements and its Constitution.

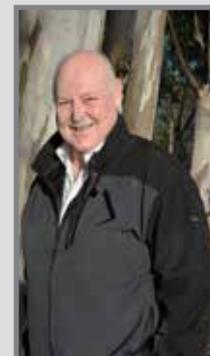
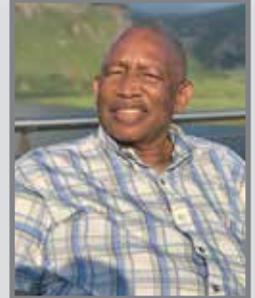
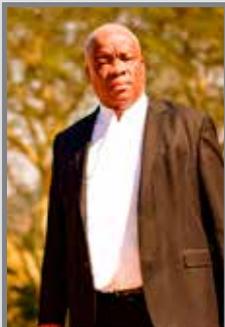
- Manage institutional risk.
- Monitor the performance of the SETA.
- Ensure that its members, and including members of the committees established by it, comply with the code of conduct.

Board Charter

AgriSETA has adopted a Board Charter and it operates in terms of its Constitution, which covers:

- Composition of the Board
- Roles and functions of the Board
- Powers of the Board
- Delegation of authority
- Terms of office of the Board
- Establishment of committees
- Meetings of the Board

The Board complies fully with all aspects and provisions of AgriSETA's Constitution.



COMPOSITION OF AGRISETA'S ACCOUNTING AUTHORITY

AgriSETA Accounting Authority consist of 14 members nominated as follows:

CONSTITUENCY	ORGANISATION
Ministerial Appointee	Accounting Authority Chairperson(1)
Organised Labour	FAWU – Food and Allied Workers Union (4) SACTWU-South African Clothing and Textile Workers Union (1) SOLIDARITY(1) vacant
Government Departments and Public Entities	PPECB – Perishable Products Export Control Board (1)
Organised Employers	AgriSA (1) Fruit SA/Hortgro (1) NERPO - National Emergent Red Meat Producers' Organisation (1) RCL Foods (1) SA Pork (1)
Other Stakeholders	Community Organisations (2)

AgriSETA Accounting Authority consist of 14 members nominated as follows:

Name	Designation	Date appointed	Qualification	Area of expertise	Accounting Authority Directorships	Other Committees
Ms GS Sepeng	Ministerial Appointment Chairperson	01 April 2020	MBA	Employment Relations	Kika Consulting Motshe Consulting Vegas Management Solutions Vegas Slots NW Betanogenix	EXCO
Mr C Van der Rheede	Member	01 April 2020	MPA	Agricultural Economics	BUSA ATKTV Potchefstroom Business	EXCO Governance and Strategy
Mr M Mngomezulu	Member	01 April 2020	Diploma Labour Relations	Labour relations	Basebenzi	EXCO Grants and Quality Assurance
Mr A M Mahanjana	Member	01 April 2020	Master's Degree in Agriculture	Agricultural Economics	NERPO	Grants and Quality Assurance

Name	Designation	Date appointed	Qualification	Area of expertise	Accounting Authority Directorships	Other Committees
Ms K Senyatsi	Member	01 April 2020	Master's Degree Agriculture		n/a	Governance and Strategy Grants and Quality Assurance
Ms P Luwaca	Member	01 April 2020	Honours Human Resource Management	Strategic Management Human Resources	n/a	EXCO FINREMCO
Mr E Mmako	Member	01 April 2020	Business Management Labour Relations certificates	Financial Management	n/a	FINREMCO Governance and Strategy
Mr A Rabe	Member	01 April 2020	MBA	Agricultural Economics	Hortgro Pty Ltd Fruitgro Science Fruit mzanzi Afrika TPS Property Holdings SA Tug of War	FINREMCO
Ms B Cele	Member	01 April 2020	STD 9	Labour Relations	Wine Industry Transformation Levy Dal Josaphat Workers Empowerment Pty Ltd	Grants and Quality Assurance Governance and Strategy
Ms L Gqokoma	Member	01 April 2020	Grade 12	Labour Relations	n/a	EXCO Grants and Quality Assurance
Advocate T Mhlongo	Member	01 April 2020	LLB Degree	Legal	n/a	FINREMCO
Mr K Tsimatsima	Member	01 April 2020	Bachelor of Arts	Agriculture, Land Reform	n/a	Governance and Strategy
Mr A Kriel	Member	01 April 2020	Bachelor's degree	Labour Relations	Hosken Consolidated Investment (HCI)	Governance and Strategy
Ms S Mthembu	Member	01 April 2020	Bachelor of Social Sciences Degree Master of Science in Agriculture Development	Land Reform Stakeholder Management and CSI	Tsgro Farming Service Pty Ltd Mgubho Farming Services (Pty) Ltd Libuyile Farming Services Pty Ltd	REMCO, Grants and Quality Assurance

Meeting Attendance

Name	Constituency	Date appointed	Date of Termination	No of meetings attended
Ms GS Sepeng	Chairperson Ministerial appointee	01 April 2020	31 March 2025	11
Mr C van der Rheede	Organised Employers	01 April 2020	31 March 2025	9
Mr K Tsimatsima	Community Organisation	01 April 2020	31 March 2025	11
Mr E Mmako	Organised Labour	01 April 2020	31 March 2025	11
Ms P Luwaca	Organised Employers	01 April 2020	31 March 2025	11
Mr M Mngomezulu	Organised Labour	01 April 2020	31 March 2025	11
Mr A M Mahanjana	Organised Employers	01 April 2020	31 March 2025	11
Mr A Kriel	Organised Labour	01 April 2020	31 March 2025	11
Mr A Rabe	Organised Employers	01 April 2020	31 March 2025	10
Ms B Cele	Organised Labour	01 April 2020	31 March 2025	11
Ms L Gqokoma	Organised Labour	01 April 2020	31 March 2025	11
Ms K Senyatsi	Organised Employers	01 April 2020	31 March 2025	9
Adv T Mhlongo	Communities	01 April 2020	31 March 2025	11

Accounting Authority Committees

- Accounting Authority Executive Committee
- Audit and Risk Committee
- Risk Management Committee
- Governance and Strategy Committee
- Finance and Remuneration Committee
- Grants and Quality Assurance Committee

Accounting Authority Executive Committee

Member	Meetings held	Meetings attended
Ms GS Sepeng	6	6
Ms L Gqokoma	6	6
Mr C van der Rheede	6	5
Mr M Mngomezulu	6	6
Ms P Luwaca	6	6

Audit and Risk Committee

Member	Meetings held	Meetings attended
Ms E Pillay	10	9
Dr G Buys	10	10
Ms M Phiri	10	4
Mr K Maja	10	4
Mr V Chonco	10	4

Governance and Strategy Committee

Member	Meetings held	Meetings attended
Mr C van der Rheede	5	5
Ms B Cele	5	5
Ms K Senyatsi	5	5
Mr K Tsimatsima	5	5

Finance and Remuneration Committee

Member	Meetings held	Meetings attended
Ms P Luwaca	4	4
Adv T Mhlongo	4	4
Mr A Rabe	4	4
Mr E Mmako	4	4
Ms B Cele	4	4

The Grants and Quality Assurance Committee

Member	Meetings held	Meetings attended
Mr M Mngomezulu	3	3
Mr A M Mahanjana	3	3
Mr A Kriel	3	2
Mr A Rabe	3	3
Ms K Senyatsi	3	2
Ms S Mthembu	3	3
Adv T Mhlongo	3	3
Ms L Gqokoma	3	3

Remuneration of board members

- The remuneration of Board members is determined by the National Treasury Regulations with amendments to the rate determined annually for a financial year.
- All Board members of AgriSETA are remunerated as per the National Treasury Regulations.
- Refer to the table for remuneration of Board members.

Board Members			
MEMBERS OF THE ACCOUNTING AUTHORITY (BOARD MEMBERS)	MEETING ATTENDANCE ALLOWANCE	EXPENSES	TOTAL
Mr A Kriel	146 778	-	146 778
Ms B Cele	241 752	-	241 752
Mr C van der Rheede	199 804	-	199 804
Mr E Mhlongo	224 493	-	224 493
Ms G Sepeng	377 332	3 172	380 504
Ms K Senyatsi	185 631	-	185 631
Mr K Tsimatsima	189 948	-	189 948
Ms L Gqokoma	241 752	-	241 752
Mre M Mmako	215 850	-	215 850
Mr M Mahanjana	164 046	-	164 046
Mr M Mngomezulu	300 948	-	300 948
Ms S Mthembu	138 144	-	138 144
Mr A SRabe	8 634	-	8 634
	2 635 112	3 172	2 638 284

Remuneration of Audit and Risk Committee Members

- The remuneration of Board members is determined by the National Treasury Regulations with amendments to the rate determined annually for a financial year.

Audit and Risk Committee (ARC)			
MEMBERS OF THE AUDIT AND RISK REMUNERATION	MEETING ATTENDANCE ALLOWANCE	EXPENSES	TOTAL
Ms M Phiri	60 438	-	60 438
Mr V Chonco	60 438	-	60 438
Mr K Maja	107 294	-	107 294
Dr G Buys	94 974	-	94 974
Ms E Pillay	141 810	-	141 810
Ms G Maqubela	17 268	1 338	18 606
Mr M Oliver	34 536	-	34 536
Ms N Oliphant	45 634	-	45 634
	562 392	1 338	563 730

Risk Management

AgriSETA has an approved Risk Management Policy and Risk Register in place. Risks are addressed by departments on a continuous basis and an integrated register is revised annually during the SETA's strategic planning session. During the latter part of the previous financial year, the management reviewed and presented the risk register to the Audit and Risk Committee.

At each standing Audit and Risk Committee meeting, risks are submitted and considered by the committee. Quarterly the internal auditors will submit directly to the Audit and Risk Committee, their objective view of risks inherent to the institution.

Internal Controls

Internal controls are the responsibility of the management team of the entity and is a fundamental requirement in all areas of the operations. Each manager is responsible for identifying areas of weakness and putting into effect mechanisms such as standard operating procedures (SOP), to strengthen controls. The Audit and Risk Committee is responsible for the oversight role to ensure effectiveness of internal controls.

Audit And Risk Committee

It is the task of the Audit and Risk Committee to meet at least once every quarter (prior to the Accounting Authority) to consider:

- Finances of the SETA
- Internal Auditors quarterly reports
- Fraud and fraud hotline matters and
- Any misappropriation of funds

Internal Audit

The Internal Audit is outsourced to Bonakude Consulting (Pty) Ltd.

Internal controls were reviewed and monitored by the management team.

Compliance with Laws and Regulations

AgriSETA is a public entity tasked with the control of certain public funds. The entity is required to act in compliance with public prescripts: during the period under review, the following pieces of legislation were assessed for compliance, and it is our assessment that we have complied with:

- The National Treasury Regulations
- The National Skills Development Plan
- The New SETA Grants Regulations
- National Development Plan, Vision 2030
- Medium Term Strategic Framework 2014-2019
- Human Resources Development Strategy for South Africa, 2030
- The Skills Development Act, 1998 (Act No.97 1998) as amended in 2008.
- The Skills Development Levies Act, 1999 (Act No.9 of 1999)
- The Public Finance Management Act, 1999 (Act No.1 1999) as amended by Act No.29 1999

Fraud and Corruption

AgriSETA has an approved Anti-Fraud and Corruption Policy and Fraud Prevention Plan (FPP). The FPP encompasses controls that have objectives to prevent instances of fraud and corruption from occurring, detect instances of fraud and corruption when they do occur, and respond appropriately and take corrective action when fraud and corruption happens.

All alleged cases of fraud and corruption are investigated and followed up by the application of all available remedies, within the full extent of the law, and the implementation of appropriate prevention

and detection measures. AgriSETA has a formal and well communicated Fraud Hotline which is managed by an external autonomous provider. Each year, during stakeholder workshops, our stakeholders are made aware of the hotline and are invited to use it if they suspect any wrongdoing. This is also permanently displayed on AgriSETA's website and appears under the signature of staff members' e-mails.

Cases are reported anonymously (if so preferred) via multiple platforms.

- a. Fraud hotline toll-free number
- b. E-mail
- c. Fax
- d. Post

The service provider immediately records the complaint and forwards it directly to the Internal Auditors and the CEO. All these cases are then reported at the subsequent Audit and Risk Committee Meetings.

Minimising Conflict of Interests

AgriSETA has established a fraud hotline system that deals with the management of complaints and the allegations of abuse in the Supply Chain Management (SCM) System. The system provides for written, verbal or anonymous reporting of complaints.

The Chief Executive Officer (CEO) investigates the complaints or allegations. The CEO ensures that the investigation reports are securely stored. The CEO informs the Accounting Authority through the Audit and Risk Committee of the outcome of the investigations, together with proposed remedial actions.

The Accounting Authority will handle the financial misconduct process if applicable.

Declaration of Interest

The Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee members, and SCM practitioners declare any business, commercial and financial interest or activities undertaken for financial gain that may arise from possible conflict of interest. The

members are required to declare their financial interests annually.

All members of the Bid Committees are cleared at a level of 'confidentiality' and are required to declare their interest in each and every Bid Committee meeting.

If there is any conflict of interest detected or disclosed in a particular Bid Committee meeting, the member is recused from the activities of the bid.

Standard Bidding Document 4 (SBD4)

All bidders or his/her authorised representatives are required to declare his/her position in relation to the evaluating/adjudicating authority where -

- The bidder is employed by the State.
- The legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s).
- Where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the valuation.
- Adjudication of the bid. The Standard Bidding Document 4 (SBD4) is completed for each and every bid submission.

Code of Conduct

AgriSETA's Code of Conduct, set out in the organisation's Constitution is applicable to its Accounting Authority and Board sub-committees. A Code of Conduct for staff members is also in place. The constitution and code of conduction policies were reviewed in the reporting year. During the period under review, there was no case of misconduct or negligence of duty from the Accounting Authority members that required removal from office or termination of membership.

Health Safety and Environmental Issues

Health and safety officers were appointed in terms of the internal governance policies.

Company Secretary

The Company Secretary provides Accounting Authority members with guidance and advice on matters of good governance and ethics, as well as the nature and extent of their duties and responsibilities, and how the duties should be discharged.

Social Responsibility

Corporate social responsibility is not a prerequisite for a public entity, as it serves the public by the nature of its work. However, AgriSETA's CEO, in his personal capacity, along with the management team makes quarterly donations of food and other basics to charities, particularly the elderly and those with disabilities. Non-Profit Organisations (NPOs) are identified in the communities where AgriSETA does its work. In the last quarter of the financial year, we visited and made donations to two NPOs in Mamelodi and post the financial year, we visited two children's homes in Soweto.

Broad Based Black Economic Empowerment (BBBEE)

The AgriBEE sector codes as per the act is to be done annually. Section 13G of the BBBEE act states that "All spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports required under the Public Finance Management"

AgriSETA did not comply with Section 12 (2) for period 2019/20 financial year although initiative were made by management during this period to conduct the entity BBBEE verification process through an accredited Service Provider. AgriSETA has been verified under AgriBEE Sector Code using the generic specialist score card.

The compliance report in terms of Section 13G (3) of the act.

For period 2020/2021 financial year will be submitted to the BBBEE Commission as per the deadline 30 November 2021.



Young subsistence farmers showing off their harvest

AUDIT & RISK COMMITTEE REPORT FOR THE PERIOD ENDING 31 MARCH 2021

I am pleased to present the Audit and Risk Committee Report for the financial year ended 31 March 2021.

Audit and risk committee members and attendance

The audit and risk committee consists of the members listed below. The audit and risk committee meets at least four times per annum in line with its approved charter. A total of ten meetings, including special meetings, were held during the year.

Name of the Member		Date of appointment	Qualifications	Date resigned	Number of meetings attended
Ms E Pillay	– Independent Chairperson	01 Oct. 2020	BCom Accounting CA(SA)	N/A	9
Ms N Oliphant	– Independent Member	04 May 2018	BCompt Honours	30 Sept. 2020	4
Ms L Maqubela	– Independent Member	04 May 2018	LLB	30 Sept. 2020	4
Mr M. Olivier	– Organised Labour Representative	04 May 2018	STD 10	30 Sept. 2020	4
Dr G Buys	– Organised Employer	01 Oct. 2020	PhD	N/A	10
Ms M Phiri	– Independent Member	01 Oct. 2020	BCom Accounting (CA-SA)	N/A	4
Mr K Maja	– Independent member	01 Oct. 2020	BCom Accounting, MBL	N/A	4
Mr V Chonco	– Organised Labour Representative	01 Oct. 2020	STD10	N/A	4

Audit and Risk Committee Responsibility

The audit and risk committee is pleased to report that it is properly constituted as required by the Public Financial Management Act, (PFMA) and has complied with its responsibilities arising from the PFMA. The audit and risk committee also reports that it has adopted appropriate formal terms of reference as its charter and has managed and regulated its affairs in compliance with this charter. The audit and risk committee held meetings with the executive and senior management, internal audit function and the Auditor-General, collectively and individually, on matters related to governance, internal control and risk in the AgriSETA throughout the period. The audit and risk committee reported quarterly to the Board.

Review of effectiveness of internal controls

The audit and risk committee obtains assurances from management, internal audit and the Auditor-General on the effectiveness of governance, risk management and internal controls in the areas of financial management, performance management, compliance management and information communication and technology (ICT). Management has made positive progress in addressing the internal control deficiencies that have been reported on in the prior years by internal audit and the Auditor-General. There were some weaknesses in the system of internal controls that were identified by external and internal audit which require management's attention.

Risk Management

The audit and risk committee is responsible for the oversight of the risk management function. The Board has adopted a risk management framework, strategy and relevant policies for the AgriSETA, in line with the PFMA. The AgriSETA has established a risk management committee, chaired by an independent audit and risk committee member, that reports quarterly to the audit and risk committee. The risk management processes are reviewed by internal audit. There has been an improvement in the risk management processes of the AgriSETA from the prior year. The audit and risk committee is satisfied with the overall risk management function and made recommendations to management to enhance the risk function.

Internal audit

The PFMA requires that the entity has a system of internal audit under the control and direction of the audit and risk committee. The AgriSETA's internal audit function is outsourced and was operational for the entire period under review. The independence of internal audit was monitored throughout the period. Internal audit follows a risk based approach, which incorporates management's risk assessment. The internal audit plans and reports issued for the period under review were all reviewed by the audit and risk committee. All planned internal audits for the year were completed and reported on. The audit and risk committee is satisfied that internal audit effectively discharged its responsibility for the period under review.

The internal audit reviews concluded that whilst in some areas of financial, performance and compliance management there has been an improvement in the internal control environment, there are some internal controls in financial and performance management that require attention from management.

For the year under review, the following audits were undertaken by internal audit:

- Audit of quarterly predetermined objectives reports for quarters 1, 2 and 3
- Audit of the annual performance report
- Strategic Planning – Review of Draft Annual Performance Plan for 2022/23
- Information technology
- Cybersecurity
- Skills plan implementation (Learning Programmes and Projects)
- Human resource management
- Quality management system (Education Training and Quality Assurance)
- Irregular, fruitless, and wasteful expenditure
- Contract management
- Supply chain management
- Corporate governance review
- Internal financial controls review
- Risk management process
- Follow up on previously reported AGSA and internal audit findings
- High level year-end annual financial statement review

The internal audit reviews identified internal control weaknesses identified in the following areas:

- Predetermined objectives
- Information technology and cyber security
- Skills plan implementation (Learning Programmes and Projects)
- Human resource management
- Quality management system (Education Training and Quality Assurance)
- Corporate governance
- Internal financial controls

In-Year Management Quarterly Report in terms of the PFMA

Management presented quarterly financial, performance and compliance reports to the audit and risk committee during the year. The reports were reviewed and interrogated by the committee for accuracy and reliability. The Committee made recommendations to management on improving the quality of the quarterly reports.

Performance management

The responsibilities of the audit and risk committee include the review of performance management. The audit and risk committee has in terms of the performance of the AgriSETA performed the following functions:

- Reviewed and commented on compliance with statutory requirements and performance management best practices and standards.
- Reviewed and commented on the alignment of the annual performance plan, budget and strategic plan.
- Reviewed and commented on the quarterly performance reports and made recommendations for improvement on performance management.
- Reviewed the audit reports issued by internal audit on the review of the quarterly performance reports.
- Reviewed the annual performance report.

Evaluation of the annual financial statements

The audit and risk committee has reviewed the annual financial statements, which focused on the following:

- Significant financial reporting judgements and estimates contained in the annual financial statements.

- Clarity and completeness of disclosures and whether disclosures made have been set properly in context.
- Quality and acceptability of, and any changes in, accounting policies and practices.
- Compliance with accounting standards and legal requirements.
- Significant adjustments resulting from the audit.
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
- Reasons for major year-on-year fluctuations, including variances of actual versus budget.
- Asset valuations and revaluations.
- Levels of general and specific provisions.
- Write-offs and reserve transfers.
- The basis for the going concern assumption, including any financial sustainability risks and issues.

External auditors report

The audit and risk committee has reviewed the entity's implementation plan for audit issues raised in the prior year and note that majority of the matters reported on the prior year have been addressed. The internal control deficiencies identified by the AGSA remain a concern of the ARC and should be addressed by management.

The audit and risk committee concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. The committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors.

The audit and risk committee concurs with the outcomes on the reported performance information and compliance with legislation.

Appreciation

The audit and risk committee wishes to acknowledge the commitment, dedication and work performed by the Chief Executive Officer, Chief Financial Officer, Executive Management, Management and Officials of the AgriSETA. The audit and risk committee wishes to express its appreciation to the AGSA and the outsourced Internal Audit for the co-operation and

information they have provided to enable the ARC to discharge our responsibilities.

Ms M Pillay CA(SA)

31 July 2021

CHAIRPERSON of Audit and Risk Committee



Deputy Minister Buti Manamela and company talking to Artisans



AgriSETA's broader Policy Review Committee



Part

D

Human Resources
Management

INTRODUCTION

The Human Resources Division remains focused on attracting and retaining talented and skilled employees that is critical to meeting AgriSETA's mandate and strategic goals. This includes providing advisory and strategic support to the Chief Executive Officer, the Executive Management team and AgriSETA employees at large. The division is also responsible for Facilities Management.

The HR Division's key performance areas are aligned to AgriSETA's strategic priorities, to the organisation strategy and NSDP, namely:

- Managing the vacancy rate by attracting and retaining the best talent by filling critical management positions across the organisation in line with requirements,
- Prioritising employees' training and development as identified in the workplace skills plan.
- Introducing a high-performance culture and implementing the comprehensive performance management system aligned to the organisation's strategic objectives.

The year under review saw the division being negatively impacted by the national lockdown and budgetary constraints in the following strategic and operational areas, namely;

- External Review of HR Policy Manual and Remuneration Policy
- Implementation of the Skills Audit Project
- Implementation of the Training Initiatives and Bursaries

- Implementation of the Procurement of Facilities Initiative (Feasibility Study)
- Implementation of Automation of the Recruitment and Performance Management processes.

Recruitment drive

For the period under review, all vacancies on the organogram were placed on hold due to budget constraints; with exception to replacement of employees who may resign, retire, medically boarded or death in service.

Employee wellness programmes

A safe and healthy workplace is a fundamental right and an adherence to health and safety standards purports AgriSETA to maintain a productive workplace by minimising the risk of accidents, injury and exposure to health hazards. Furthermore, the organisation appointed an Occupational Health and Safety Committee responsible for implementing the requirements of the Occupational Health and Safety Act, 1993.

The Human Resources Division procured a new service provider called Health1st for a period of three years to render an external Employee Wellness Programme, with effect from 01 April 2021. This service is a confidential benefit to assist employees with personal and/or work-related problems potentially impacting their job performance, health, mental and emotional well-being. Since its launch, reports issued by the service provider indicates a satisfactory utilisation of the service.

HR policy development and management

A Policy Review Committee, led by the Office of the CEO, reviewed and approved ten HR Policies namely:

- I. Acting Policy
- II. Code of Conduct
- III. Disciplinary Policy
- IV. Grievance Policy
- V. Incapacity Policy
- VI. Induction Policy
- VII. Leave Policy
- VIII. Parking Policy
- IX. PDMS Policy
- X. Termination Policy

The above-mentioned policies will still be supplemented by the already approved Human Resources Policy Manual, signed in March 2021; until all remaining policies are finalised in the 2021/2022 financial year. There will be various induction sessions conducted by the division to ensure compliance and thorough understanding of the policies by all layers of AgriSETA employees.

Future HR Plans Goals 2021/2022

HR's strategic objective for the new financial year is to automate the divisional processes; whilst support the achievement of the divisional strategic goals towards key business areas:

- Enhancing operational and strategic efficiencies by implementing an optimal organisational structure for AgriSETA.
- Conducting a culture survey to determine

the level of engagement of employees, intention to stay and job satisfaction.

- Implementing the automated performance contracting and appraisal module on SAGE 300 People System.
- Enhancing the HR Annual Performance targets by developing an Operational plan to monitor progress towards achievement of the organisational HR and Facilities Management plans.
- Ensuring AgriSETA develops Succession Strategies, through the development of the Succession Policy, to retaining high-flyers by creating promotional opportunities within the organisation.
- Ensuring that procurement and payment of external service providers rendering training and development initiatives are both relevant and accredited towards achievement of AgriSETA Workplace Skills Plan.
- Ensuring the Facilities Unit is well-equipped by implementing its projects and mandatory requirements in line with OHS Act and Building and Maintenance Act. Furthermore, the unit should continue to provide safe, hygienic and well-managed by the team.
- Ensuring the relationship between the AgriSETA and Labour is strengthened to manage issues of common interest, through the established Local Labour Forum.

Human Resources oversight statistics April 2020 to March 2021

Employment and vacancies

Division/Business unit	Number of Employees	2020/2021	2020/2021 vacancies	% of vacancies
		Approved posts		
Top Management	1	1	0	0%
Senior Management	6	7	1	14%
Middle Management	13	15	2	13%
Skilled	23	33	10	30%
Semi-skilled	32	38	6	16%
Unskilled	9	9	0	0%
TOTAL	84	103	19	18%

Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	1	1	1
Senior Management	6	0	0	6
Middle Management	13	0	0	13
Skilled	23	0	0	23
Semi-skilled	32	1	1	32
Unskilled	9	1	1	9
TOTAL	84	3	3	84
Internships	4	0	2	2
Temporary Employed	4	2	4	2
GRAND TOTAL	92	5	9	88

Reasons for Terminations

Reason	Number of employees	% of total no. of staff leaving
Death	1	11.11%
Resignation	1	11.11%
Dismissal	0	0%
Retirement	0	0%
Ill Health	1	11.11%
Expiry of contract	6	66.67%
Other	0	0%
TOTAL	9	100%

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal warning	1
Written warning	1
Final written warning	5
Dismissal	0
Total	7

Equity Target and Employment Equity Status

Levels	Male							
	African		White		Coloured		Indian	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1							
Senior Management	4		1			1		
Middle Management	4							
Skilled	9						1	
Semi-Skilled	9							
Unskilled	3							
TOTAL	30	0	1	0	0	1	1	0

Equity Target and Employment Equity Status

Level	Female							
	African		White		Coloured		Indian	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management								
Senior Management	1							1
Middle Management	7				2	1		
Skilled	11				2			
Semi-Skilled	21		1		1			
Unskilled	5				1			
TOTAL	45	0	1	0	6	1	0	0

Disability Target and Employment Equity Status

Level	Disabled Employees							
	African		White		Coloured		Indian	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management								
Senior Management						1		
Middle Management								
Skilled								
Semi-Skilled		1						
Unskilled								
TOTAL	0	1	0	0	0	1	0	0

Personnel Cost by Programme/ Activity/ Objective

Programme/activity/ objective	Total expenditure for the entity R'000	Personnel expenditure R'000	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per R'000
Administration	R61 237	R24 695	40%	32	R748
SP&R	R60 868	R11 340	19%	24	R472
LPP	R204 929	R16 238	8%	23	R706
ETQA	R9 755	R5 914	61%	9	R657
Total	R336 789	R58 186	17%	88	

Personnel Costs by Salary Band

Level	Personnel expenditure R'000	% of personnel expenditure to total personnel costs	No. of employees	Average personnel cost per employee R'000
Top Management	R2 314	4,0%	1	R2 314
Senior Management	R8 746	15,0%	6	R1 458
Professional qualified	R14 307	24,6%	13	R1 101
Skilled	R15 608	26,8%	23	R679
Semi-skilled	R14 142	24,3%	32	R442
Unskilled	R3 069	5,3%	13	R219
Total	R58 186	100%	88	

Performance Rewards

Programme/activity/objective	Performance rewards R'000	Personnel expenditure R'000	Performance rewards as a % of personnel expenditure
Top Management	R9	R2 314	0,39%
Senior Management	R791	R8 746	9,04%
Professional qualified	R789	R14 307	5,51%
Skilled	R493	R15 608	3,16%
Semi-skilled	R620	R14 142	4,38%
Unskilled	R34	R3 069	1,11%
Total	R2 736	R58 186	4,70%

Training Costs

Programme/activity/ objective	Personnel expenditure R'000	Training expenditure R'000	Training expenditure as a % of personnel costs	No. of employees trained	Average cost per employee R'000
Administration	R24 695	R851	3,4%	28	R30
SP&R	R11 340	R244	2,2%	18	R14
LPP	R16 238	R64	0,4%	18	R4
ETQA	R5 914	R19	0,3%	7	R3
Total	R58 186	R1 178	2,0%	71	R17



AgriSETA's CEO and his team serving the community with donations made in their personal capacity

Part

E

Financial
Information



Report of the auditor-general to Parliament on the Agriculture Sector Education and Training Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Agriculture Sector Education and Training Authority, set out on pages 89 to 139, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Agriculture Sector Education and Training Authority as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of prior year figures

7. As disclosed in note 27 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2021.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance the Standards of GRAP and the requirements of the PFMA and the SDA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 3 – learning programmes and projects	37 to 42

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – learning programmes and projects.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 32 to 43 for information on the achievement of planned targets for the year and management’s explanations provided for the under-/over-achievement of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 3 – learning programmes and projects. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity’s compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements in commitments identified by the auditors in the submitted financial statements were corrected and supporting evidence was provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Other information

23. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. If I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

28. Oversight controls relating to the preparation of financial statements and performance reports that are free from material misstatements were not always effective in detecting errors, as material misstatements were identified on the financial statements and annual performance report submitted for audit.

29. Management did not adequately review and monitor project management controls this resulted in the disclosure note of the financial statements being subjected to material corrections after having been submitted for auditing

Pretoria

31 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Annual Financial Statement 31 March 2021

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2021



Annual Financial Statement 31 March 2021
(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements
for the year ended 31 March 2021

Annual Financial Statement 31 March 2021

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2021

Index

The reports and statements set out below comprise the annual financial statements presented to the Minister and Parliament:

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COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
Minister	Minister of Higher Education, Science and Technology

Annual Financial Statement 31 March 2021

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2021

Board Responsibilities and Approval

The Board is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Board to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledge that they are ultimately responsible for the system of internal financial control established by the AgriSETA and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the SETA and all employees are required to maintain the highest ethical standards in ensuring the SETA's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the AgriSETA is on identifying, assessing, managing and monitoring all known forms of risk across the SETA. While operating risk cannot be fully eliminated, the AgriSETA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

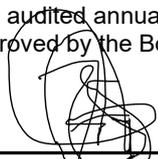
The Board have reviewed the AgriSETA's cash flow forecast for the year to 31 March 2022 and, in the light of this review and the current financial position, they are satisfied that the AgriSETA has or has access to adequate resources to continue in operational existence for the foreseeable future.

The AgriSETA is wholly dependent on the Skills Development Levies for continued funding of operations. The annual financial statements are prepared on the basis that the AgriSETA is a going concern and that the AgriSETA has neither the intention nor the need to liquidate or curtail materially the scale of the SETA.

Although the Board are primarily responsible for the financial affairs of the AgriSETA, they are supported by the SETA's external auditors.

The external auditors are responsible for independently reviewing and reporting on the AgriSETA's annual financial statements. The annual financial statements have been examined by the SETA's external auditors and their report is presented on page 80 to 86.

The audited annual financial statements set out on page 90, which have been prepared on the going concern basis, were approved by the Board on 29 July 2021 and were signed on its behalf by:



Ms Gaitsiwe Sharon Sepeng
Board Chairperson

Annual Financial Statement 31 March 2021

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 '000	2020 Restated* '000
Assets			
Current Assets			
Cash and cash equivalents	8	577 303	549 595
Inventories	5	501	611
Receivables from exchange transactions	6	919	628
Receivables from non-exchange transactions	7	6 222	2 699
		584 945	553 533
Non-Current Assets			
Property, plant and equipment	3	9 792	10 833
Intangible assets	4	1 845	246
		11 637	11 079
Total Assets		596 582	564 612
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	4 098	4 073
Payables from non-exchange transactions	13	68 619	64 941
Provisions	11	15 252	15 665
		87 969	84 679
Total Liabilities		87 969	84 679
Net Assets		508 613	479 933
Reserves			
Capitalisation reserve		3 107	3 107
Discretionary reserve		493 869	465 747
Administration reserve		11 637	11 079
Total Net Assets		508 613	479 933

* See Note 27

Annual Financial Statement 31 March 2021

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Performance

	Note(s)	2021 '000	2020 Restated* '000
Revenue			
Revenue from exchange transactions			
Proceeds from Insurance	14	66	169
Proceeds from Disposal of Property Plant and Equipment		-	15
Other Income - Recycling	14	11	3
Income from Public Works : Administration	14	1 980	437
Interest received - investment	17	18 837	33 682
Total revenue from exchange transactions		20 894	34 306
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and Donor Funded Income	14	8 250	-
Skills Development Levy : Income	14	334 668	461 475
Skills Development Levy : Penalties and Interest	14	9 906	8 024
Total revenue from non-exchange transactions		352 824	469 499
Total revenue	14	373 718	503 805
Expenditure			
Employee related costs	20	(36 035)	(34 402)
Depreciation and amortisation	3	(1 757)	(1 141)
Operating Lease expense	10	(284)	(420)
Employer grants and projects expenditure	18	(275 554)	(372 011)
Government grants and Donor funded expenditure	19	(8 250)	-
Loss on Disposal and theft of assets	3	(23)	(152)
General Expenses	21	(23 138)	(28 938)
Total expenditure		(345 039)	(437 064)
Surplus for the year		28 679	66 741

* See Note 27

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Statement of Changes in Net Assets

	Capitalisation reserves '000	Employer reserves '000	Discretionary reserves '000	Administration reserves '000	Total reserves '000	Accumulated surplus '000	Total net assets '000
Balance at 01 April 2019	3 107	-	399 882	6 371	409 359	-	409 359
Changes in net assets							
Increase in Property, Plant and Equipment (Note 26)	-	-	-	3	3	-	3
Increase in Discretionary reserves (Note 26)	-	-	2 577	-	2 577	-	2 577
Net income (losses) recognised directly in net assets	-	-	2 577	3	2 580	-	2 580
Surplus for the year	-	-	-	-	-	66 741	66 741
Total recognised income and expenses for the year	-	-	2 577	3	2 580	66 741	69 321
Allocation of accumulated surplus	-	36 602	24 140	5 999	66 741	(66 741)	-
Excess reserves transferred to discretionary reserves	-	(36 602)	38 836	(2 234)	-	-	-
Total changes	-	-	65 553	3 768	69 321	-	69 321
Opening balance as previously reported	3 107	-	465 435	10 138	478 680	-	478 680
Adjustments							
Increase in Discretionary reserves (Note 26)	-	-	312	941	1 253	-	1 253
Restated* Balance at 01 April 2020 as restated*	3 107	-	465 747	11 079	479 933	-	479 933
Changes in net assets							
Surplus for the year	-	-	-	-	-	28 679	28 679
Allocation of accumulated surplus	-	25 487	(2 122)	5 314	28 679	(28 679)	-
Reserves transferred to discretionary	-	(25 487)	30 243	(4 756)	-	-	-
Total changes	-	-	28 121	558	28 679	-	28 679
Balance at 31 March 2021	3 107	-	493 868	11 637	508 613	-	508 613
Note(s)	9	9	9	9	9		

* See Note 27

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Cash Flow Statement

	Note(s)	2021 '000	2020 Restated* '000
Cash flows from operating activities			
Receipts			
Cash receipt from stakeholders and customers		353 129	471 360
Interest income		18 837	33 682
		371 966	505 042
Payments			
Cash paid to stakeholders, suppliers and employees		(341 987)	(473 755)
Net cash flows from operating activities	22	29 979	31 287
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(429)	(4 732)
Purchase of intangible assets	4	(1 908)	(325)
Proceeds from insurance and disposal of assets(Auction)		66	184
Net cash flows from investing activities		(2 271)	(4 873)
Net increase/(decrease) in cash and cash equivalents		27 708	26 414
Cash and cash equivalents at the beginning of the year		549 595	523 181
Cash and cash equivalents at the end of the year	8	577 303	549 595

* See Note 27

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	'000	'000	'000	'000	'000	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Proceeds from insurance	-	-	-	66	66	
Other income - Recycling	-	-	-	11	11	
Income from Public Works : Administration	-	-	-	1 980	1 980	33.7
Interest received - Investment	40 000	(10 000)	30 000	18 837	(11 163)	33.3
Total revenue from exchange transactions	40 000	(10 000)	30 000	20 894	(9 106)	
Revenue from non-exchange transactions						
Transfer revenue						
Income from Public works : Projects	-	-	-	8 250	8 250	33.7
Skills Development Levy: Income	475 139	(106 647)	368 492	334 668	(33 824)	33.1
Skills Development Levy: Penalties and interest	-	-	-	9 906	9 906	33.2
Total revenue from non-exchange transactions	475 139	(106 647)	368 492	352 824	(15 668)	
Total revenue	515 139	(116 647)	398 492	373 718	(24 774)	
Expenditure						
Employee related costs	(27 907)	(6 920)	(34 827)	(36 035)	(1 208)	33.5
Depreciation and amortisation	(1 880)	-	(1 880)	(1 757)	123	
Lease expense	(190)	-	(190)	(284)	(94)	
Employer grants and project expenditure	(453 399)	102 453	(350 946)	(275 554)	75 392	33.4
Donor funding expenditure : Public Works	-	-	-	(8 250)	(8 250)	33.7
General Expenses	(32 063)	5 668	(26 395)	(23 138)	3 257	33.6
Total expenditure	(515 439)	101 201	(414 238)	(345 016)	69 222	
Operating surplus	(300)	(15 446)	(15 746)	28 702	44 448	
Loss on assets (due to theft)	-	-	-	(23)	(23)	
Surplus	(300)	(15 446)	(15 746)	28 679	44 425	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(300)	(15 446)	(15 746)	28 679	44 425	

Refer to Note 33 for a detailed variance analysis and comparison of budget versus actuals amounts.

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Accounting Policies

1. Presentation of Annual Financial Statements

The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise indicated.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise..

The Annual financial statements present fairly, in all material respects, the state of affairs of AgriSETA as at end of the financial year and the results of its operations and cash flows for the reported period.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

- They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the AgriSETA. All amounts in the Annual financial statements are rounding to the nearest thousands.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that AgriSETA will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the Annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Property, plant and equipment

The SETA reviews the estimated useful lives of property, plant and equipment and intangible assets at each reporting date. Refer to note 1.4 and 1.5.

Segment reporting

AgriSETA does not have an activity or unit that meets the definition of a 'Segment as defined, as AgriSETA administrative units and functional department do not undertake activities that generate economic benefits or services potential separately from the SETA as a whole. Management have assessed that AgriSETA operates as one segment both from services and geographical point of view. Management have not divided the financial information into different segments as required by GRAP 18.

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Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Receivables from exchange transactions

AgriSETA assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Receivables from non-exchange transactions

A receivable relating to overpayments made in earlier periods is recognised at the amount of the grant over payment, net of bad debts and allowance for irrecoverable amounts.

Payables from exchange transactions

Payables from exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

Payables from non-exchange transactions

Payables from non-exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

1.4 Property, plant and equipment

The cost of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with item will flow to the entity; and
- the cost of the item can be measured reliably

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged to write off the cost of assets over their estimated useful lives, using the straight-line method. Land is not depreciated as it is deemed to have indefinite useful life. The estimated useful life for the building is twenty years, however AgriSETA building has a depreciation charge of zero because the residual value is above carrying amount.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and Fixtures	20 years
Office equipment	15 years
Computer Hardware	3 years
Machinery	15 years
Building	20 years

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Accounting Policies

1.4 Property, plant and equipment (continued)

The residual value, the useful life and depreciation method of each asset is reviewed at least at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss on disposal of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount, and are considered in determining operating surplus. Where the carrying amount of an item of property, plant and equipment is greater than its estimated recoverable service amount, it is written down immediately to recoverable amount (i.e. impairment losses are recognised)

1.5 Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits or services potential that are attributable to the asset will flow to the entity and,
- The cost or fair value of the asset can be measured reliably.

Intangible assets are stated at cost less any subsequent accumulated amortisation and adjusted for any impairments.

Amortisation is charged to write-off the cost of assets over their estimated useful life, using the straight line methods.

The estimated useful life, residual values and amortisation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e impairment losses are recognised) The gain or loss on disposal of intangible assets is determined as the difference between the sale proceeds and the carrying amount, and are considered in determining operating surplus.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life.
Computer software	2 years

1.6 Financial instruments

Classification

The entity classifies financial assets and financial liabilities into the following categories:

1.6.1 Financial Assets

Investments are recognised and derecognised on using trade accounting date where the purchase or sale of an investment is under a contract, whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets can be classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets of AgriSETA were categorised as loans and receivables.

- Loans and receivables

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Accounting Policies

1.6 Financial instruments (continued)

Trade receivables, loans, and other receivables that are fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairments. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

1.6.2 Financial liabilities

Financial liabilities are classified as either financial liabilities at Fair Value through Profit and Loss or other financial liabilities.

Financial liabilities at Fair Value through Profit and Loss.

Financial liabilities are classified as at Fair Value through Profit and Loss where the financial liability is either held for trading or it is designated as at Fair Value through Profit and Loss. All financial liabilities of AgriSETA were classified as other financial liabilities.

- Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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Accounting Policies

1.6 Financial instruments (continued)

1.6.3 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter year.

1.6.4 Initial recognition and measurement

Financial instruments are contractual arrangements that give rise to a financial asset in one entity and a financial liability or residual interest of another.

The AgriSETA recognises the financial instruments using trade date accounting when the AgriSETA becomes a party to the contractual provision of the instrument.

1.6.4 Initial measurement

Financial assets and financial liabilities are measured at fair value plus, in the case of a financial asset or financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of a financial instrument.

1.6.5 Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

1.6.6 Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

1.6.7 Receivables

Receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the assets' carrying amounts and the present value of estimated future cash flows discounted at the effective interest rate computed at the initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

1.6.8 Payables

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Accounting Policies

1.6 Financial instruments (continued)

Payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.6.9 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.6.10 Classification

AgriSETA has the following types of financial assets and financial liabilities as reflected on the face of the statement of financial position and in the notes thereto :

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Payables from exchange transactions	Financial asset measured at amortised cost
Payables from non-exchange transactions	Financial asset measured at amortised cost

1.7 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The AgriSETA recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The AgriSETA initially measures statutory receivables at their transaction amount.

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Accounting Policies

1.7 Statutory receivables (continued)

Subsequent measurement

The AgriSETA measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- impairment losses; and
- amounts derecognised.

Accrued interest

The AgriSETA does not charge interest on mandatory receivables because the collecting agent (SARS) charges interest on late payments of levies.

Classification

AgriSETA has the following class of statutory receivables as reflected on the face of the statement of financial position and in the notes thereto :

- Departmental levy receivables
- Mandatory grants overpayments
- Employer receivables (SARS adjustments)

Impairment losses

The AgriSETA assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the AgriSETA considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the SETA measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an AgriSETA considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

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Accounting Policies

1.7 Statutory receivables (continued)

Derecognition

The AgriSETA derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the AgriSETA transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the AgriSETA, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases consistent with the definition set out in terms of GRAP refer to a contract that transfers the risks, rewards, rights and obligations incident to ownership to the lessee and is recorded as a purchase of assets by means of long-term borrowing. All other leases are classified as operating leases.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. When an operating lease is terminated before the lease term has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

1.9 Inventories

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

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Accounting Policies

1.10 Employee benefits

Short-term employee benefits

The cost of employee benefits is recognised during the year in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for leave (based on the current salary rates) and termination benefits. Termination benefits are recognized and expensed only when the payment is made.

No provision has been made for retirement benefits as AgriSETA does not provide for retirement benefits for its employees.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.11 Provisions and contingencies

Provisions are recognised when AgriSETA has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

Long-term provisions are discounted to net present value.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes to the Annual Financial Statement - Note 25.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the AgriSETA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

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Accounting Policies

1.12 Revenue

1.12.1 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the AgriSETA, usually in accordance with a binding arrangement. When the AgriSETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the year that the arrangement becomes binding and when it is probable that AGRISETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Where the resources transferred to the AgriSETA are subject to the fulfilment of specific conditions, an asset and a corresponding liability is recognised. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised. The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education and Training, income from the National Skills Fund, and grants from the national government.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Interest and penalties received on the skills development levy are recognised when they become receivable.

Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the amount of the revenue can be measured reliably.

The accounting policy for the recognition and measurement of skills development levy income has been amended on the basis of a revised interpretation of the Skills Development Act, Act No 97 of 1998 and the Skills Development Levies Act, Act No 9 of 1999 as amended.

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999 as amended), registered member companies of AgriSETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education and Training (DHET). Companies with an annual payroll cost less than R 500 000 are exempted in accordance with section 4 (b) of the Skills Development Levies Act, No. 9 of 1999 as amended, effective 1 August 2005.

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

Levy income is recognised on the accrual basis.

Revenue is adjusted for transfers between AgriSETA and other SETAs due to employers changing SETAs. Such adjustments are separately disclosed as inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the most recent Standard Operating Procedure issued by the Department. Skills Development Levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to AgriSETA and these benefits can be measured reliably. This occurs when the Department makes an allocation to the AgriSETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended according to the Standard Operating Procedure re-issued by the Department of Higher Education and Training.

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

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Accounting Policies

1.12 Revenue (continued)

Government grants and donor funding - DPW

Funds are transferred by Department of Public Works to AgriSETA when the related eligible expenditure has been incurred. This will result in revenue been recognised as government grants and donor funding income in the Statement of Financial Performance.

The revenue is recognised on a systematic basis over the year, necessary to match the grants with the related costs which they are intended to compensate. Government grants and donor funding income are recognised when the amounts have been received.

Impact of revenue adjustments

Adjustments to revenue already recognised, arise from the completion of a South African Revenue Services (SARS) internal review process, and/or the outcome of an external appeal or objection process undertaken by employer companies.

Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly revenues by SARS, and the SETA recognises revenue on net basis as and when it becomes receivable.

The SETA has no access to or control to the appeal or review process carried on by SARS, and hence could not reasonably be expected to have access to reliable information at the initial stage of recognition.

1.12.2 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to AgriSETA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The only exchange revenue received by AgriSETA is the interest earned on the investment.

1.13 Investment income

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

1.14 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in the presentation in the current year.

Certain comparative figures have been restated to the extent that it is practicable. Prior period errors have been corrected retrospectively in the Annual Financial Statements.

1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Irregular, fruitless and wasteful expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

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Accounting Policies

1.16 Irregular, fruitless and wasteful expenditure (continued)

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are de-recognised when settled or written-off as irrecoverable.

Irregular expenditure must be removed from the balance of the irregular expenditure notes when it is either

- condoned by the relevant authority if no official was found to be liable in law
- recovered from an official liable in law.
- written-off if it's irrecoverable from an official liable in law; or
- written-off if it's not condoned and not recoverable

Irregular expenditure that is not recoverable because no official was found to be liable in law for such a transgression and was also not condoned by the relevant authority must be de-recognised in the balance of the irregular expenditure note. The accounting officer or accounting authority must only de-recognise the irregular expenditure when he or she is satisfied that:

- reasonable steps have been taken to confirm that such irregular expenditure did not result in any loss or damages to the state and that the state did obtain value from such a transaction, condition, or event.
- the non-compliance that led to the irregular expenditure is being addressed; and
- transactions, conditions, or events of a similar nature are regularly reviewed to ensure that there are no possible future non-compliance cases reported.

The accounting officer or accounting authority may proceed with the "write-off" of the irregular expenditure after confirmation of the controls indicated in paragraph 25 above have been met and by informing the relevant delegated official in writing to de-recognise the irregular expenditure in the notes to the financial statements.

1.17 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party or another entity are subject to common control. Where such a situation exists the nature and type of transactions and relationships between the parties are disclosed in the notes to the Annual Financial Statements.

1.18 Grants and Project Expenditure

A registered employer may recover a maximum of 20% of its total levy payment as a mandatory grant (excluding interest and penalties) by complying with the criteria in accordance with the skills Development Act, 1993 SETA Grant regulations regarding monies received and related matters (the SETA Grant Regulations)

Mandatory Grants

Grants equivalent to 20% of the total levies received by AgriSETA during the corresponding financial year are paid to employers who meet the criteria in the SETA Grant Regulations

Discretionary grants and Project Expenditure

The funding for discretionary grants and projects comprise 49.5% of the total levies paid by the employers, levy grants that are not claimed by employers, the surplus of administration levies not utilised, investment income, and other income generated by the SETA.

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Accounting Policies

1.18 Grants and Project Expenditure (continued)

AgriSETA allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expenses in the period in which they are incurred, in which the conditions are met..

Project expenditure comprises:

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

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

Retrospective adjustments by South African Revenue Services

There are instances where South African Revenue Services retrospectively amends the information on levies collected on behalf of AgriSETA. This amendment may result in grants that have been under/over paid to or from certain employers. This adjustment is accounted for retrospectively by AgriSETA in the statement of financial performance. A receivable/payable relating to the over/underpayment to or from the employer in earlier years is raised at the amount of such grant over/underpayment, net of bad debts and provision for irrecoverable amounts.

Administration Expenditure

Administration expenditure is recognised on an accrual basis of accounting. Unless permitted by another standard of GRAP, Administration expenditure has not been offset against revenue.

Government grants and donor funded expenditure

Government grants and donor project expenditure are recognised as expenses in the Statement of Financial Performance in the period in which they are incurred.

The expenditure for the project is recognised when the appointed service providers are eligible for payment, which is at the point when the deliverables are achieved according to predetermined project milestones and funds are received from Department of Public Works and Infrastructure.

1.19 Budget Information

The approved budget covers the fiscal period from 01 April 2020 to 31 March 2021. The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of Budget and Actual Amounts.

There are no entity or timing differences on the budget to actual information.

1.20 Events after reporting date

Subsequent events are all events that occur between the reporting date and the date on which the financial statements are authorised.

Adjusting events are all the events that confirm the financial performance and position of the AgriSETA at year-end and if material the financial statements are adjusted accordingly.

Non-adjusting events which take place after the reporting date are not recognised in the financial statements.

1.21 Commitments

Commitments are recorded at cost in the notes to the Financial Statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the AgriSETA will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

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Accounting Policies

1.22 Grants and Provisions

Mandatory grant provision

A liability is recognised for mandatory grant payments once the specific criteria set out in the SETA Grant Regulation has been complied with by member of companies, and it is probable that AgriSETA will approve the grant application for payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount of levies received.

Discretionary provision

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where the project has been approved, but has been accrued for or provided for, it is disclosed as commitments in the notes to the financial statements.

1.23 Reserves

Equity is classified based on the restrictions placed on the distribution of monies received in accordance with the Regulation issued in terms of the Skills Development Act, 1998 (Act 97 of 1998) statement of changes in equity as follows :

- Administration Reserves
- Employer Grant Reserves
- Discretionary Grant Reserves
- Unappropriated surplus

Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of :

	2020/21	2019/20
	%	%
Administration & QCTO costs of AgriSETA	10.5	10.5
Employer Grant Fund Levy	20	20
Discretionary Grants and Projects	49.5	49.5
	80	80
Received by AgriSETA	80	80
Contribution to the National Skills Fund	20	20
	100	100

In addition, contributions received from public services employers in the national or provincial spheres of government may be used to fund AgriSETA's administration costs. One third of the amounts received from national and provincial spheres is allocated to administration costs.

Interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects.

Surplus funds in the administration and unallocated funds in the employer grant reserves are moved to the discretionary fund reserve. Provision is made in the mandatory grant reserve for newly registered companies, participating after the legislative cut-off date.

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Accounting Policies

The capitalisation reserves included in the net assets related to building and is transferred directly to accumulated surplus or deficit when the building derecognised.

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2021	2020
'000	'000

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

Standards number	Standards name	Impact to AgriSETA
• GRAP 1	Presentation of Financial Statements	AgriSETA will update the presentation and expand disclosure of some items like the DG expenditure.
• GRAP 34	Separate financial statements	This had no impact as AgriSETA has no transactions falling under this standard.
• GRAP 35	Consolidated financial statements	This standard has no impact on AgriSETA reporting as AgriSETA has no subsidiaries or associates.
• GRAP 36	Investments in Associates and Joint Ventures	This standard has no impact as AgriSETA has no transactions falling under this standard.
• GRAP 37	Joint Arrangements	This standard has no impact as AgriSETA has no transactions falling under this standard.
• GRAP 38	Disclosure of Interests in Other Entities	This standard has no impact as AgriSETA has no transactions falling under this standard.
• GRAP 110	Living and non-living resources	This standard has no impact as AgriSETA has no transactions falling under this standard.
• IGRAP 1	Applying the probability test on initial recognition of revenue	This standard does not have any impact on AgriSETA including its levy accounting or disclosure as levies are accounted for on a cash basis.
• IGRAP 20	Accounting for Adjustments to revenue	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (amended): Financial Instruments	01 April 2021	Unlikely there will be a material impact
• Directive 14: The application of Standards of GRAP by Public Entities that apply IFRS® Standards	01 April 2021	Unlikely there will be a material impact
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2021	Unlikely there will be a material impact

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Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment

	2021		2020			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 288	-	1 288	1 288	-	1 288
Buildings	3 197	-	3 197	3 197	-	3 197
Machinery	399	(31)	368	399	(4)	395
Furniture and fittings	2 145	(489)	1 656	2 092	(383)	1 709
Motor vehicles	252	(252)	-	252	(252)	-
Office equipment	2 001	(482)	1 519	1 860	(351)	1 509
Computer hardware	4 237	(2 474)	1 763	4 028	(1 316)	2 712
Projects assets	111	(110)	1	125	(102)	23
Total	13 630	(3 838)	9 792	13 241	(2 408)	10 833
Reconciliation of property, plant and equipment - 2021						
		Opening balance		Disposals	Depreciation	Total
Land		1 288		-	-	1 288
Buildings		3 197		-	-	3 197
Machinery		395		-	(27)	368
Furniture and fittings		1 709	54	-	(106)	1 656
Motor vehicles		-	-	-	-	-
Office equipment		1 509	141	-	(130)	1 519
Computer hardware		2 712	234	(20)	(1 164)	1 763
Projects assets		23	-	(3)	(20)	1
		10 833	429	(23)	(1 447)	9 792

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Change due to error	Total
Land	1 288	-	-	-	-	1 288
Buildings	2 655	542	-	-	-	3 197
Plant and machinery	-	399	-	(4)	-	395
Furniture and fittings	512	847	(39)	(85)	474	1 709
Motor vehicles	-	-	-	-	-	-
Office equipment	629	539	(28)	(98)	467	1 509
Computer hardware	995	2 405	(82)	(606)	-	2 712
Projects assets	50	-	-	(27)	-	23
	6 129	4 732	(149)	(820)	941	10 833

Property valuation

AgriSETA owns and occupies the building at 529 Belvedere street, Arcadia Pretoria.

The last valuations of property (Land and Building) was performed on 26 of March 2020 by the Professional Valuer, Mr Peter Mabelane. The next valuation will be performed during 2025 in terms of Finance Policy.

Valuation method.

The valuation was performed using the income capitalisation method, that is Present Value of the expected future earnings.

Depreciation

Land is not depreciated as it is deemed to have indefinite useful life. The estimated useful life for the building is twenty years, however AgriSETA building has a depreciation charge of zero because the residual value is above carrying value.

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	2021 '000	2020 '000
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3. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Repairs and maintenance	457	692
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Repairs and maintenance are separately disclosed hereunder, to comply with the requirements of GRAP 17, as well as to ensure the better presentation of the financial statements.

Change due to accounting error on property plant and equipment

Property, plant and equipment

The useful life of Furniture & fittings and Office equipment was previously estimated to be 10 years. In the current period management have revised their estimate for furniture and fittings to 20 years and office equipment to 15 years.

The useful lives of the assets in the previous reporting period were not reviewed appropriately and during the current reporting period AgriSETA determined that the entity intends to use the assets even longer. The entity's inability to revise the useful lives in the previous reporting periods, results in an accounting error.

Due to the materiality of this error, the affected assets classes of Furniture and fittings as well as Office Equipment were corrected retrospectively in line with GRAP 3 by restating the previous periods using the revised estimated useful lives.

The effect of this revision is as follows:

The effect of the change in error is as follows in the current year:

Assets category	Depreciation after adjustment	Effect on current year	Depreciation before adjustment
Furniture and fittings	106	87	193
Office equipment	131	148	279
	237	235	472

The useful lives revision of identified items of property, plant and equipment resulted in an increase in carrying values of items of property, plant and equipment and an equivalent reduction in depreciation expense for the current year by an amount of R235 thousand

The effect of the change in error to the prior periods

Assets category

Assets category	Accumulated depreciation after error adjustment	Change due to error effected in current year	Accumulated depreciation before adjustment
Furniture and fittings	383	543	926
Office equipment	351	776	1 127
	734	1 319	2 053

There is additional disclosure of the effect of the revised useful lives under the Prior period errors disclosure note (Note 27)

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4. Intangible assets

	2021		2020			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 744	(898)	1 846	835	(589)	246
Reconciliation of intangible assets - 2021						
Computer software 4.1		Opening balance 246	Additions 1 908	Disposals -	Amortisation (310)	Total 1 845
Reconciliation of intangible assets - 2020						
Computer software		Opening balance 245	Additions 325	Disposals (3)	Amortisation (321)	Total 246

4.1 Computer software

Cost related to computer software amounting to R1,98 million include work in progress of R1,67 million for Sage X3 system. The software (Enterprise Resources Planning system) was not amortized during the financial year 2020/21 as it is a work in progress and is not ready for use.

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	2021 '000	2020 '000
5. Inventories		
Cleaning	145	200
Cartridges	230	231
Stationery	126	180
	501	611

6. Receivables from exchange transactions

Accrued interests and other Receivables	498	545
Prepayments (6.1)	347	-
Staff debtor	74	83
	919	628

6.1 Prepayment

A prepayment of R347 thousand was made to a service provider for a new Enterprise Resource Planning software license commencing April 2021.

7. Receivables from non-exchange transactions

DPW receivables (Donor funded project)	2 723	-
Departmental Levy receivable	2 204	1 590
Mandatory Grants Overpayment	56	56
Employer receivable (SARS Adjustments)	828	831
Other receivables from non-exchange (7.1)	411	222
	6 222	2 699

7.1 Other receivable from non-exchange

Various payments amounting to R883 thousand were made to a suspected fraudulent cyber-crime bank account. A receivable for R222 thousand was incurred in the previous financial year 2019/20, whilst R661 thousand was incurred in 2020/21. This amount were meant to be paid to a college for capacity building project funding.

The matter was reported to the South African Police Services (SAPS) and Standard Bank Fraud Division to recover the funds. As a result, of the R883 thousand, an amount of R471 thousand was recovered from the fraudulent bank account. A balance of R411 thousand which has not yet been recovered, will be fully recovered in the 2021/22 financial year.

Amount paid to the college	883	222
Amount Recovered	(472)	-
	411	222

8. Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents include cash on hand and banks and investments in short-term deposits. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement can be reconciled to the related items in the balance sheet as follows.

Cash on hand	1	10
Bank balances	143 333	131 883
Short-term deposits	433 969	417 702
	577 303	549 595

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Notes to the Annual Financial Statements

	2021	2020
	'000	'000

8. Cash and cash equivalents (continued)

As required by National Treasury Regulations 31.2, National Treasury approved the banks where the bank accounts are held. The average interest rate for the year on short-term bank deposits is 3.75% (2020 6.07%).

Paragraph 31.3.3 Unless exempted by the National Treasury, public entities that are listed in schedule 3A or 3C of the Act must, with effect from 1 July 2001, only : (a) invest surplus funds with the Corporation for Public Deposits, where such surplus exceed R1 million; and (b) invest surplus funds in an institution with an investment grade rating, where such surplus are less than R1 million.

For the period ending 31 March 2021, all surplus funds are kept at the Corporation for Public Deposits.

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Notes to the Annual Financial Statements

	2021 '000	2020 '000
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9. Allocation of Surplus for the year

2020/21

	Administratio n	Employer	Discretionary	Total
Revenue	-	-	-	-
SDL Levy : Income	42 686	81 935	200 698	325 319
SDL Levy : Penalties and Interest	-	-	9 906	9 906
Government levy : Department of Agriculture	2 968	-	5 936	8 904
Income from Public Works : Administration	1 980	-	8 250	10 230
Interest received	18 837	-	-	18 837
InterSETA transfer from ServiceSETA	-	143	-	143
Refund from projects : Bursaries	-	-	302	302
Proceeds from Insurance and income from recycling	77	-	-	77
Expenditure	-	-	-	-
Employer and discretionary grant expense	-	(56 591)	(218 964)	(275 555)
Administration expense	(61 234)	-	-	(61 234)
Donor funding expenditure : Public works	-	-	(8 250)	(8 250)
	5 314	25 487	(2 122)	28 679

2019/20

	Administratio n reserves	Employer reserves	Discretionary reserves	Total
Revenue	-	-	-	-
SDL Levy : Income	59 326	112 769	279 979	452 074
Interest received	-	-	33 682	33 682
Government levy : Department of Agriculture	3 061	-	6 123	9 184
SDL Levy : Penalties and Interest	8 024	-	-	8 024
Proceeds from Insurance and income from recycling	624	-	-	624
InterSETA transfer from INSETA	17	32	79	128
Refund from Discretionary grants (Bursaries)	-	-	89	89
Expenditure	-	-	-	-
Employer and discretionary expense	-	(76 199)	(295 812)	(372 011)
Administration expense	(65 053)	-	-	(65 053)
	5 999	36 602	24 140	66 741

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	2021 '000	2020 '000
10. Operating lease		
Operating lease future commitment		
- within one year	322	292
- due between two and five years	175	411
Present value of minimum lease payments	497	703
Expenditure incurred for the rental of vehicle and printer machine in the current year		
Rental of vehicle	132	114
Rental of printer machine	152	306
	284	420

The average monthly operating lease payments of R141 thousand consists of payments for the rental of vehicle and printer machine, with the last lease contract ending 31 January 2023 .

The lease terms for both vehicle and office equipment do not have an escalating clause, as a result the lease payments equals the GRAP 13 straight-line method.

11. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Movements	Total
Provision for Performance Bonus	4 279	(537)	3 742
Provision - Levies from small companies	7 173	1 754	8 927
Provision for Leave Pay	2 051	532	2 583
Skills Development Grants Provision - Mandatory	2 162	(2 162)	-
	15 665	(413)	15 252

Reconciliation of provisions - 2020

	Opening Balance	Movements	Total
Provision for Performance Bonus	1 770	2 509	4 279
Provision - Levies from small companies	7 045	128	7 173
Provision for Leave pay	1 038	1 013	2 051
Skills Development Grants Provision - Mandatory	20 438	(18 276)	2 162
	30 291	(14 626)	15 665

12. Payables from exchange transactions

Trade payables and other payables	3 033	3 025
Accruals	-	117
Staff creditors	164	164
Payable - structured salaries (12.1)	901	767
	4 098	4 073

12.1 The structured salary amount is earned monthly by employees and is payable in December of each year.

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Notes to the Annual Financial Statements

	2021 '000	2020 '000
13. Payables from non-exchange transactions		
Accruals Discretionary Grants	23 265	34 977
Trade Payables Discretionary Grants	35 258	20 824
Levy Creditors	9 718	9 140
Reversal from employers DHET levies (13.1)	377	-
	68 619	64 941

13.1 In July 2020 there were levy reversal of R376 thousand from amounts initially received from stakeholders. These relate to the amounts that were not supposed to be levied during the presidential declared 4 months levy holiday due to COVID-19 implications.

14. Revenue

Proceeds from Insurance	66	169
Proceeds from Disposal of Property Plant and Equipment	-	15
Other Income - Recycling	11	3
Income from Public Works: Administration	1 980	437
Interest received - investment	18 837	33 682
Government grants and subsidies	8 250	-
Skills Development Levy: Income	334 668	461 475
Skills Development Levy: Penalties and Interest	9 906	8 024
	373 718	503 805

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Notes to the Annual Financial Statements

	2021 '000	2020 '000
15. Levies		
Levy transfer -Administration	42 686	59 326
Levy transfer -Discretionary grants	200 698	279 980
Levy transfer -Mandatory grants	81 935	112 769
Levies transfer -Penalties and interest	9 906	8 024
Levy transfer -Department of Agriculture (Discretionary)	5 936	6 123
Levy transfer -Department of Agriculture (Administration)	2 968	3 061
	344 129	469 283

2021	Administration Levy Income	Discretionary Levy Income	Mandatory Levy Income	Penalties and Interest	Total
Skills Development Levy : Income	44 096	207 183	84 781	9 907	345 967
Reversals (adjustments)	(1 410)	(6 485)	(2 846)	(1)	(10 742)
Skills Development Levy : Department of Agriculture	2 968	5 936	-	-	8 904
Subtotal	45 654	206 634	81 935	9 906	344 129
	45 654	206 634	81 935	9 906	344 129

2020	Administration Levy Income	Discretionary Levy Income	Mandatory Levy Income	Penalties and Interest	Total
Skills Development Levy : Income	60 810	286 305	116 241	8 042	471 398
Reversals (adjustments)	(1 484)	(6 325)	(3 472)	(18)	(11 299)
Skills Development Levy : Department of Agriculture	3 061	6 123	-	-	9 184
Subtotal	62 387	286 103	112 769	8 024	469 283
	62 387	286 103	112 769	8 024	469 283

Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly revenue by SARS, and the SETA recognises revenue on net basis as and when it becomes receivable.

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16. Revenue from exchange and non-exchange transactions		
Government grants and donor funding income		
Income from public works : Projects	8 250	-
	8 250	-
Refer to Note 19.1 for the Donor funded programme entered with the Department of Public works and Infrastructure.		
The amount included in other revenue arising from exchanges of goods or services are as follows:		
Proceeds from insurance	66	169
Proceeds from Disposal of Property Plant and Equipment	-	15
Other income - Recycling	11	3
Income from Public works : Projects	1 980	437
Interest received - investment	18 837	33 682
	20 894	34 306
The amount included in other revenue arising from non-exchange transactions is as follows:		
Skills Development Levy : Income	325 319	449 075
Levy transfer -Department of Agriculture (Discretionary)	5 936	6 123
Levy transfer -Department of Agriculture (Administration)	2 968	3 061
Refund from Grain SA (Bursaries)	302	89
InterSETA Transfers - ServicesSETA	143	127
	334 668	458 475
Skills development Levy : Penalties and interest		
Skills development Levy : Penalties and interest	9 906	8 024
	344 574	466 499
17. Investment revenue		
Interest revenue		
Interest received - investment	16 267	27 830
Interest received - Bank	2 570	5 852
	18 837	33 682
18. Employer grants and project expenditure		
Discretionary Expenditure		
Discretionary Grants Project Expenditure	196 447	274 721
Discretionary Grants Administration Expenditure	364	6 506
Discretionary Grants Employee costs	22 152	14 585
	218 963	295 812
Mandatory Expenditure		
Mandatory Grants Expenditure	56 591	76 199
	275 554	372 011

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18. Employer grants and project expenditure (continued)

The discretionary grant disbursements were reduced in the current year due to delays in the finalisation of discretionary grants. The national lockdown had an unfavourable impact in the slow implementation of most of the training and skills development programmes

19. Government grants and subsidies

Donor funded project expenditure : Public works (19.1)	8 250	-
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19.1 Donor funded project expenditure : Public Works

AgriSETA has entered into contract for the implementation of a partnership **Expanded Public Works Programme (EPWP)** with Department of Public Works and Infrastructure on 02 July 2020 for the implementation of training of 400 EPWP participants at the total cost of R 66 million excluding R4,95 million project administration cost. In the current year, R 8,25 million has been incurred and paid or payable to the service providers contracted for implementation of the programme.

An amount of R 1,98 million relating to project administration fee accrued to AgriSETA as revenue during the current financial year. AgriSETA remains committed to implement the remaining R 57,7 million project amount.

The appointed service providers are paid as and when the deliverables are achieved according to predetermined project milestones and funds are received from Department of Public Works and Infrastructure.

20. Employee related costs

Basic salary	28 457	25 217
Structured salaries	2 074	1 802
Medical aid expense	161	271
UIF contributions	96	95
SDL contributions	220	501
Leave expense	697	1 013
Pension fund contributions	2 670	2 336
Overtime expense	-	335
Performance bonus	1 660	2 832
	36 035	34 402

20.1 SDL Contributions

The SDL employer contributions of R501 thousand was erroneously included in the basic salary for the financial year 2019/20.

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21. General expenses		
Information Technology Costs	4 380	4 846
Advertising and promotion	361	932
Audit fees - External	2 487	3 346
Bank charges	144	112
Consulting and professional fees	1 138	1 647
Bad debts expense	-	225
Audit fees - Internal	1 146	602
Catering	42	269
Quality Council for Trade and Occupations (QCTO)	2 956	2 787
Insurance	360	285
Postage and courier	22	191
Printing, stationery and cleaning	784	1 115
Fuel expense	6	29
Repairs and maintenance	457	692
Security expense	427	315
Staff welfare	93	188
Subscriptions and membership fees	75	79
Telephone and fax	1 411	575
Training	1 178	814
Travel and accommodation	1 128	3 985
Small assets expensed	1	74
Property Municipal Rates and Taxes	585	585
Toilets Hire	-	7
Forensic investigation	5	316
License (Annual subscription)	130	1 005
Recruitment costs	143	472
Board and Audit Committee fees	3 416	2 279
Workmans Compensation	205	-
Workshop costs (AGM)	58	1 166
	23 138	28 938

22. Cash flows from operating activities

Surplus	28 679	66 741
Adjustments for:		
Depreciation and amortisation	1 757	1 141
Proceeds from insurance and assets Disposal (Auction)	(66)	(184)
Loss on fixed assets	23	(26)
Inventory adjustment	110	152
Movements in provisions	(2 033)	(14 269)
Changes in working capital:		
(Increase)/Decrease in exchange and non exchange receivable current year	(1 686)	1 198
Increase/(Decrease) in payables from exchange, non-exchange, consumables and provisions current year	3 195	(18 260)
Accruals adjustment	-	(5 206)
	29 979	31 287

23. Financial instruments disclosure

Categories of financial instruments

2021

Financial assets

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23. Financial instruments disclosure (continued)		
	At amortised cost	Total
Trade and other receivables from exchange transactions	919	919
Other receivables from non-exchange transactions	3 134	3 134
Cash and cash equivalents	577 303	577 303
	581 356	581 356

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	4 098	4 098
Payables from Non-exchange transactions	68 619	68 619
	72 717	72 717

2020

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	628	628
Other receivables from non-exchange transactions	1 812	1 812
Cash and cash equivalents	549 595	549 595
	552 035	552 035

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	4 073	4 073
Payables from Non-exchange transactions	64 941	64 941
	69 014	69 014

The age analysis of cash and cash equivalents

2021

	Gross	Impairment	Total
Not past due	577 303	-	577 303

2020

	Gross	Impairment	Total
Not past due	549 595	-	549 595

The age analysis of Trade and other receivables from exchange and Non-exchange

2021

Receivables from exchange

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23. Financial instruments disclosure (continued)

	Gross	Impairment	Total
Not past due	-	-	-
Past due 0 - 30 days	-	-	-
Past due 31 - 60 days	-	-	-
Past due 60 and above	919	-	919
	919	-	919

Receivables from Non-exchange

	Gross	Impairment	Total
Not past due	-	-	-
Past due 0 - 30 days	-	-	-
Past due 31 - 60 days	-	-	-
Past due 60 and above	3 134	-	3 134
	3 134	-	3 134

2020

Receivables from exchange

	Gross	Impairment	Total
Not past due	-	-	-
Past due 0 - 30 days	-	-	-
Past due 31 - 60 days	-	-	-
Past due 60 and above	628	-	628
	628	-	628

Receivables from Non-exchange

	Gross	Impairment	Total
Not past due	-	-	-
Past due 0 - 30 days	-	-	-
Past due 31 - 60 days	-	-	-
Past due 60 and above	1 812	-	1 812
	1 812	-	1 812

The age analysis of Trade and other payables from exchange and Non-exchange

2021

Paybles from exchange

	Gross	Impairment	Total
Not past due	-	-	-
Past due 0 - 30 days	-	-	-
Past due 31 - 60 days	4 098	-	4 098
Past due 60 and above	-	-	-
	4 098	-	4 098

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23. Financial instruments disclosure (continued)

Payables from non-exchange

	Gross	Impairment	Total
Not past due	-	-	-
Past due 0 - 30 days	-	-	-
Past due 31 - 60 days	-	-	-
Past due 60 and above	68 619	-	68 619
	68 619	-	68 619

2020

Payables from exchange

	Gross	Impairment	Total
Not past due	-	-	-
Past due 0 - 30 days	-	-	-
Past due 31 - 60 days	4 073	-	4 073
Past due 60 and above	-	-	-
	4 073	-	4 073

Payables from non-exchange

	Gross	Impairment	Total
Not past due	-	-	-
Past due 0 - 30 days	-	-	-
Past due 31 - 60 days	-	-	-
Past due 60 and above	64 941	-	64 941
	64 941	-	64 941

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24. Commitments		
Discretionary Funded Project		
Already contracted for		
• Partnership	93 367	59 673
• Learnerships	62 731	6 972
• Skills programs	17 580	6 245
• Abet Education Training	4 010	2 125
• Commodity Organisations	2 214	2 252
• Internships	26 228	17 915
• Graduates Placements	16 853	23 125
• Artisans Development	147 156	107 800
• Bursaries Post Graduate	6 186	4 971
• Bursaries Under Graduate	18 379	17 817
• Bursaries Continuation	18 132	11 688
• Mentorships	5 476	1 909
• New Venture Creation	1 714	1 617
• Agric College	2 360	2 443
• Occupational Qualifications	1 820	781
• Accredited Qualification Programmes	21	293
• Recognition of Prior Learning	1 127	3 424
• Research, Monitoring and Evaluation	2 732	1 401
• Leadership Development	-	1 666
• Career Guidance	400	-
• Lecture Development	50	-
	428 536	274 117
Approved by the Accounting authority but not yet contracted		
• Letter of appointment issued	87 403	2 946
Total operational commitments		
Already contracted for	428 536	274 117
Approved by Accounting Authority but not yet contracted	87 403	2 946
	515 939	277 063
Total commitments		
Project related commitments	515 939	277 063

This committed expenditure relates to and will be financed by available retained surpluses and existing cash resources.

Commitments for the year ended 31 March 2020 were restated from R290,6 million to R277,1 million due to a prior period error effected in the 2020/21 financial year. The prior period error relates to expenditure of R5,2m, as well as contract cancellations of R18,8 million which should have been effected during the prior financial year.

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25. Contingencies

25.1 Retention of Surplus Funds

In terms of section 53 (3) of PFMA, constitutional institutions and public entities listed in schedules 3A and 3C to the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) may not accumulate surpluses that were realised in the financial year without obtaining prior written approval of the relevant Treasury. On the 2 of September 2020, National Treasury introduced the revised instruction No.12 of 2020/21 with provisions on the retention of cash surpluses. According to this instruction, in terms of paragraph 3.2 of the National Treasury instruction No. 12 of 2020/21, a surplus is based on the net assets. A submission has been made to the National Treasury to retain the following surplus :

Cash and cash equivalent at the end of the year	577 303	549 595
Add : Receivables	7 140	3 327
Less : Current Liabilities	(87 969)	(84 679)
Uncommitted surplus	496 474	468 243

Notwithstanding the accumulated surplus above, AgriSETA has at year end commitments in the form of contracts with various service providers as indicated in note 24, the below reflects the accumulated surplus after taking the impact of these commitments :

Less : Commitments	(515 939)	(277 063)
	-	-
Net surplus/deficit after taking into account commitments	(19 465)	191 180

Less : Offers of contracts (issued after reporting period)	-	(130 131)
	-	-
Net surplus after taking into account offers of contracts	(19 465)	61 049

25.2 Outcome of the Minister of Higher Education and Training (DHET) and employers, represented by Business Unity South Africa (BUSA) case

In December 2012, the Minister repealed the 2005 Grant Regulations and promulgated 2012 Grant Regulations. Regulation 4(4) of the 2012 Grant Regulations reduced the mandatory grant that an employer could claim back from 50% to 20% of the total levies paid by the employer. The manner in which the 2012 Grant Regulations were promulgated, amongst other matters, led to litigation begun by BUSA, at the Labour Court. The Labour Court declared the Regulation to be invalid and consequently set aside, with suspension of the order until March 2016.

Prior to the order coming into effect, the regulation was re-promulgated in January 2016, to which BUSA launched renewed review proceedings in the Labour Court to set the re-promulgated regulation aside. The Labour Court dismissed the review application and BUSA decided to put through an appeal to the decision through the Labour Appeal Court (LAC). During October 2019, the LAC ruled that the decision to re-promulgate Regulation 4(4) was "irrational and lacking in any legal justification". The regulation, as re-promulgated in 2016, was consequently set aside.

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25. Contingencies (continued)

Despite the said regulation being set aside, the LAC ruling is silent on both the percentage quantum that can be claimed back by employers and on the effective date of the order. The effect of the ruling is that the Minister, in consultation with employers and BUSA, would have to decide on the percentage for mandatory grants in consultation with the sector, and these accordingly published in the Government Gazette. To date, there has been no communication regarding the approved mandatory grant percentage that can be claimed back by employers. These circumstances create uncertainty as to the percentage of mandatory grants that can be paid and/or accrued by the SETA during the year under review.

However, post the ruling, DHET continues to split the mandatory grant levy income portion at a rate of 20% in the monthly levy download information. Consequently, the SETA has continued to pay and accrue mandatory grants at 20% in the 2019/20 financial year which is also aligned to the approved annual performance plan. The mandatory grant expenditure in Note 18 as well as the mandatory grant liability in Note 13 were calculated at a rate of 20%.

Pending the final agreement between the Minister and the employers (through BUSA) on the approved rate, there is therefore a possible liability due to additional or lesser grant payments over or under the amounts already paid and accrued in the current year based on a payment rate of 20%. Given the initial review application at the Labour Court whereby BUSA cited that the mandatory grant reduction is irrational and unreasonable; as well as latter reports by business arguing that the LAC judgement would revert back to the original position; it is therefore remotely likely that there would be a contingent asset. It is therefore submitted that the likelihood of a possible liability is greater, which can only be confirmed from the outcome of the agreements between the Minister and employers, which is not within the control of the entity. The amount of the possible obligation cannot be (reliably) estimated due to the uncertainty of the approved rate, as well as the effective date of application. In addition, the entity has had no experience in similar transactions to be able to reasonably estimate the outcome of the events nor the amount.

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26. Related parties

Relationships

Entities under common control of the Minister of Higher Education, Science and Technology

By virtue of the fact that AgriSETA is a national public controlled by Department of Higher Education, Science and Technology (DHEST), it is considered related to other SETAs, TVETs, SAQA, Universities, the QCTO, NSFAS and the NSF. The transactions are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such

26.1 Related party transactions

Transactions from related parties

QCTO	2 956	2 787
Mandatory grants received		
ServicesSETA	(143)	-

Where there were transactions and balances arising due to the movement of funds between entities under common control of the DHEST, these amounts and outstanding balances are disclosed below :

TVET Colleges and Universities (outstanding balances - Non exchange payables)

Boland TVET College	237	191
University of Limpopo	1 018	1 018
North-West University	-	487
Durban University of Technology	-	240
Cape Peninsula University of Technology	-	77
Madzivhandela College	-	1 113
Tompi Seleke College	488	360
Tsolo Agric College	-	191
Coastal TVET College	-	358
Fort Cox Agri & Forestry Training	-	127
University of Johannesburg	-	158
Department of Higher Education and Training : Bursaries transactions		
Nelson Mandela University	-	30
Stellenbosch University	-	35
Interseta transfers		
Transfer from INSETA	-	(127)

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26. Related parties (continued)

26.2 Non-Executive (Accounting Authority)

Accounting Authority - Board members

2020/21	Member fees	Travel Reimbursement	Total
Mr A Rabe	9	-	9
Mr C Van Der Rheede	200	-	200
Ms LV Gqokoma	242	-	242
Mr MS Mngomezulu	300	-	300
Mr A Kriel	147	-	147
Ms B Cele	242	-	242
Mr EL Mhlongo	224	-	224
Ms G Sepeng	377	3	380
Ms KL Senyatsi	186	-	186
Mr K Tsimatsima	190	-	190
Mr ME Mmako	216	-	216
Mr M Mahanjana	164	-	164
Ms S Mthembu	138	-	138
	2 635	3	2 638

2019/20	Member fees	Travel Reimbursement	Total
Mr A Rabe	25	4	29
Mr G Benjamin	142	-	142
Mr C Van Der Rheede	220	22	242
Mr DN Hamman	167	31	198
Mr AW Gerritzen	74	48	122
Ms LV Gqokoma	122	18	140
Mr MS Mngomezulu	142	15	157
Ms M Ngoepe-Ntsoane	188	60	248
Mr DI Schutte	159	46	205
Mr SA Nazo	178	29	207
Ms TA Pholoana	137	25	162
	1 554	298	1 852

Accounting Authority - Audit and Risk Committee

2020/21	Member fees	Travel Reimbursement	Total
Mr GF Buys	95	-	95
Ms E Pillay (Chairperson)	142	-	142
Ms GL Maqubela	17	1	18
Mr M Oliver	35	-	35
Ms UM Oliphant	46	-	46
Ms M Phiri	60	-	60
Mr V Chonco	60	-	60

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26. Related parties (continued)		
Mr K Maja	107	107
	562	563

2019/20	Member fees	Travel reimbursement	Total
Mr GF Buys	102	7	109
Ms E Pillay (Chairperson)	153	10	163
Ms GLMaqubela	43	6	49
Mr M Oliver	77	6	83
Ms UM Oliphant	148	14	162
	523	43	566

26.3 Stakeholders : Companies related to Accounting Authority

2020/21	Levies received from Employers	Member fee paid to Employers	Discretionary Grant expenditure	Mandatory Grant expenditure	Total paid
Hortgro Services (Pty) Ltd	-	164	1 170	-	1 334
Red Meat Abattoir Association	-	-	-	-	-
VKB Landbou Beperk / agriculture Ltd	1 316	-	191	329	520
AgriSA	-	46	1 916	-	1 962
	1 316	210	3 277	329	3 816

2019/20	Levies received from Employers	Member fee paid to Employers	Discretionary Grant expenditure	Mandatory Grant expenditure	Total paid
Hortgro Services (Pty) Ltd	-	57	1 333	-	1 390
Red Meat Abattoir Association	-	130	814	-	944
VKB Landbou Beperk / agriculture Ltd	2 126	25	1 013	846	1 884
	2 126	212	3 160	846	4 218
	-	-	-	-	-

The accounting authority listed hereunder are employees of the listed stakeholder companies

26.4 Executive Management	Salary	Performance Bonus	Travel reimbursement and Cellphone allowance	Total
Mr Myeza (Former Chief Executive Officer) 26.4.1	1 653	327	18	1 998
Dr KI Sirovha (Current Chief Executive Officer) 26.4.2	622	-	21	643
Ms M Sebela (Chief Financial Officer)	1 743	200	11	1 954

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26. Related parties (continued)				
Mr M Dlanga (Company secretary)	1 332	108	13	1 453
Mr F Phetla (Executive manager: ETQA)	1 465	160	26	1 651
Mr F Fouche (Executive Manager Skills: Planning)	1 453	167	7	1 627
Mr EM Shabangu (Executive Manager: LPP)	1 453	160	9	1 622
Mr KK Khoza (Chief Information Officer)	1 212	110	22	1 344
Ms KN Ndlovu (Chief Risk Officer)	1 034	77	11	1 122
	11 967	1 309	139	13 415

26.4.1 Contract expired on 30 November 2020 at Executive position.

26.4.2 Appointed on 01 December 2020 at Executive position.

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27. Prior period errors

Receivables - A receivable raised during the financial year 2019/20 for payment of R222 thousand incorrectly made to incorrect bank account due to cyber-space crime reported to SAPS, was erroneously classified as receivable from exchange transaction. reclassification to receivable from Non-exchange transactions was made during the financial year 2020/21. The funds were recovered during 2020/21 financial year.

Payables from non-exchange transactions - Adjustments were made to Payables from non-exchange transactions to the value of R349 thousand under Trade payables relating to invoices that were erroneously captured on the system and never paid. In addition, there were erroneous invoices recognised as accruals in the 2019/20 financial year which were only identified in the current financial year resulting in adjustments to the prior period balance by R5,2 million. This cumulatively resulted in a decrease in Payable from non-exchange transaction and an increase in the net asset by R 5,5 million.

Employer Grants and Project Expenditure - Accruals list for 2019/20 financial year was revisited and discovered shortcomings related to Project expenditure, which resulted to over/understatement of project expenditure; Adjustment to the net value of R 5,2 million was made to correct the Accruals for 2019/20 financial year, and resulting in an increase in accumulated surplus. Invalid transactions to the net value of R25 thousand which relate to project expenditure were identified on the age analysis during 2020/21 and removed. The adjustments resulted in a reduction to Employer grants and project expenditure of 2019/20 financial year and will further result in an increase in net assets.

General Expenses - Invalid transactions that related to lease and expense and security recognized in 2019/20 were identified during 2020/21 and have been removed reducing expenditure by R12 thousand; The duplicate transactions were not paid. This adjustment will result in a decrease in Payables from exchange transactions and increase in net assets.

Property , Plant and Equipment - The useful lives of all assets classes were reviewed by management at year end. This review of useful lives was not adequately performed previously, as such the review of useful lives was performed in the current year. The expected remaining useful lives of two assets classes (Furniture and Fittings asset class as well as Office Equipment asset class) differed from previous estimates of useful lives and were revised accordingly. The impact of the revision is that accumulated depreciation for the financial year 2019/20 was reduced by R1,31 million, as such resulting in an increase to the carrying amount of Property, Plant and equipment comprising of Furniture and fittings carrying amount increasing by R546 thousand whilst Office equipment increased by R776 thousand. This further resulted in an increase in net assets by amount of R1,31 million.

Depreciation - The direct impact on Depreciation in the 2019/20 financial year from the review of the useful lives was a reduction in depreciation amount of two assets classes by an amount of R378 thousand. (Furniture and Fittings asset class depreciation reduced by R69 thousand whilst as the Office Equipment asset class depreciation amount decreased by R308 thousand) resulting in an increase in accumulated surplus for 2019/20.

An amount of R941 thousand directly increased Accumulated reserves of 2019/20 without having any impact on the net assets movement in 2019/20 as it related to the 2018/19 depreciation amount reduction.

Statement of Financial Position

2020

	As previously reported	Correction of error	Reclassification	Restated
Property plant and equipment	9 514	1 319	-	10 833
Receivables from exchange transactions	850	-	(222)	628
Receivables from Non-exchange transactions	2 477	-	222	2 699
Payables from Non-exchange transactions	(70 497)	5 556	-	(64 941)
Total Net assets	(473 058)	(6 875)	-	(479 933)
	(530 714)	-	-	(530 714)

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27. Prior period errors (continued)

Statement of Financial Performance

	As previously reported	Correction of error	Restated
Decrease in Discretionary Project Expenditure	377 242	(5 231)	372 011
Decrease in Depreciation and amortisation	1 519	(379)	1 140
Decrease in Lease expense	432	(12)	420
Increase in Accumulated surplus	61 119	5 622	66 741
	440 312	-	440 312

Statement of Changes in Net Assets

	Administration reserves	Discretionary reserves	Total Net assets
Opening balance as previously reported	9 760	460 192	469 952
Increase in Administration reserves	1 319	-	1 319
Increase in Discretionary reserves	-	5 556	5 556
Balance at 31 March 2020	11 079	465 748	476 827

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28. Risk management

Credit risk

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

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA's concentration of credit risk is limited to the Agriculture sector in which the SETA operates. No events occurred in the Agriculture industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. The SETA is exposed to a concentration of credit risk, as significant amounts is owed by the South African Revenue Services (SARS). This concentration of risk is limited as DHEST is a government entity with sound reputation.

Financial assets exposed to credit risk at 31 March 2021 were as follows:

2020/21	Gross	Impairment	Total
Receivables from exchange transactions	919	-	919
Cash and cash equivalent	577 303	-	577 303
	578 222	-	578 222

2019/20	Gross	Impairment	Total
Receivables from exchange transactions	628	-	628
Cash and cash equivalent	549 595	-	549 595
	550 223	-	550 223

2020/21	Carrying amounts	Contractual cash flows	6 months or less	6-12 months	over 12 months	Total
Receivables from exchange transactions	919	919	919	-	-	919
Subtotal	919	919	919	-	-	919
	919	919	919	-	-	919

2019/20	Carrying amounts	Contractual cash flows	6 months or less	6-12 months	1-2 months	Total
Receivables from exchange transactions	628	628	628	-	-	628
Subtotal	628	628	628	-	-	628
	628	628	628	-	-	628

The SETA's concentration of credit risk is limited to the industry in which the SETA operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Account receivable are presented net of allowance for doubtful debt.

Notes to the Annual Financial Statements

2021
'000 2020
'000

28. Risk management (continued)

Interest rate risk

AGRISETA manages interest rate risk by effectively investing surplus cash in term deposits with the Corporation for Public Deposits according to AGRISETA investment policy.

2020/21	Floating rate	Non-Interest Bearing	Total
Cash	577 303	-	577 303
Receivables from exchange transactions	-	919	919
Payables from exchange transactions	-	(4 098)	(4 098)
	577 303	(3 179)	574 124

2019/20	Floating rate	Non-Interest Bearing	Total
Cash	549 595	-	549 595
Receivables from exchange transactions	-	628	628
Payables from exchange transactions	-	(4 073)	(4 073)
	549 595	(3 445)	546 150

29. Going concern

The Annual Financial Statement have been prepared on the basis of accounting policies applicable to a going concern. This presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

SETA's has been re-established until 31 March 2030 as per Gazette No 42290 dated 7 March 2019.

As a result of the COVID-19 pandemic, the State President announced the economic stimulus package which included a four month Skills Development Levy contribution holiday for employers effective 1 May 2020 to 31 August 2020.

Following the announcement of the four month contribution holiday AgriSETA assessed its impact in particular on the administrative budget as well as the annual performance plan, and prepared an adjustment budget and annual performance plan for 2020/21 financial year.

The AgriSETA will still be able to deliver on its mandate and meet its legal obligations in the foreseeable future.

30. Events after the reporting date

AgriSETA management has not identified any adjusting or non-adjusting event after reporting period date which would result in the financial statements being adjusted, or where such events required disclosure within the financial statements

Notes to the Annual Financial Statements

	2021 '000	2020 '000
31. Fruitless and wasteful expenditure		
Opening balance	98	98
Opening balance as restated	98	98
Add: Expenditure identified - current year	-	-
Less: Amount condoned - current year	(98)	-
Closing balance	-	98

AgriSETA has not incurred any fruitless and wasteful expenditure in the 2020/21 financial year.

32. Irregular expenditure

Opening balance	4 745	9 871
Less: Amount deemed not irregular expenditure 32.1 (Prior period error)	-	(19)
Opening balance (as restated)	4 745	9 852
Add: Irregular Expenditure - current year	1 119	167
Less: Amount condoned in the current year	-	(5 274)
Closing balance	5 864	4 745

Analysis of expenditure awaiting condonation per age classification

Prior year	4 745	4 578
Current year	1 119	167
	5 864	4 745

Details of irregular expenditure incurred during the year

	Incident		
The appointment of some members of the Accounting authorities was not in compliance with applicable legislation, in relation to the Skills Development Act.		1 119	-
Amount paid exceed approved contract value		-	167
		1 119	167

32.1 An amount of R18 thousand was erroneously included as irregular expenditure in 2018/19 financial year.

32.2 AgriSETA has started the process to finalise the condonation and write off the R4,7 million irregular expenditure opening balance. The process will be finalise in 2021/22 financial year , and where deemed necessary, AgriSETA will instigate appropriate consequence management processes.

Notes to the Annual Financial Statements

2021 '000	2020 '000
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33. Comparison of budget and actual amounts

Notes to comparison of actual and budget amounts :

Legislation requires that the SETA on an annual basis, in September, submit a budget to the Minister for approval.

Explanations have been provided below for significant variances.

33.1 Skills Development Levy (SDL) Income

AgriSETA collected 9% less SDL levies R24,8 million less than the budget. The impact of COVID-19 affected the collection rate, particularly with the 4 months levy holiday granted

33.2 Penalties and Interest

Income from penalties and interest arise when employers fail to submit their returns as required by legislation. These amounts typically vary year on year. Penalties and interest on SDL is not budgeted for.

33.3 Investment income - Interest received

Investment and other income mainly comprise of interest received on the CPD investment account. The budgeted return on investment was R30 million, however actual yield was R18,8 million. The R11 million under collection is due to the decline in the Repo rate by the Reserve Bank during the COVID-19 season on 2020/21 (cutting by a cumulative 1,5% between March 2020 and May 2020) to keep inflation below the mid-point and target range.

33.4 Employer grants and project expenditure

Actual Employer grants and projects expenditure were lower than the budget by R75,3 million due to delays on expenditure in implementation of discretionary contracts allocated to service providers. The COVID-19 pandemic that resulted in more restrictive job site rules caused this turn out of events because a majority of the learning and training programmes required on site and physical classroom attendance.

33.5 Employee related costs

Personnel expenditure is R1,2 million above the budget. This is an insignificant variance resulting from the consumption of budget based on planned activities.

33.6 General expenses

During the current year there was a spending of R3,2 million below budget. AgriSETA exercised strict control over general expenditure to ensure cost containment and that expenditure does not exceed budget. Any unspent funds are transferred to the discretionary reserves.

33.7 Government grants and donor funded projects

During 2020/21, AgriSETA entered into an agreement to implement an Artisans project for the Department of Public Works over a period of 3 years. A management fee revenue of R1,98 million was received and project costs amounted to R8,25 million.



Learners in rural Eastern Cape receiving career guidance via virtual platforms during the country's lockdown



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