



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT
2022 / 2023

95%

Agriculture Sector Education and Training Authority

ABOUT OUR COVER

At AgriSETA, we take immense pride in our unwavering commitment to excellence. Through sheer determination and consistent dedication, we have successfully reached our target and achieved an outstanding 95% performance for the year 2022/2023. The open hand which accompanies the nine, is indicative of a high five, the number five, the hands which do the work and the hand that feeds you.

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PART A
GENERAL
INFORMATION



PART B
PERFORMANCE
INFORMATION



PART C
GOVERNANCE



PART D
HUMAN RESOURCE
MANAGEMENT



PART E
FINANCIAL
INFORMATION





PART A:

General Information



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME: Agriculture Sector Education and Training Authority

**REGISTRATION NUMBER
(if applicable):** N/A

PHYSICAL ADDRESS: 529 Belvedere Street, Arcadia Pretoria

POSTAL ADDRESS: P.O. Box 23378, Gezina, 0031

TELEPHONE NUMBER/S: +27 12 301 5600

EMAIL ADDRESS: info@agriseta.co.za

WEBSITE ADDRESS: www.agriseta.co.za

EXTERNAL AUDITORS: Auditor-General South Africa

BANKERS: Standard Bank of South Africa

COMPANY/BOARD SECRETARY: Mr Mzuyanda Dlanga



2. LIST OF ABBREVIATIONS/ACRONYMS

18.1	Permanent employees
18.2	Unemployed people and under-resourced farmers
AET	Adult Education and Training
AFS	Annual Financial Statement
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
BBBEE	Broad-Based Black Economic Empowerment
CBO(s)	Community-Based Organisation(s)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CET	Community Education and Training
DAFF	Department of Agriculture Forestry and Fisheries
DEFF	Department of Environment, Forestries and Fisheries
DHET	Department of Higher Education and Training
DHESI	Department of Higher Education, Science and Innovation
DALRRD	Department of Agriculture, Land Reform and Rural Development
EA	Executive Authority
ETQA	Education Training and Quality Assurance
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practices
ICT	Information and Communication Technology
ILO	International Labour Organisation
ISRDS	Integrated Sustainable Rural Development Strategy
LPP	Learning Programmes and Projects
MEC	Member of Executive Council
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
NCOP	National Council of Provinces
NGOs	Non-Governmental Organisation(s)
NLRD	National Learner Record Database
NPO	Non-Profit Organisation



NQF	National Qualifications Framework
NSDP	National Skills Development Plan
PFMA	Public Finance Management Act, Act 1 of 1999
PIVOTAL	Professional Vocational Technical and Academic Learning
PPP	Public Private Partnership/s
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
SMME	Small, Medium Microenterprises
SSCs	Sub-Sector Committee(s)
SSP	Sector Skills Plan
StatsSA	Statistics South Africa
TR	Treasury Regulations
TVET	Technical Vocational Education and Training
WSP	Workplace Skills Plan



3. ACKNOWLEDGEMENTS



Minister, Dr Blade Nzimande



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 2022 to 31 March 2023 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 Innovation. 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. 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 2022 to 31 March 2023 and provides an overview of the operations, financial performance and developments across all performance targets as encapsulated in the Annual Performance Plan (APP).



4. CHAIRPERSON'S FOREWORD



Ms GS Sepeng

Our country's unemployment rate is currently 32.9%. However, our youth unemployment rate is 46.5%. That's almost half of our youth unemployed.

During the 2022 financial year, the South African economy recovered from the Covid-19 pandemic and was boosted by higher commodity prices contributing to an improved fiscal position. However, this was overshadowed by the underlying factors still impeding the country's ability to reach its potential in terms of sustainable, long-term growth.

On 24 February 2022 Russia invaded Ukraine resulting in significant increases in energy and food prices and creating supply chain disruptions. The economic stimulus packages implemented by many countries, compounded by the lengthy Covid-19 lockdown in China during 2022, all contributed to high global inflation rates and the subsequent risk of increased interest rates and an international recession. These geopolitical events resulted in high local inflation rates that, coupled with the continued uncertainty

around loadshedding and lower business confidence, led to greater financial constraints on South African consumers and businesses.

In responding to this bleak picture, as a SETA our role is to provide skills development and ensure our people, particularly the youth, become employable and are incorporated into the working class in the agricultural sector.

"Compared to the rest of Africa, South Africa has by far the most modern, productive and diverse agricultural economy. South Africa has a well-developed agricultural sector which will stand the country in good stead in the face of continuing uncertainty both economically and in terms of the weather. There are many factors impacting on the industry – including credit ratings downgrade, land reform concerns, volatile exchange rate, ongoing weather concerns and rising input costs."



This is according to the USA's International Trade Administration (ITA), a resource for competing in the international market, (ITA: 2023-05-06). Equally, according to the International Labour Organisation (ILO), the skills for trade and economic diversification (STED) programme provides sector level technical assistance to identify the skills development strategies required for future success in international trade. It is designed to support growth and decent employment creation in sectors with the potential to increase exports and contribute to economic growth.

In bringing this home, I was struck by the words of Raymond Mamabolo, named Gauteng's top performing township learner in 2021 as he obtained distinctions in all his matric subjects despite the many challenges, particularly resources. In an interview with SA Good News, an online platform about his current status quo, he said, "Our country should restructure its education system to equip learners with essential skills for our labour market. As globally, we are moving away from a job economy to a skill economy".

This statement comes from someone who entered one of South Africa's top universities as the perfect candidate to study actuarial science. The importance of skills development, therefore, cannot be overstated, but the skills mismatch in the agricultural sector is that neither of the constituents currently benefit fully from existing AgriSETA learnerships. There is a group of unskilled workers not eligible for lower level NQF AgriSETA learnerships because they do not have the requisite basic literacy and numeracy skills or they require RPL to be launched on a career development path. This unskilled workforce spans commercial and subsistence farming. 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.

AgriSETA has therefore put its weight behind implementing at least six RPL centres nationally. This will not only ensure we close the skills gap, but will also build pride among those people who have come so far without the requisite proof of owning a skill and, more importantly, make for a better chance for employability.

For the first time, the LPP division achieved over 90% of its targets in the reporting year due to AgriSETA's CEO's value-chain approach to closing the internal vacuums within the organisation. The process followed tightly aligned collaboration with skills planning, monitoring and finance divisions to create best practices and learn valuable lessons for dynamic project management.

- In the pursuit of fostering sustainable growth and innovation within the agricultural sector, AgriSETA has consistently recognized the pivotal role of strategic relationships and partnerships. These collaborations have emerged as dynamic avenues to address multifaceted challenges such as unemployment, while simultaneously driving revenue enhancement. By synergizing with key stakeholders across the agricultural spectrum, AgriSETA has been instrumental in cultivating a skilled workforce attuned to the demands of agritech and the Fourth Industrial Revolution (4IR). These partnerships not only bolster employability prospects for individuals but also facilitate the seamless integration of cutting-edge technologies, subsequently propelling the industry towards greater efficiency and competitiveness. As detailed in this annual report, AgriSETA's commitment to nurturing strategic relationships stands as a testament to its dedication to steering South Africa's agriculture sector into a future defined by innovation, economic resilience, and inclusive growth..
- As we look to the future, artificial intelligence (AI) will play an integral part of South Africa's development if we are to meet the Northern Hemisphere demands.

South Africa is making good progress. While this is aligned to the fourth industrial revolution (4IR), job security should not become the weak link in the sector. Hence, upskilling and reskilling is an important part of our conversations with stakeholders and employers as we look to ensure job security and for the sector to remain the important exporter of products without compromising the security of the people it serves.

I thank my fellow board members who support me, the CEO and his AgriSETA executive team, not only in the work we do, but in ensuring our ethics and principles are always aligned to our yields.

A special thank you, as always, to our minister and DHET, in allowing us, as AgriSETA, to serve a national duty.



Ms Sharon Sepeng
Chairperson
AgriSETA

Date: 31 July 2023



5. CHIEF EXECUTIVE OFFICER'S REPORT



Innocent Sirovha (Dr)

General financial review of the public entity

AgriSETA received an 8.8% increase in revenue in the financial year. The additional funds allowed AgriSETA to do a little more than usual, particularly as it is one of the smallest SETAs yet supporting a diverse and ever-changing sector, namely agriculture.

Spending trends

Revenue

The entity received R562.7 million in skills development levies income compared to R516 million in the previous financial year; a 8.9% increase. Furthermore, the entity received R8.7 million from the Department of Public Works towards a donor funded project for AgriSETA to execute on its behalf.

Expenditure

Actual employer grants and projects expenditure exceeded budget by R67 million due to fast-tracking discretionary contracts allocated to service providers. The mandatory grants paid was R92 million; a 5.7% increase on 2022/23 and the major contributor was the 100% approval of the work skills programme.

Administration employee costs in 2022/23 increased marginally with a 11.2% variance, and exceeded the budget by an expected R3 million due to inflation and rising oil and gas prices, impacting the cost of flights.

An increase in project monitoring by the SETA nationally made for a significant increase in travelling and accommodation costs during 2022/23 financial year, moving from R2 million to R3.9 million.



Capital investment at AgriSETA consists mainly of assets used daily. These include building infrastructure, such as furniture and fittings and computer equipment. AgriSETA purchased new assets worth R428 000 in the current year for office equipment and computer hardware that required upgrading and will allow field workers to continue working remotely. AgriSETA purchased office equipment and computer hardware worth R428 000, and computer software worth R341 000.

AgriSETA does not currently hold any infrastructure assets or have plans to close down or downgrade any current facilities. However, there are plans to lease an office building for a minimum three-year period while the SETA undertakes to refurbish the current office building as it is currently dysfunctional and in dire need of repair.

Discontinued key activities/activities to be discontinued

There are no discontinued key activities of significance in AgriSETA or any intention to discontinue any activities.

Requests for fund rollovers

In terms of Section 53(3) of the PFMA, public entities listed in Schedule 3A and 3C in the PFMA may not retain cash surpluses realised in the previous financial year without obtaining National Treasury's prior written approval. The National Treasury has for the retention of 2021/22 surpluses informed the SETA that it is the Minister of Higher Education, Science and Innovation that must approve the retention of surplus funds in terms of the Skills Development Act. AgriSETA subsequently requested the Minister of Higher Education, Science and Innovation to approve the use of the surpluses in terms of the SETA Grant Regulations, which was granted.

At the end of the 2022/23 financial year, these cash surpluses amounted to R421 million. The approval was granted to roll the surpluses into the 2023/24 financial year for discretionary projects to which AgriSETA is already committed and where an obligation exists to fulfil payments thereof once the projects are realised.

Contractual commitments

The entity has overcommitted (surplus less commitments at the end of the year) on its discretionary grants' commitments by R26,7 million at the end of the financial year. The SETA can manage the overcommitment and it is monitored to ensure it is not excessive when compared to our reserves.

Supply chain management (SCM)

SCM system consists of six core processes:

- demand
- acquisition
- logistics
- disposal
- risk management and
- contract performance evaluation and monitoring.

The AgriSETA SCM systems and processes are in place. Implementing the enterprise resource planning (ERP) system recently instituted assists in enhancing our systems and controls.

Concluded unsolicited bid proposals

There were no concluded unsolicited bid proposals of which we are aware.

Irregular expenditure

By the year ended 31 March 2023, AgriSETA had an amount of R77,8 million raised as irregular expenditure due to non-compliance with the PFMA section 53(4) which stipulates that the executive authority must approve the budget to be spent by the entity.

In this instance, the discretionary grants realised in 2022/23 related to both current year contracts as well as previous year contracts only implemented in the current year. The SETA was able to settle these obligations from previous year contracts due to the sufficient reserves.

Audit report matters in the previous year and how they were addressed

The entity and the accounting authority welcome our audit outcome of an unqualified opinion with no material findings. We continue proactively analysing the root causes of internal control breakdowns and, based on our analysis and investigations, we monitor the internal control environment in a bid to improve it. We ensure our staff are accountable and actively working towards a good internal control environment.

Outlook/plans to address financial challenges

Even in these uncertain times, our strong financial standing is upheld with the commitment and expertise of our staff, partners and stakeholders. Our accounting authority and professional staff work diligently to maintain sound financial controls.



Our audit committee oversees our financial reporting and risk management. Our finance and remuneration committee continuously monitors our investment policies, asset allocation, financial performance and strength of our balance sheet.

Our ICT steering committee oversees the implementation and security of our recording and reporting systems. Lastly, our executive management ensures we maintain efficient operations and keep watch over our financial health.

Events after the reporting date

There were no post balance sheet events of which the entity is aware. However, AgriSETA has recruited an internal auditor to save the organisation costs as it previously outsourced this function.

Economic viability

Management has assessed the entity's ability to continue as a going concern and not identified events or conditions, individually or collectively, to cast significant doubt on its ability to continue.

Legally, the SETA has access to continuous revenue (R611.3 million for the period under review) that exceeded expenditure of R703.4 million, resulting in a R92.1 million accounting deficit. The entity does not foresee the Skills Development Levies Act being repealed in the foreseeable future and has neither the intention nor need to liquidate or materially curtail its scale. Furthermore, the Minister of Higher Education and Training has re-established the SETAs to operate to 31 March 2030 as published in Government Gazette 42290 issued on 7 March 2019.

For the period under review, current assets exceed liabilities by R421.9 million; total assets exceed total liabilities by R435.7 million and AgriSETA had a positive bank balance of R520 million.

While AgriSETA remains economically viable, there is room for improvement in terms of broadening the levy income

base within the sector. There are currently no policy reforms the AgriSETA must undertake since financial viability is not at risk.

Acknowledgements and appreciation

Great appreciation goes to the portfolio committee on Higher Education, Science and Technology, the auditor-general, AgriSETA accounting authority (AA) and audit and risk committee (ARC) for their continuous guidance in directing the entity's course towards the NDP 2030's objectives. To this end, various AA sub-committees played a key role in ensuring better processing of AgriSETA's board resolutions and priorities, ensuring exacting target execution. Further gratitude goes to broader stakeholders, as they are the centre of our business. We thank the ministry's office for the invaluable contribution and guidance to ensure we continue delivering our services better, smarter and to a greater extent and in a continued effort to ensure we reach every South African.

Thank you to our levy payers, partners and trusted accredited training providers in working with us to fulfil our mandate of skills development in the agricultural sector.

We are pleased with our unqualified audit opinion and look forward to working with our stakeholders in ensuring the organisation maintains this outcome.

Not least, I wish to thank AgriSETA's hard-working employees, the cogs in the wheel we strive to drive to perfection.



Dr Innocent Sirovha
Chief Executive Officer
AgriSETA

Date: 31 July 2023



6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General South Africa.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The annual financial statements (Part F) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (PFMA) standards applicable to the public entity.



DR INNOCENT SIROVHA

Chief Executive Officer

Date: 31 July 2023

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control 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 external auditors are 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 the public entity for the financial year ended 31 March 2023.



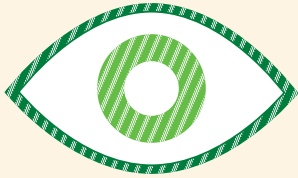
MS G S SEPENG

Accounting Authority Chairperson

Date: 31 July 2023

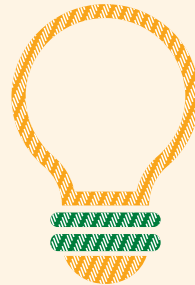


7. STRATEGIC OVERVIEW



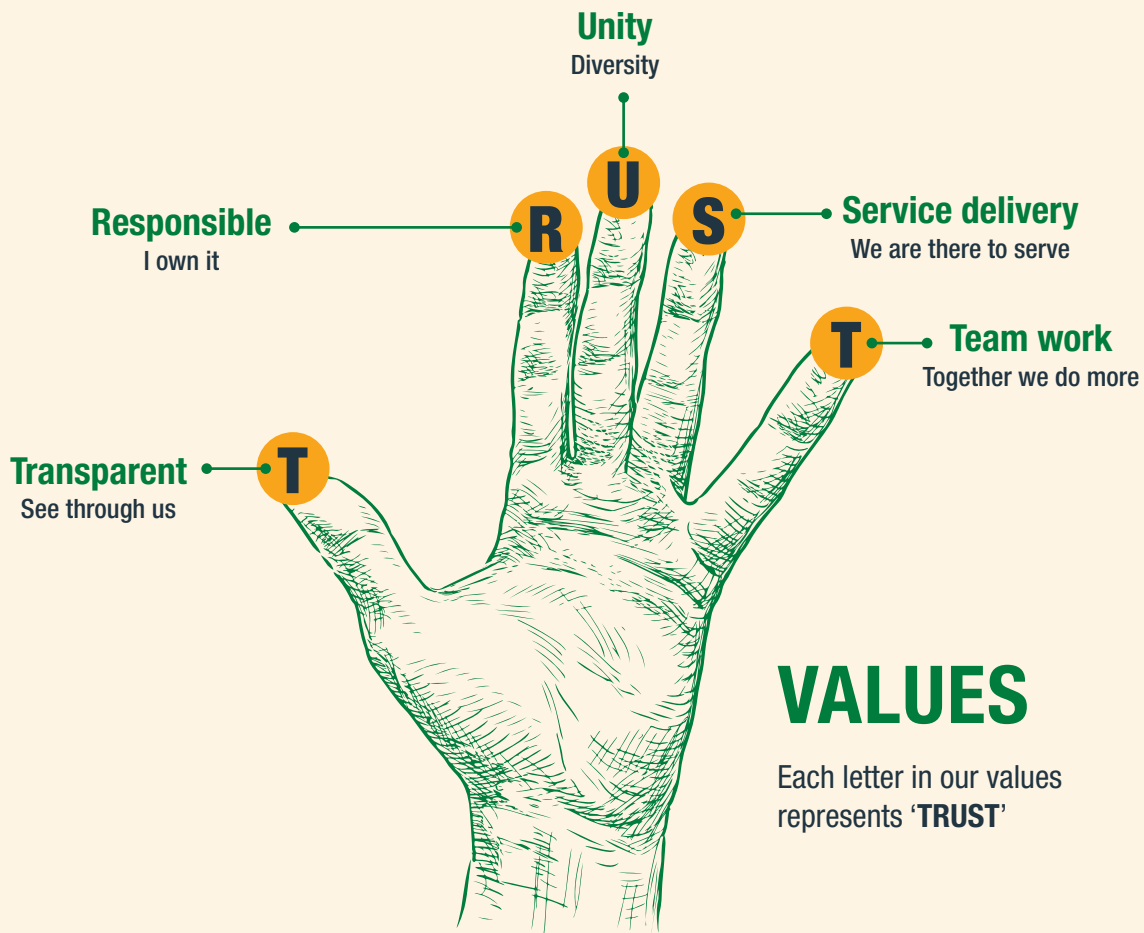
VISION

Enabling a skilled and prosperous agricultural sector.



MISSION

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



VALUES

Each letter in our values represents 'TRUST'

8. 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 governing the SETA's work:

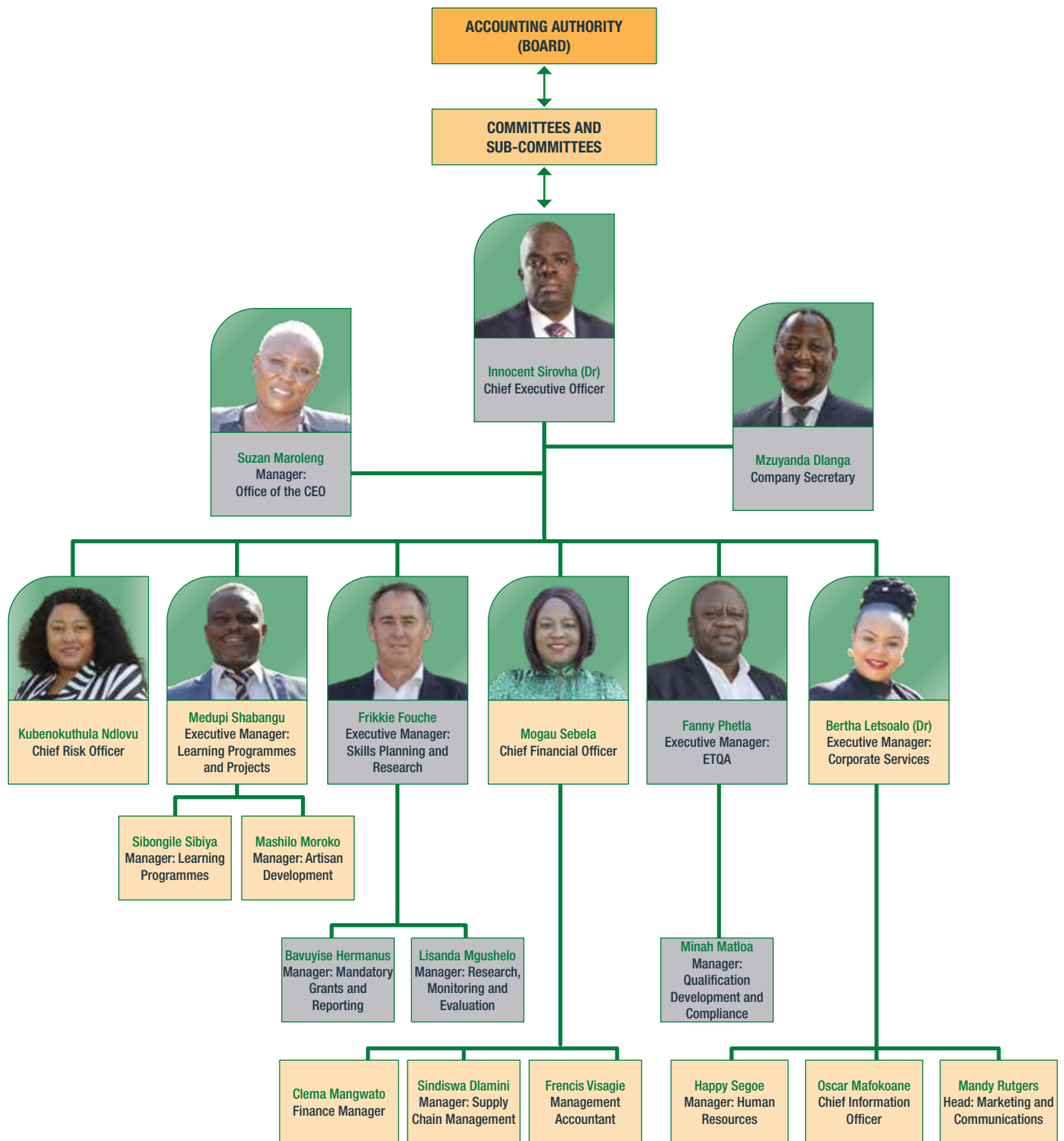
- Skills Development Act (Act 97 of 1998, as amended)
- Skills Development Levies Act (Act 9 of 1999)
- National Qualifications Framework Act (Act 67 of 2008)
- Public Finance Management Act (Act 1 of 1999, as amended)
- National Treasury Regulations (2005 as amended)
- National skills development plan (NSDP)
- 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)
- Protection of Personal Information Act (POPIA)



Office of the CEO



9. ORGANISATIONAL STRUCTURE







PART A
GENERAL
INFORMATION



PART B
PERFORMANCE
INFORMATION



PART C
GOVERNANCE



PART D
HUMAN RESOURCE
MANAGEMENT



PART E
FINANCIAL
INFORMATION





PART B:

Performance Information



1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance via an audit conclusion. This is included in the report to management with material findings reported under the predetermined objectives heading on other legal and regulatory requirements section.

Refer to page 70 of the auditor's report published as Part E: financial information.



Finance and Supply Chain Management

2. PERFORMANCE OVERVIEW

1.1 Situational analysis

While AgriSETA's Sector Skills Plan (SSP) aims 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 sector.

- South Africa has a dual agricultural economy; spanning emerging, subsistence and commercial interests. Notwithstanding the fact that it derives the bulk of its income from a relative small group of top levy payers AgriSETA is required to serve both these constituencies in a fair manner. The top levy payers' contributions justify the need to cater for their skills needs, but there is also an equal democratic imperative to support subsistence farmers and rural development in order to improve livelihoods and food security;
- Differing skills requirements are prevalent throughout the agricultural sector. Commercial farmers require high level technical skill for managerial positions, and improved AET and RPL for their unskilled workforce. While emerging farmers and co-operatives require partnerships (with big business, government departments, other SETAs and industry bodies) that are targeted at 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 fall beyond traditional SETA learnerships;
- It appears that the skills mismatch in the agricultural sector means that neither of these constituents currently benefits fully 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 onto a career development path. This unskilled workforce spans commercial and subsistence farming. 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.

1.2 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.

1.2.1 Covid-19

The outbreak of the novel Corona virus disease, also known as COVID-19, has become the biggest driver of change relating to key skills in the South African agriculture sector in 2020, affecting economic and employment status (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 responses demonstrated that 56% of the entities who responded were not able to market their produce/products, both locally and internationally, which resulted in an average of 33% retrenchment of employees in order to reduce cost. The further COVID-19 study conducted in May 2021, indicated that the impact of COVID-19 on employment continued as some industries had to retrench above 10% of their employees. It was also reported COVID-19 caused delays on the implementation of training programmes planned by various institutions. Even though agriculture was declared as an essential service, with only a few industries in the sub-sector not able to operate, 98% of small-scale farmers reported that COVID-19 had a negative impact on their production activities, due to travel restrictions in sourcing inputs and high cost of COVID-19 protective equipment kit consequently affecting their farm income.

1.2.2 Fourth industrial revolution (4IR)

The technological revolution will fundamentally change the way agriculture operates. New technological advancements will impose new demands and the 4IR can potentially positively impact on productivity and profitability as it boosts yields and lowers costs. However, it poses a negative effect on employment by reducing the demand for labour. The technology will eliminate the need for tractor operators and herdsmen among others.



1.2.3 Environmental sustainability

Since the launch of the Green Economy Initiative (GEI) in 2008 by the United Nations, the concept of the green economy has emerged as a strategic priority for many governments and intergovernmental organisations in 65 countries, including South Africa. Agriculture is one of the key sectors expected to drive SA's green economy (DEFF, 2020). During AgriSETA stakeholder engagements in June 2021, it was indicated that green economy continues to be a driver of change in the sector as it is within the policy context of the country. South Africa views the green economy as a sustainable development path based on addressing the interdependence between economic growth, social protection and natural ecosystem (DEFF, 2020). Agriculture is highly dependent on the climate. Drought, floods, pests and diseases were identified by stakeholders as impacts of climate change and unsustainable use of the environment and resources. Climate-smart agriculture (CSA) has to be adopted to prevent the negative effects of climate change on production.

1.2.4 Pest and diseases

The prevention and control of new pests and diseases in the agriculture sector is a challenge. In South Africa, pests and diseases affect both crop and livestock production. For instance, in livestock production in 2020, Foot and Mouth Disease (FMD) and African Swine Fever broke out in some areas of South Africa such as Limpopo and Eastern Cape (DAFF, 2020). The containment of the FMD is required to gain free zone status with the international animal health organisation again. There was an outbreak of Brucellosis (Bang's Disease) (DARD, 2020) which was followed by FMD in KwaZulu-Natal which has caused a further setback which was announced by the Red Meat Producers Organisation (National Animal Health Forum, press release 31 May 2021). This negatively affected the exports. This outbreak was attributed to the low number of private veterinarians, lack of resources, and non-compliance with regulations.

In the crop production industry during 2017, an unknown armyworm was reported to be damaging crops. The Department of Agriculture, Land Reform and Rural Development released a media statement in January 2021, announcing that this pest still lingers and pleaded to all maize and related host crops such as sorghum and sweet corn growers to take precautionary measures in controlling the Fall Armyworm (DRDLR, media statement, 14 January 2021). Effective control of the FAW can be realised through

integrated pest management practices but the main concern with this pest is that it can rapidly develop resistance to agrochemicals. Therefore, rotation of chemicals used is important. During focus group discussions with small-scale farmers, it was reported that there is a brown locust outbreak in most provinces. According to an article published in February 2021 by Farmers' Weekly (2021), it has been reported that the brown locusts could cause extensive damages to crops, with most damage caused to grazing veld where locust could be competing with sheep for forage. These small-scale farmers also reported that their main problem with pests and diseases is that they do not have enough knowledge of control and sometimes cannot afford to buy the necessary chemicals.

1.2.5 Land reform

The land reform programme in South Africa speaks to land restitution, land tenure reform and land redistribution for the main benefit of people who previously owned the land. It has been reported by media that the land reform farms are failing in the hands of the new owners. The major factors affecting sustainability of land reform projects are lack of farming skills, lack of government support, participants resorting to farming on a temporary basis and participants' inability to resolve farming challenges on their own (Manenzhe et. al, 2016). The stakeholders in the secondary agriculture sub-sectors have reported the challenges they have experienced due to small-scale land reform beneficiaries' lack of necessary skills. These included inconsistencies in supply of produce, poor quality, and insufficient quantities produced by these new entrants. Failure to commit to market agreements ruin other producers' chances to secure an offtake agreement to the markets.

Service delivery environment

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

- a) AgriSETA identified four programmes that will be driven to achieve the organisational goals aligned with the proposed higher education science and technology framework for strategic plans.
- b) Strategic outcome orientated goals were devised for the organisation.



Organisational environment

Organisational systems

AgriSETA has a well-established human resources 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

AgriSETA's previous flat management structure has been layered to ensure accountability, however it still has a democratic and participative culture, where an open door policy is the norm. 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 management and staff are constantly striving 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.

4.5. SETA landscape

AgriSETA's licence was extended to 2030. This provides further stability to the organisational structure. The NSDP was officially launched in February 2019 for implementation on 1 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.

Compliance to the B-BBEE Act

AgriSETA is in full compliance with broad-based black economic legislation.

Designated groups

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

Strategic outcomes

Impact statement	Increased supply of occupations in high demand in the agricultural sector
Strategic outcome 1	Identify and increase the production of occupations in high demand
Outcome indicator	Establish and enhance a credible institutional mechanism for skills planning
MTSF priority	Outcome 5: a skilled and capable workforce to support an inclusive growth path
Baseline	New indicator
Five-year target	One credible mechanism

Impact statement	An education system responsive to workplace skills needs
Strategic outcome 2	Improved linkage between education and the workplace
Outcome indicator	Increased exposure of beneficiaries to workplaces through PIVOTAL initiatives
MTSF priority	Outcome 5: a skilled and capable workforce to support an inclusive growth path
Baseline	New indicator
Five-year target	10%

Impact statement	A capacitated agricultural workforce
Strategic outcome 3	Improving skills level in the South African workforce
Outcome indicator	Increased workplace training of employed workers
MTSF priority	Outcome 5: a skilled and capable workforce to support an inclusive growth path
Baseline	New indicator
Five-year target	10%



Impact statement	An agricultural sector that prioritises occupational learning
Strategic outcome 4	Increase access to occupationally directed programmes
Outcome indicator	Access to occupationally directed programmes increased
MTSF priority	Outcome 5: a skilled and capable workforce to support an inclusive growth path
Baseline	New indicator
Five-year target	5% annually up to 2024

Impact statement	A responsive, capacitated agricultural college system
Strategic outcome 5	Increased growth of public colleges as a key skills provider required for socio-economic development
Outcome indicator	Increased learner enrolment into the post-school system through agricultural, TVET and CET colleges by 20%
MTSF priority	Outcome 5: a skilled and capable workforce to support an inclusive growth path
Baseline	New indicator
Five-year target	20% by 2024

Impact statement	A capacitated cohort of agricultural cooperatives
Strategic outcome 6	Increased skills development support for entrepreneurship and cooperative expansion
Outcome indicator	Increased access of unemployed, youth, women and people with disabilities to entrepreneurial and cooperative development by 20%
MTSF priority	Outcome 7: comprehensive rural development and land reform
Baseline	New indicator
Five-year target	20% by 2024

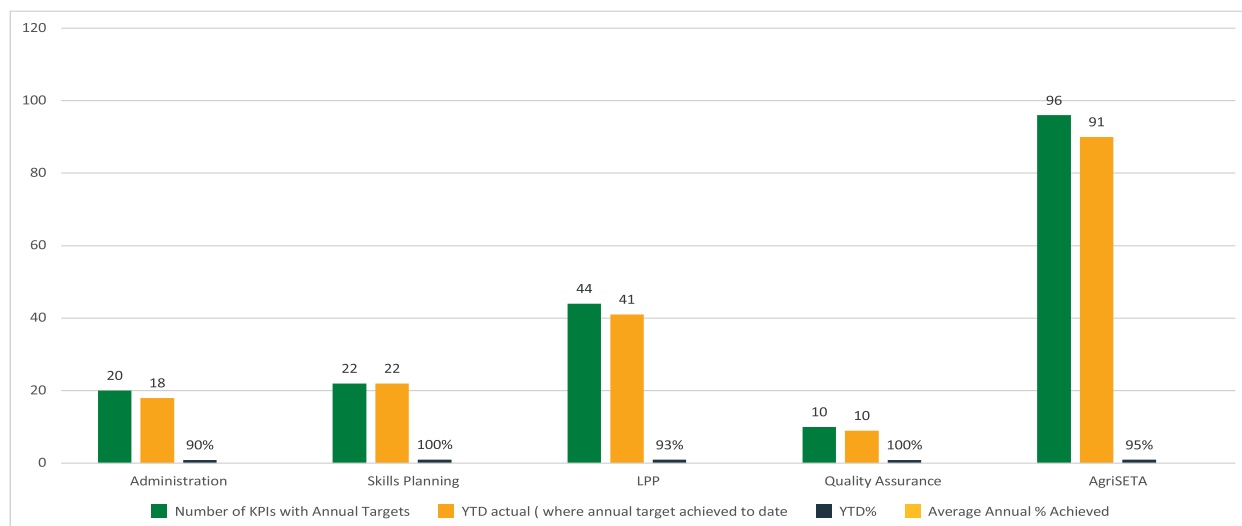
Impact statement	An inclusive sector providing worker-led training
Strategic outcome 7	Increased support for worker-initiated training
Outcome indicator	Increased worker training initiatives through trade unions and federations by 15%
MTSF priority	Outcome 5: a skilled and capable workforce to support an inclusive growth path
Baseline	New indicator
Five-year target	15% by 2024

Impact statement	Agriculture promoted as a career of choice
Strategic outcome 8	Improved career development services
Outcome indicator	Increased participation of youth in agriculture
MTSF priority	Outcome 5: a skilled and capable workforce to support an inclusive growth path Outcome 7: Comprehensive rural development and land reform
Baseline	New indicator
Five-year target	45% of AgriSETA beneficiaries are youth



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 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
1.1.1. Budgeted revenue collected	93%	100%	100%	104%	4%	Target exceeded due to a higher-than-projected SDL collected in the reporting period
1.1.2. Number of prepared and submitted financial reports to board and executive	4 Quarterly financial reports	Four quarterly financial reports	Four quarterly financial reports	4	0	No variance
1.1.3. Percentage of audit (external) queries resolved based on audit findings reported in the prior financial year	100% resolved	100% resolved	95% resolved	96%	1%	Target exceeded due to an accelerated implementation of the audit action plan
1.1.4. Approved annual procurement plan	N/A	N/A	1	1	0	No variance



Sub-programme 2: Governance						
Output: Functional governance structures						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
1.2.1. Number of board and standing committees capacitated through training programmes	2	2	2	2	0	No variance
1.2.2. Quarterly SETA good governance reports submitted	4	4	4	4	0	No variance
1.2.3. Quarterly legislative compliance reports submitted	NA	N/A	4	4	0	No variance
1.2.4. Approved annual report submitted to DHET	NA	N/A	1	1	0	No variance

Sub-programme 3: ICT						
Output: 90% of approved and funded ICT plan implemented						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
1.3.1. Percentage of reported ICT faults and incidents logged are resolved within service level standards	93% resolved within SLA	90% resolved within SLA	90% resolved within SLA	96.8%	7.5%	Target exceeded due to improved incident logging and resolution procedures as well as the complexity of the calls that could be resolved within the SLA
1.3.2. Percentage of approved ICT interventions implemented	75% implemented	90% implemented	80% implemented	0%	(100%)	Target not achieved due to delays in procuring and implementing processes
1.3.3. Percentage availability maintained of ICT infrastructure (servers and LAN)	98% Availability of LAN and servers achieved	98% availability of servers and LAN achieved	95% availability of LAN and servers achieved	99.72%	4.9%	Target exceeded due to improved infrastructure maintenance
1.3.4. Percentage of the digitisation of AgriSETA functions completed	NA	N/A	75%	11.11%	(85.1%)	Target not achieved due to delays in procuring and implementing processes
1.3.5. Percentage cybersecurity compliance level maintained against security penetration test	NA	N/A	80%	81%	1.2%	Target exceeded due to improved ICT governance



Sub-programme 3: ICT						
Output: 90% of approved and funded ICT plan implemented						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
1.3.6. Number of business continuity and ICT systems disaster recovery testing conducted annually	NA	NA	1	1	1	No variance

Sub-programme 4: HR						
Output: Employee turnover rate kept below 5% annually						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
1.4.1. Percentage of employees participated in further career development	80%	5%	50%	76%	52%	Target exceeded due to a higher-than-projected number of employees assisted within the available budget
1.4.2. Percentage of employees signed performance contracts annually	100%	100%	100%	100%	0%	No variance
1.4.3. Number of workplace skills plans submitted to Services SETA annually	NA	N/A	1	1	0	No variance

Sub-programme 5: Risk						
Output: Annual approved risk management implementation plan						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
1.5.1. Strategic risk register updated quarterly	4	4	4	4	0	No variance
1.5.2. Fraud risk register updated quarterly	4	4	4	4	0	No variance
1.5.3. Quarterly fraud and corruption hotline reports submitted	NA	N/A	4	4	0	No variance



Programme 2: Skills planning

Sub-programme 2.1: Research						
Output: Established and maintained mechanism for skills planning annually						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
2.1.1. SSP updated annually	1 SSP	1 SSP	1 SSP	1	0	No variance
2.1.2. APP updated	1 APP	1 APP	1 APP	1	0	No variance
2.1.3. Strategic plans updated annually	1 SP	1 SP	1 SP	1	0	No variance
2.1.4. Number of SSC committee meetings facilitated	11 SSCs 2 Plenary	11 SSCs	22 SSCs	23	1	Target exceeded due to a higher-than-projected number of SSC meetings facilitated
2.1.5. Number of sub-sector plans updated	11	2 meetings	11	11	0	No variance
2.1.6. Number of research projects established	NA	N/A	3	3	0	No variance

Sub-programme 2.2: Monitoring and evaluation						
Output: Established and strengthened an organisation-wide monitoring and evaluation framework						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
2.2.1. Quarterly verification report of predetermined objectives issued	4	4	4	4	0	No variance
2.2.2. Percentage of monitoring and evaluation visits on PIVOTAL projects conducted annually	7% of projects verified	35% of projects verified	35% of projects verified	35%	0%	No variance
2.2.3. Percentage of monitoring and evaluation visits on non-PIVOTAL projects conducted annually	5% of projects verified	25% of projects verified	25% of projects verified	32%	28%	Target exceeded due to additional projects monitored with cross-departmental participation
2.2.4. Organisational performance uploaded to the QPRS quarterly	NA	N/A	4	4	0	No variance



Sub-programme 2.3: Mandatory grants						
Output: Increased employer access to grant information						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
2.3.1. Number of WSPs and ATRs approved for large firms	389 large firms	350 large firms	350 large firms	387	37	Target exceeded due to improved quality of WSP/ATR that meant an increase in approvals
2.3.2. Number of WSPs and ATRs approved for medium firms	534 medium firms	480 medium firms	480 medium firms	522	42	Target exceeded due to improved quality of WSP/ATR that meant an increase in approvals
2.3.3. Number of WSPs and ATRs approved for small firms	768 small firms	700 small firms	700 small firms	858	158	Target exceeded due to improved quality of WSP/ATR that meant an increase in approvals
2.3.4. Increased payment of mandatory grants to 78% annually	81% of grants paid	78% of grants paid	78% of grants paid	122.68%	57.2%	Target exceeded due to improved payment processes
2.3.5. Number of SDFs trained annually as part of employers' support	220 SDFs trained	90 SDFs trained	90 SDFs trained	213	123	Target exceeded due to a higher-than-projected number of SDFs attending training sessions

Sub-programme 2.4: Marketing and Communications						
Output: Established strategic partnerships to strengthen career guidance in the sector						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
2.4.1. Number of agricultural career summits launched nationally	2	4	4	4	0	No variance
2.4.2. Number of career exhibitions attended. Schools involved and learners exposed	3 exhibition	15 exhibitions	15 exhibitions	27	12	Target exceeded due to a higher-than-projected invitations received to attend career exhibitions.
2.4.3. Monthly media monitoring reports submitted	NA	N/A	12	12	0	No variance
2.4.4. AgriSETA newsletter distributed monthly	NA	N/A	12	12	0	No variance



Sub-programme 2.5: Reporting						
Output: Increased accessibility of information and knowledge						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
2.5.1. Quarterly submitted performance information on SETMIS timeously	4 reports	4 reports	4 reports	4	0	No variance
2.5.2. Percentage variance maintained between SETMIS and including information	0% variation	10% variation	10% variation	0%	100%	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	100% resolved	90% resolved	90% resolved	100%	11%	Target exceeded due to improved internal control implementation

Programme 3: Learning programmes and projects

Sub-programme 3.1: Workplace learning						
Output: Increased access to learning opportunities annually						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
3.1.1. Percentage of discretionary grant budget allocated at developing high level skills	40%	34%	19%	26%	36.8%	Target exceeded due to a higher-than-projected application for high level skills
3.1.2. Percentage of discretionary grant budget allocated at developing intermediate skills	30%	30%	21%	47%	123.8%	Target exceeded due to a higher-than-projected application for intermediate level skills
3.1.3. Percentage of discretionary grant budget allocated at developing elementary skills	51%	8%	8%	15%	87.5%	Target exceeded due to a higher-than-projected application for elementary level skills
3.1.4. Number of employed learners entering learnership programmes	LS-1765	LS-2850	LS-1300	1306	6	Target exceeded due to implementing targeted funded projects



Sub-programme 3.1: Workplace learning						
Output: Increased access to learning opportunities annually						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
3.1.5. Number of employed learners completing learnership programmes	LS-1247	LS-1550	LS-1000	1728	728	Target exceeded due to a higher-than-projected number of learners completing learnership programmes
3.1.6. Number of employed learners entering skills programmes	SP-2174	SP-2500	SP-2000	2 927	927	Target exceeded due to a higher-than-projected number of learners assisted within budget
3.1.7. Number of seasonal workers entering skills programmes	NA	NA	SP-100	100	0	No variance
3.1.8. Number of employed learners completing skills programmes	SP-823	SP-1445	SP-1445	1 833	388	Target exceeded due to a higher-than-projected number of learners entering skills programmes
3.1.9. Number of employed learners entering AET programmes	AET -642	AET-875	AET-400	410	10	Target exceeded due to a higher-than-projected learners entering AET programmes
3.1.10. Number of employed learners completing AET programmes	AET -72	AET-435	AET- 200	214	14	Target exceeded due to accelerated project implementation
3.1.11. Number of learners entering internship programmes	INT-322	INT-542	INT-600	709	109	Target exceeded due to accelerated implementation of targeted funded projects
3.1.12. Number of internship programmes completed;	INT-269	INT-250	INT-250	398	148	Target exceeded due to improved project implementation
3.1.13. Number of TVET students requiring WIL to complete their qualifications placed in workplaces	127	125	505	508	3	Target exceeded due to increased learner uptake from ATVET colleges
3.1.14. Number of TVET students who completed their WIL placements	70	50	100	121	21	Target exceeded due to accelerated completion of targeted funded projects



Sub-programme 3.1: Workplace learning						
Output: Increased access to learning opportunities annually						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
3.1.15. Number of university students requiring WIL to complete their qualifications placed in workplaces	253	265	125	259	134	Target exceeded due to implementing targeted funded projects.
3.1.16. Number of university students who completed their WIL placements	161	50	100	197	97	Target exceeded due to a higher-than-projected learners entering graduate placement programmes
3.1.17. Number of bursaries to employed learners	B (18.1)–129	B (18.1)–435	B (18.1)–90	98	8	Target exceeded due to improved project implementation
3.1.18. Number of bursaries to employed learners continuing their studies	NA	NA	80	84	4	Target exceeded due to improved project implementation
3.1.19. Number of employed learners completing bursary programmes	B (18.1)–76	B (18.1)–60	B (18.1)–70	19	51	Target not achieved due to a lower-than-projected completion of programmes
3.1.20. Number of bursaries to unemployed learners	B (18.2)–122	B (18.2)–560	B (18.2)–260	335	75	Target exceeded due to a higher-than-projected number of learners entering bursary programmes
3.1.21. Number of bursaries to unemployed learners continuing their studies	N/A	N/A	180	271	91	Target exceeded due to implementing targeted funding projects
3.1.22. Number of unemployed learners completing bursary programmes	B (18.2)–144	B (18.2)–112	B (18.2)–112	132	20	Target exceeded due to improved project implementing processes
3.1.23. Number of learners entering artisan development programmes	299 Artisans	280 Artisans	400 Artisans	615	215	Target exceeded due to targeted funding through partnerships
3.1.24. Number of learners completing artisan development programmes	125 Artisans	130 Artisans	130 Artisans	211	81	Target exceeded due to a higher-than-projected completion rate
3.1.25. Number of learners supported in centres of specialisation	25	25	25	45	20	Target exceeded due to accelerated implementation through TVET colleges



Sub-programme 3.1: Workplace learning						
Output: Increased access to learning opportunities annually						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
3.1.26. Number of learners who completed workplace-based learning interventions absorbed into employment or self-employment	NA	N/A	1 550	1271	(279)	Target not achieved due to a lower-than-projected number of learners who confirmed absorption within the sector

Sub programme 3.2. Worker initiated training						
Output: Increased skills levels in the workplace through projects implemented						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
3.2.1. Number of federations/ trade unions supported through the relevant skills training interventions	2	8	5	6	1	Target exceeded due to a higher-than-projected number of organisations assisted within budget
3.2.2. Number of commodity organisations supported	10	17	5	11	6	Target exceeded due to a higher-than-projected applications received

Sub-programme 3.3. Rural and youth development						
Output: Increased access to learning opportunities of unemployed learners annually						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
3.3.1. Number of unemployed learners entering learnership programmes	LS – 2597	2597	LS-3000	4 757	1 756	Target exceeded due to additional learners funded through partnerships
3.3.2. Number of unemployed learners completing learnership programmes	LS – 903	903	LS-950	3 353	2 403	Target exceeded due to the higher-than-projected learners entering skills programmes
3.3.3. Number of unemployed learners entering skills programmes	SP – 3625	SP-3200	SP-3000	3 971	971	Target exceeded due to targeted funding and partnerships concluded



Sub-programme 3.3. Rural and youth development						
Output: Increased access to learning opportunities of unemployed learners annually						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
3.3.4. Number of women, youth and persons living with disability entering skills programmes	N/A	N/A	SP-100	100	0	No variance
3.3.5. Number of land beneficiaries entering skills programmes	N/A	N/A	SP-200	200	0	No variance
3.3.6. Number of unemployed learners completing skills programmes	SP – 2318	SP-3000	SP- 2500	2 973	473	Target exceeded due to the higher-than-projected learners entering skills programmes
3.3.7. Number of programmes in support of rural structures	SRS - 51	SRS-30	SRS-100	100	0	No variance
3.3.8. Number of co-operatives supported with training interventions or funded	100	80	80	137	57	Target exceeded due to higher-than-projected projects accommodated within budget
3.3.9. Number of small businesses supported with training interventions or funded	40	35	50	61	11	Target exceeded due to an accelerated implementation of targeted funded projects
3.3.10. Number of people trained on entrepreneurship supported to start their businesses	0	0	40	82	42	Target exceeded due to an accelerated implementation of targeted funded projects
3.3.11. Number of CBOs/NGOs/NPOs supported with training interventions or funded	11	30	40	53	13	Target exceeded due to an accelerated implementation of targeted funded projects



Sub programme 3.4. Public and private entity partnership development (strategic partnerships)						
Output: Increased skills levels of beneficiaries of public and private sector by implementing projects						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
3.4.1. Number of SETA/ employers' partnerships established	1	8	10	10	0	No variance
3.4.2. Number of partnerships with public sector in support of ministerial projects	1	5	5	1	(4)	Target not achieved due to lower-than-projected applications for partnerships
3.4.3. Number of TVET/ATVET partnerships established	N/A	N/A	4	4	0	No variance
3.4.4. Number of HEI partnerships established	N/A	N/A	6	7	1	Target exceeded due to a higher-than-projected HEIs applying for partnerships
3.4.5. Number of CET partnerships established	N/A	N/A	2	2	0	No variance

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 developing and implementing occupations in high demand						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
4.1.1. Number of occupationally directed qualifications developed/realigned	5	6	6	6	0	No variance
4.1.2. Number of learners entered into RPL programmes	310	1120	1141	1187	46	Target exceeded due to accelerated implementation through RPL centres
4.1.3. Number of learners completing RPL programmes	110	300	300	423	123	Target exceeded due to a higher-than-projected number of learners entering the RPL process



Sub-programme 4.2. Agricultural education and training systems						
Output: Increased capacity building programmes aimed at the public college sector						
Performance indicator (specific outcomes)	Actual achievement 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement for 2022/2023	Reasons for deviations
4.2.1. Number of agricultural colleges (TVET) supported with capacity building programmes	9	8	11	11	0	No variance
4.2.2. Number of accredited training providers for agricultural programmes	136	50	50	338	288	Target exceeded due to additional providers from other sectors applying for accreditation within agriculture
4.2.3. Number of training providers monitored	153	300	300	312	12	Target exceeded due to an increased scope of monitoring quality within the sector
4.2.4. Number of learners certified	2 904	4000	4000	4197	197	Target exceeded due to the number of learners funded by external funders
4.2.5. Number of ETPD practitioners registered	104	100	100	177	77	Target exceeded due to a higher number of newly accredited providers
4.2.6. Number of TVET lecturers exposed to the industry through skills programmes	25	20	35	55	20	Target exceeded due to a higher than projected number of lecturers that could be accommodated within budget
4.2.7. Number of SETA offices established and maintained in TVET colleges	NA	NA	5	7	2	Target exceeded due to additional offices opened within ATVET colleges



Skills Planning and Research (SP&R)



STRATEGIES TO OVERCOME AREAS OF UNDERPERFORMANCE

Programme 1: Administration

Sub-programme	Measures to improve underperformance
Finance	All targets achieved
Governance	All targets achieved
Information communication technology	<ul style="list-style-type: none"> Project implementation of ICT projects will be accelerated Management of new ICT projects will be improved to ensure that implementation is accelerated Procurement teams will be strengthened to ensure that decision making improved The AgriSETA processes that needs to be digitised will be prioritised in line with the new ERP system SCM processes will be improved to allow for efficient and effective implementation of digitisation of prioritised projects
Human resources	All targets achieved
Risk	All targets achieved

Programme 2: Skills planning

Sub-programme	Measures to improve performance
Research	All targets achieved
Monitoring and evaluation	All targets achieved
Mandatory grants	All targets achieved
Marketing and communication	All targets achieved
Reporting	All targets achieved

Programme 3: Learning programme and projects

Sub-programme	Measures to improve underperformance
Workplace learning	AgriSETA will ensure that linkages with workplaces are strengthened to allow for more learners to be absorbed in workplaces.
Worker initiated training	AgriSETA will strengthen its engagement with organised labour organisations to ensure that more workers access learning opportunities.
Rural and youth development	All targets achieved
Public and private entity partnership development (strategic partnerships)	AgriSETA will forge stronger partnerships with DHET to ensure that projects be implemented that are aligned to the identified priorities within the sector working with DHET.

Programme 4: Quality assurance

Sub-programme	Measures to improve underperformance
Occupational qualifications in high demand	All targets achieved
Agricultural education and training systems	All targets achieved



3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Programme 1: Administration

The overall summary of the programme performance is illustrated in Fig 1 below.

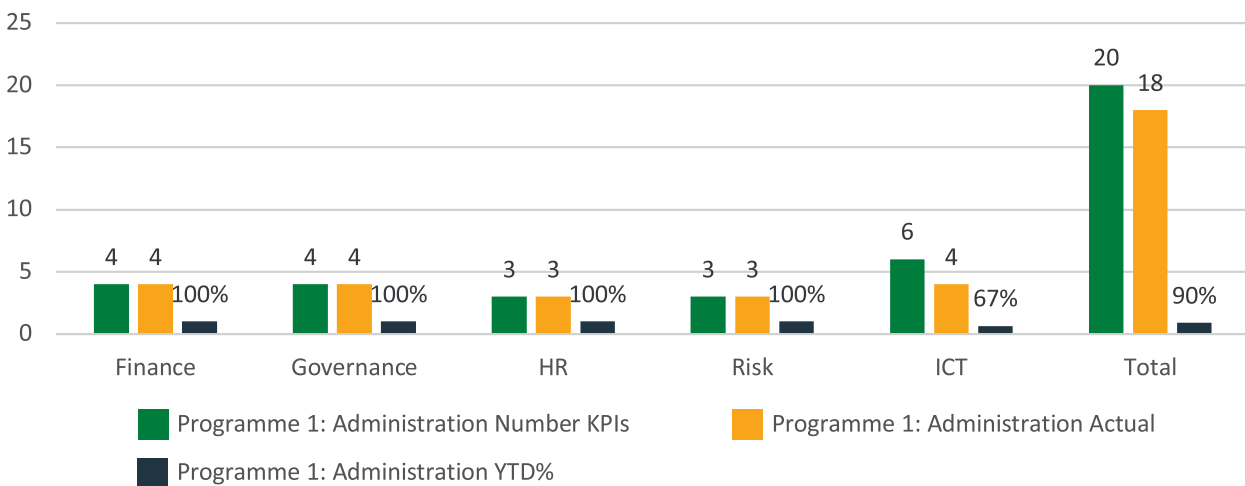


Figure 1:

As a support mechanism, the administration programme contributes to the achievement of all the strategic outcomes of the organisation. The progress towards achievement of planned outcomes is narrated below:

Sub-programme 1: Finance

The management of collected revenue made a significant contribution towards the achievement of the organisational outcomes. The implemented organisational controls and management of identified queries from internal and external audit processes significantly contributed towards the achievement of an unqualified audit opinion in the period under review.

Sub-programme 2: Governance

AgriSETA focused on building board and board subcommittee capacity. During the reporting period all board subcommittees and structures were functional to provide the oversight required.

Sub-programme 3: Information technology

The sub-programme set out to ensure that at least 90% of the funded and approved ICT plan is implemented in the reporting period. The period under review showed significant progress towards fully digitising the organisational processes. Although all targets were achieved and the organisational system availability stabilised, more work will be done in the new financial year to be migrated to a new ERP system.

Sub-programme 4: Human resources

This sub-programme achieved all the set indicators for the period under review. This sub-programme managed to establish an environment that maintained a very low staff turnover.

Sub-programme 5: Risk

Organisational risk management improved significantly for the period under review. The appointment of an independent chairperson for the risk management committee contributed significantly towards the implementation of the AgriSETA risk management strategy.



Programme 2: Skills Planning and Research

The overall summary of the programme performance is illustrated in Fig 2 below.

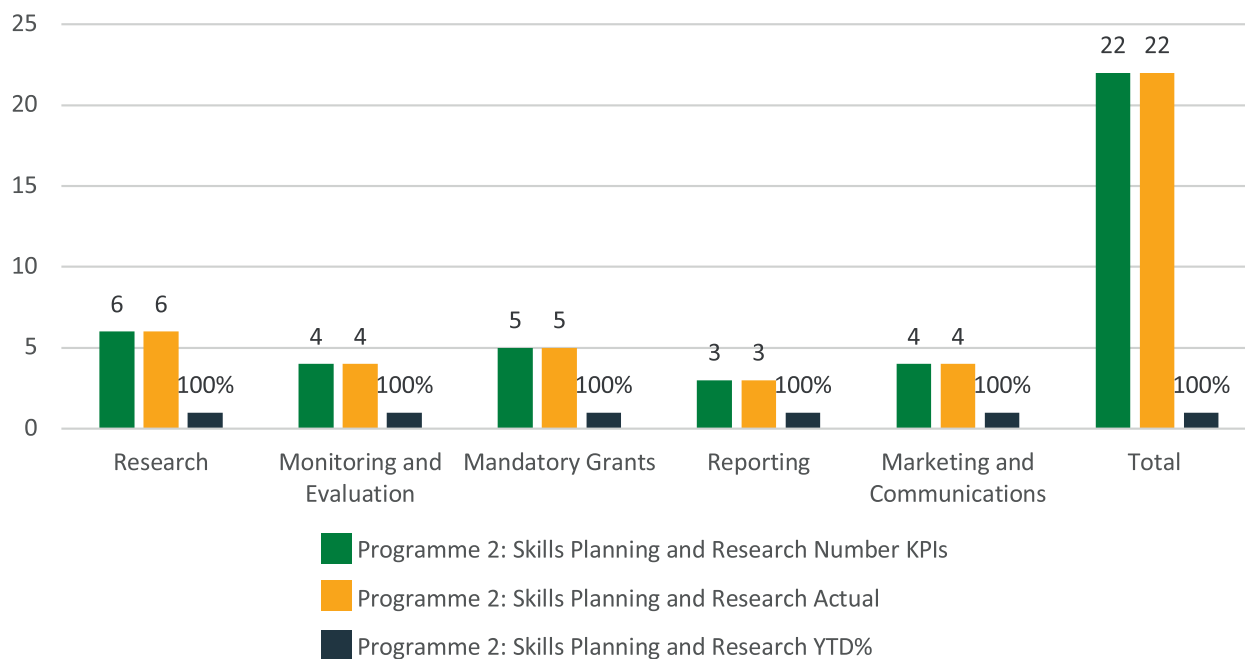


Figure 2:

The progress towards achievement of planned outcomes is narrated below:

Sub-programme 1: Research

This sub-programme achieved all the set outcomes in the year under review. The department managed to submit all the required research and planning documents allowing the organisation to implement resources towards identified priorities in the sector.

Sub-programme 2: Monitoring and Evaluation

This sub-programme achieved all the set outcomes in the year under review. The department managed to implement the planned review of performance information to increase the quality of the reported information. Project monitoring undertaken focused on high risk projects.

Sub-programme 3: Mandatory Grants

This sub-programme achieved all the set outcomes in the year under review. The department managed to accelerate the payment of mandatory grants exceeding the planned budgeted payouts.

Sub-programme 4: Marketing and Communications

The unit has achieved all its planned targets, and its strategic partnerships towards an integrated approach to career guidance improved exponentially, along with AgriSETA's brand equity. Improved stakeholder relations continue through daily tracking mechanisms, including media monitoring and proactive communication mechanisms and channels.

Sub-programme 5: Reporting

This sub-programme achieved all the set outcomes in the year under review. The department managed to meet all the submission timeframes and the submitted information met the set standards.



Learning programmes and projects

The overall summary of the programme performance is illustrated in Fig 3 below.

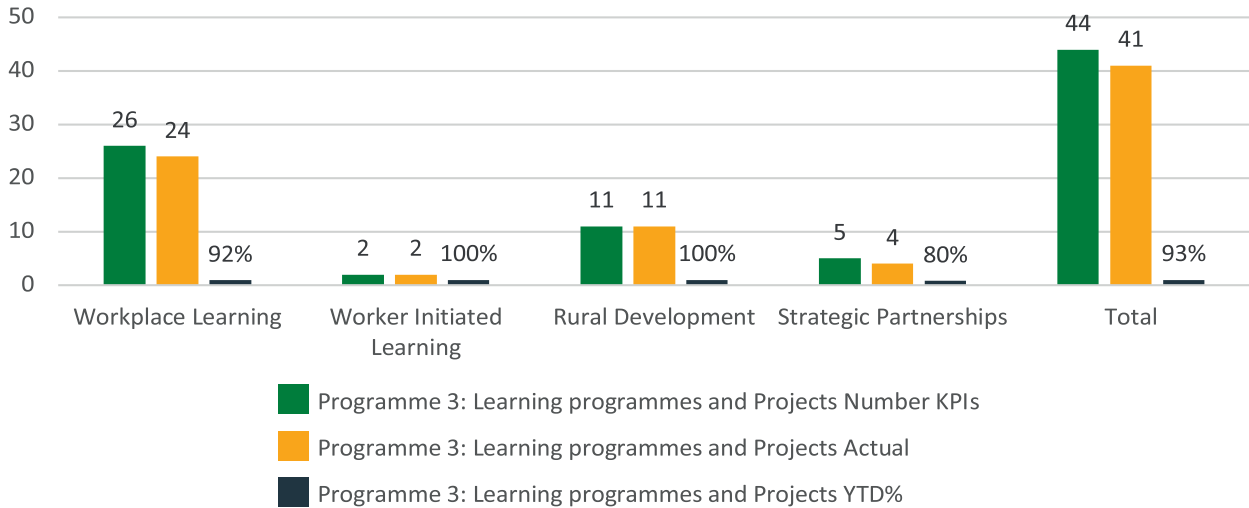


Figure 3.

The learning programme and projects division contributes directly towards the achievement of various strategic outcomes of the SETA.

These include:

1. Increase access to occupationally directed programmes
2. Increased skills development support for entrepreneurship and cooperative expansion and
3. Increased support for worker-initiated training

The division steered high-quality programmes and projects' implementation in the reporting year 2022-2023.

Scaling up such performance was made possible by employing collaborative teamwork with the skills planning, monitoring, and finance divisions to complete the entire project value chain in order to create best practices and learn valuable lessons for dynamic project management. In view of such, the LPP division for the first time has achieved over 90% of its targets in the financial year in question, thanks to a team of dynamic professionals committed to driving the skills revolution in the agricultural sector.

Indeed, this proved that the LPP division can be agile in dealing with internal controls and issues as they are identified during the implementation of the project. The substance of it primarily being issues around understanding and aligning specific functions of the project cycle to the annual performance plan's technical indicators for more accurate performance reporting by each role in the project management cycle.

Strengthening the discretionary grants policy environment also assisted in creating a fluid working space via thorough guidelines. The approach was also punctuated by considerable virtual stakeholder engagements, to share valuable information with our key partners in the delivery of skills – because they, too, need to align their project implementation to the internal workings of the process.

As we move forward into the new financial year, we recognise the challenges that we faced which led to the division not achieving 100% of its targets. Our collective resolve from lessons learnt will make it possible to work towards 100% in the subsequent financial year.



Sub-programme 1: Rural and youth development

The target was achieved in the current financial year.

Sub-programme 2: Public and private entity partnership

In the year under review, the organisation could not achieve the ministerial partnerships. However, all other partnerships key performance areas were achieved.

Sub-programme 3: Worker initiated training

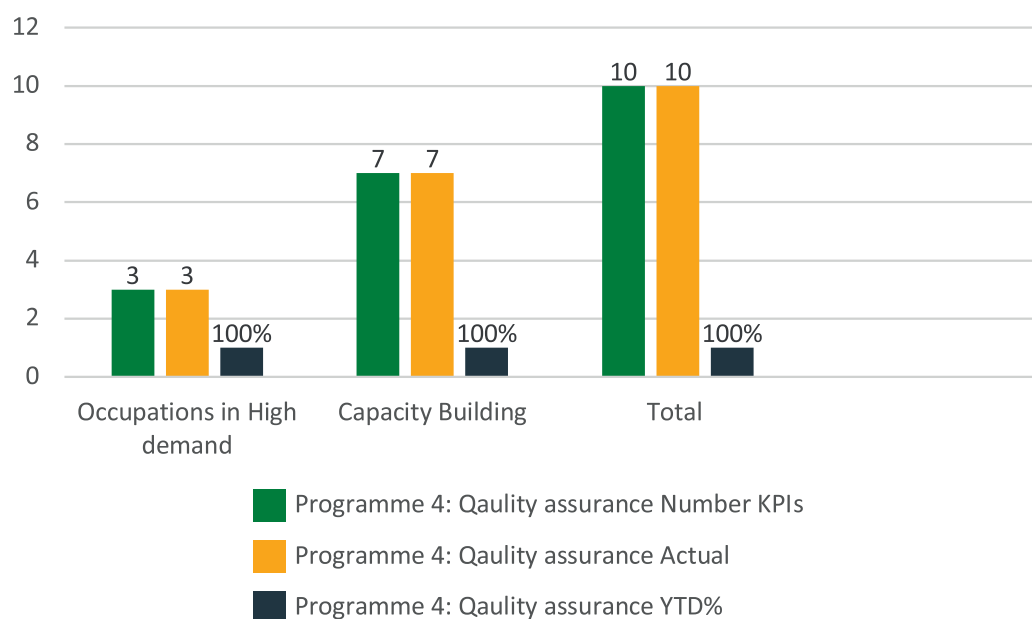
The organisation achieved the target in the financial year under review through early and consistent engagements with worker organisations.

Sub-programme 4: Workplace learning

Due to cancellations and delayed contracting by TVET colleges, the entity experienced significant challenges. However, it achieved its targets through consistent technical support and closely monitoring the implementing agents and providing support.

ETQA

The overall summary of the programme performance is illustrated in Figure 4.



The progress towards achieving planned outcomes is narrated below:

Sub-programme 1: Agricultural education and training systems

The department achieved all the set outcomes and RPL programme implementation was accelerated.

Sub-programme 2: Occupational qualifications in high demand (increased capacity building interventions of the post-school education and training system in developing and implementing occupations in high demand)

The department achieved all the set outcomes for the year under review.



Service delivery environment

Information and communication technology (ICT)

The ICT unit ensured that as a minimum, 90% of the funded and approved ICT interim ICT strategy/plan was implemented in the reporting year and improved ICT governance and cyber security posture was improved. The period under review showed significant progress towards fully digitising the organisational processes, ICT governance. The organisational system availability, incident management processes have improved, and more work will be done in the new financial year to complete the enterprise resource planning (ERP), digitalisation of projects, coupled with people project management training for a fully integrated management system.

Marketing and Communications

The marketing and communications unit oversees media reputation management, covering media and stakeholder relations, branding and implementing goal eight the NSDP that provides career guidance in the sector.

The organisation's collaborative approach to career guidance with other strategic marketing initiatives has informed a unified regard for the SETA's work and collaborations are extending between and across sister entities.

Stakeholder relationships continue to be strengthened as trust is gained in line with our commitment to a 24-hour response rate. An issues tracking method records and measures queries and customer service complaints and the outcome shows a level of excellence.

In profiling the SETA's achievements, our newsletters and social media activities encompass the work of our project owners, training providers and people's success stories at an industry level and approach to sector realisation.

Our media relations activities have become a daily norm in action and tracking. We have seen the power of social media in advertising job vacancies; informing stakeholders of the organisation's undertakings and in issuing project alerts and information.

The unit also made a submission for AgriSETA to participate in the 5th Annual African Agri Investment Indaba (AAll), a global meeting place for agri-food investment in Africa. Bringing together over 1100 key stakeholders – from governments, banks, financiers, investors, project owners, project developers, commercial farmers and the agro- and food processing industry – to discuss trends influencing

food and agri-business economics over the next decade. This platform hosted almost all the prospective and potential investors under one roof, providing AgriSETA with direct access to the categories of stakeholders for seeking out possible funding partnerships (PPP). Our CEO was present throughout and hosted our resident Western Cape levy payers where the event was held and other stakeholders as a prelude to partnership discussions.

The media relations grows exponentially and during the year under review, the advertising value equivalency (AVE) rose from R21 million to R56 million, a staggering 65% increase in value without the SETA spending any currency.

Education Training and Quality Assurance (ETQA) 2022/23

Overview

Quality assurance in the SETA environment is a structured and regulated function. While the functions serve the SAQA Act, AgriSETA further directs interventions to realise the NSDP and NDP Vision 2030 objectives and is mindful of the skills gaps and needs to ensuring employability of the South African people.

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

1. Accreditation of skills development providers
2. Monitoring of training provisions
3. Registration of practitioners
4. Certification of learners
5. Reporting of learner achievement to NLRD
6. Maintaining management information systems (MIS) for quality assurance activities

Quality Assurance (QA) deliverables as per NSDP vision:

1. Facilitate easy access and create different entry points (articulation and RPL).
2. Collaborate with QCTO to identify and increase production of occupations in high demand.
3. Increase access to occupationally directed programmes by supporting TVETs, CETS and agricultural colleges.
4. Partnership development with TVETs, CETS, universities and industries.



Problem statement:

The agriculture sector requires more collaborative structures to implement sectoral programmes. As post-school education and training (PSET) systems revitalise TVET colleges to generate high demand occupations, synergies must be sought among state departments, specifically building linkages between DHET and the Department of Agriculture Forestry and Fisheries (DAFF). The collaborative work will streamline the agricultural colleges' role in the PSET system and how it is expressed within the definition of TVET system.

QA strategic view is to:

- Open offices in every agricultural college to increase visibility and relationships.
- Strengthen agricultural colleges to become assessment centres.
- Establish collaboration between colleges and industries developing occupational qualifications.
- Agricultural colleges are critical and better placed to offer practical places for occupational qualifications.
- Large scale RPL rollout with agricultural colleges and increase industry involvement to optimise access for communities to the RPL system and articulate learners in their career pathways.
- Include agriculturally biased TVETs, CETs and universities in capacity building for RPL, assessments and implementing occupational programmes.

Streamlining QA function

The white paper on post-school education and training highlighted the complexity regarding how QA is implemented in respective sectors and argued the system needs to be streamlined and simplified.

Problem statement:

There are strong views expressly calling for amendments to the NQF Act and the need to minimise duplication and enhance coherence within the skills development landscape.

This is taken further and shares the view that several dimensions of the NQF require changes to strengthen institutions and address challenges experienced in the qualification's development and QA regime.

QA strategic view

- Strengthening engagement with QCTO on qualification development and related processes to fast track occupational qualifications.
- Continuous engagement of QCTO's role especially in accreditation, certification, assessments and registration of practitioners to avoid duplications and gaps.
- Guidance and regulation on funding model to avoid disparities in funding of learning programmes across institutions.
- Guidance on part qualifications versus skills programme and the respective implementation.
- Guidance on mobility, articulation and progression of learners from TVETs to universities.

ETQA performance for 2022/2023

The table illustrates project performance in ETQA focusing on capacity building interventions within the post-school education and training system and developing and implementing occupations in high demand.

- Support for developing and realigning occupationally directed qualifications by industries to address scarce and critical skills in the agriculture sector.
- Support for learners with no formal qualifications to achieve qualifications or credits through RPL programmes at colleges of agriculture.
- Support for AQPs assessing occupational qualifications.
- Increased capacity building programmes aimed at public colleges.
- Support for six agricultural colleges to implement RPL.
- Support for agricultural colleges (TVETs) with capacity building programmes to implement occupational qualifications, assessment centres, tools and learning material.



Linking performance with budgets

Programme/ activity/ objective	2022/2023			2021/2022		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	R77 054	R69 781	R7 273	R65 039	R62 513	R2 526
Skills planning and reporting	R85 000	R111 513	(R26 513)	R97 553	R89 819	R7 734
Learning programme and projects	R445 525	R488 928	(R43 403)	R357 495	R361 347	(R3 852)
Education training and quality assurance	R18 100	R24 248	(R6 148)	R17 388	R9 495	R7 893
Donor funded project (public works)	-	R8 970	(R8 970)	-	R19 718	(R19 718)
	R625 679	R703 439	(R77 761)	R537 475	R542 892	(R5 417)

Strategy to overcome areas of underperformance

There has been no area of underperformance in the 2022/23 financial year. Mandatory grants and discretionary grants expenditure far exceeded what was budgeted for, linking directly with the achieved targets under the annual performance Plan.

Reporting on the institutional response to the Covid-19 pandemic

The impact of Covid-19 remains one of the biggest challenges faced by the sector. The entity has noted social distancing requirements was a challenge in the office building and continued to work a hybrid approach to explore solutions. The board approved the hybrid model policy on 24 March 2023.

A feasibility study was completed during the year under review recommending the AgriSETA building be renovated. The board has approved the proposal.

Table: Progress on institutional response to the Covid-19 pandemic

Programme/ sub-programme	Intervention	Geographic location (province/ district/local municipality) (where possible)	No. Of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total budget allocation per intervention (r'000)	Budget spent per intervention	Contribution to the outputs in the APP (where applicable)	Immediate outcomes
Office accommodation/ facility management	Sanitiser procurement	Arcadia, Pretoria, City of Tshwane Municipality Gauteng Province	85	N/A	N/A	R20 000		

Non-pharmaceutical interventions and measures have been key in preventing and controlling of Covid-19 transmission in the workplace and broader society. For the period under review AgriSETA procured hand sanitisers for the bathrooms and the hygiene personnel continues cleaning the offices with decontaminators.



4. REVENUE COLLECTION

Sources of revenue	2022/2023			2021/2022		
	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	R559 938	R562 752	R2 814	R517 865	R516 025	R1 840
Penalties and interest	-	R8 030	R8 030	R0	R6 685	R6 685
Investment income	R28 553	R30 378	R1 825	R19 610	R19 236	R374
Other income	-	R145	R145	R0	R239	R239
Income from public works	-	R10 030	R8 793	R0	R19 718	R19 718
Total	R588 491	R611 336	R22 845	R537 475	R 561 903	R24 428

AgriSETA had slightly exceeded its revenue collection target with actual levies collected beating the budget by R2.814 million. In addition, AgriSETA received R8.03 million in penalties and interest incurred by the levy payers.

Interest received was contributed to the excess collection as the repo rate increased significantly during the financial year and no withdrawals were made from the investment account. Interest received from the investment is reinvested in the account, thus increasing the capital.

CAPITAL INVESTMENT

Capital investment at AgriSETA consists mainly of assets used daily. These include buildings, furniture and fittings and computer equipment. AgriSETA purchased new assets to the value of R769 000 with the largest spend being R341 000 in computer software with a lifespan of one to two years and office equipment worth R300 000.

AgriSETA does not currently hold any infrastructure assets and does not have any plans to close down or downgrade any current facilities.

The below table indicates the purchases made in the 2022/23 financial year as follows:

Infrastructure projects	2022/2023			2021/2022		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Computer hardware	R128	R128	-	R991	R991	-
Computer software	R341	R341	-	R3 560	R3 560	-
Office equipment	R300	R300	-	R26	R26	-
Furniture and fittings	-	-	-	R4	R4	-
Motor vehicle	-	-	-	R661	R661	-
Building	-	-	-	R9	R9	-
Total	R769	R769	-	R5 251	R5 251	-





PART A
GENERAL
INFORMATION



PART B
PERFORMANCE
INFORMATION



PART C
GOVERNANCE



PART D
HUMAN RESOURCE
MANAGEMENT



PART E
FINANCIAL
INFORMATION





PART C: GOVERNANCE



Ministerial Appointees: Accounting Authority Members



Ms Sharon Sepeng



Ms Bagcinile Wendy Cele



Mr Andre Kriel



Ms Linda Gqokoma



Mr Christo van der Rheede



Adv Eliot Mhlongo



Ms Pinki Luwaca



Mr Mayoyo Mngomezulu



Ms Stella Mthembu



Mr Ernest Mmako



Ms Kgadi Senyatsi



Mr Anton Rabe



Ms Marike Pitzer



Mr Mlulami Mahanjana



Mr Kabelo Tsimatsima

1. 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 regard to public entities is applied through 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.

2. PORTFOLIO COMMITTEES

The higher education and training portfolio committee and the National Council of Provinces (NCOP) select committee on education exercise oversight over the 21 SETAs, higher educational institutions (HEI) and Department of Higher Education, Science and Innovation (DHESI) and may invite any SETA to account on its SP and APP. These plans were approved by the executive authority and tabled in Parliament. AgriSETA appeared before the higher education and training portfolio committee on 3 June 2022 with the meeting, part of the committee's oversight role, held through a virtual platform. The entity didn't appear before the NCOP select committee on education in the financial year under review.

3. EXECUTIVE AUTHORITY

The executive authority (EA) of AgriSETA is the Minister of Higher Education and Training (DHET) who is responsible for appointing accounting authority (AA) members and determines their remuneration in accordance with the tariffs set by the Minister of Finance.

The DHET requires the entity to annually submit an SSP, SP and APP and, in terms of the Skills Development Act, to enter into an SLA with DHET and agree on expected deliverables that contribute towards fulfilling 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 that amended part 5 and 30 of the Treasury Regulations, 2005. The EA convenes meetings with SETA chairpersons and CEOs to discuss strategic policy imperatives affecting the sector and the country. These engagements present an opportunity for the SETA leadership to share the challenges they encounter.

The SETA's quarterly monitoring and governance implementation charter reports are submitted to the department and the entity received 100% compliance on its implementation of governance charters and practices for the period 2022/2023 financial year.

All AgriSETA's reports were submitted on time.



Executive Management Team (EMT)



4. THE ACCOUNTING AUTHORITY/BOARD

Introduction

AgriSETA is guided by the AA/board as its highest decision-making body. The AA is appointed by the Minister of Higher Education, Science and Innovation (also known as DHET) for a five-year period and consists of the chairperson and 15 board members. The AA is responsible and accountable for the public entity's performance and strategic direction.

The AA's roles and responsibilities are to:

- govern and manage the SETA in accordance with the PFMA and any other applicable legislation;
- ensure the SETA achieves the objectives contemplated in item five of its constitution and performs the functions contemplated in item six;
- provide effective leadership and ensure the SETA implements the NSDP 2030 goals and ministerial performance agreement;
- provides strategic direction for the SETA;
- liaise with stakeholders;
- ensure the SETA complies with the relevant statutory requirements and its constitution;
- manage institutional risk;
- monitor the SETA's performance; and
- ensure its members, including its committee members, comply with the code of conduct.

Board Charter

AgriSETA adopted a board charter that operates in terms of its constitution and covers:

- board composition
- board roles and functions
- board powers
- delegation of authority
- board terms of office
- establishment of committees
- board meetings

The board complies fully with all aspects and provisions of the AgriSETA Constitution.

COMPOSITION OF AGRISETA ACCOUNTING AUTHORITY (AA)

AgriSETA's AA consists of 15 members nominated as follows:

CONSTITUENCY	ORGANISATION
Ministerial appointee	AA chairperson (1)
Organised labour	FAWU – Food and Allied Workers Union (4) SACTWU – South African Clothing and Textile Workers Union (1) SOLIDARITY (1)
Government departments and public entities	PPECB – Perishable Products Export Control Board (1)
Organiser employers	AgriSA (1) Fruit SA/Hortgro (1) NERPO (1) RCL Foods (1) South African Port Producers Organisation (SAPPO) (1)
Other stakeholders	Community organisations (2)



AgriSETA AA consists of 15 members nominated.

Name	Designation	Qualification	Area of expertise	Accounting authority directorships	Other committees
Ms GS Sepeng	Ministerial appointment chairperson	MBA	Employment relations	N/A	Exco
Mr C Van der Rheede	Member	MPA	Agricultural economics	BUSA ATKTV Potchefstroom business	Exco
Mr M Mngomezulu	Member	Diploma Labour Relations	Labour relations	Basebenzi	Exco Grants and quality assurance
Mr A M Mahanjana	Member	Master's degree in agriculture	Agricultural economics	NERPO	Grants and quality assurance
Ms K Senyatsi	Member	Master's degree in agriculture		N/A	Governance strategy
Ms P Luwaca	Member	Honours Human Resource Management	Strategic management HR	PPECB	Exco FINREMCO
Mr E Mmako	Member	Business Management Labour Relations certificates	Financial management	N/A	FINREMCO
Mr A Rabe	Member	MBA	Agricultural economics	Hortgro Pty Ltd Fruitgro Science Fruit Mzansi Afrika TPS Property Holdings SA Tug of War	FINREMCO
Ms B Cele	Member	Grade 11	Labour relations	Wine industry transformation levy Dal Josaphat Workers Empowerment Pty Ltd	Grants and quality assurance
Ms L Gqokoma	Member	Grade 12	Labour relations	N/A	Exco
Advocate T Mhlongo	Member	LLB degree	Legal	N/A	FINREMCO
Mr K Tsimatsima	Member	Bachelor of Arts	Agriculture Land reform	N/A	Governance and strategy
Mr A Kriel	Member	Bachelor's degree	Labour relations	N/A	Governance and strategy
Ms S Mthembu	Member	Master of Science in Agriculture Development	Land reform Stakeholder management and CSI	N/A	REMCO grants and quality assurance
Ms M Pitzer	Member	Master of Commerce in Labour Relations Management	Labour and Industrial Relations	N/A	N/A



Meeting Attendance

Name	Constituency	Date appointed	Date of termination	Number of meetings attended
Ms GS Sepeng	Chairperson Ministerial appointee	1 April 2020	31 March 2025	8
Mr C van der Rheede	Organised employers	1 January 2020	31 March 2025	6
Mr K Tsimatsima	Community organisation	1 April 2020	31 March 2025	8
Mr E Mmako	Organised labour	1 April 2020	31 March 2021	8
Ms P Luwaca	Organised employers	1 April 2020	31 March 2025	7
Mr M Mngomezulu	Organised labour	1 April 2020	31 March 2025	8
Mr A M Mahanjana	Organised employers	1 April 2020	31 March 2025	8
Mr A Kriel	Organised labour	1 April 2020	31 March 2025	7
Mr A Rabe	Organised employers	1 April 2018	31 March 2025	6
Ms B Cele	Organised labour	1 April 2020	31 March 2025	8
Ms L Gqokoma	Organised labour	1 April 2020	31 March 2025	8
Ms K Senyatsi	SA Pork	1 April 2020	31 March 2025	6
Adv T Mhlongo	Communities	1 April 2020	31 March 2025	8
Ms M Pitzer	Organised labour	1 July 2021	31 March 2025	8

Accounting authority committees

1. Accounting authority executive committee
2. Audit and risk committee
3. Risk management committee
4. Governance and strategy committee
5. Finance and remuneration committee
6. Grants and quality assurance committee

Accounting authority executive committee

Member	Meetings held	Meetings attended
Ms GS Sepeng	7	7
Ms L Gqokoma	7	6
Mr C van der Rheede	7	7
Mr M Mngomezulu	7	7
Ms P Luwaca	7	7

Audit and risk committee

Member	Meetings held	Meetings attended
Ms E Pillay	8	4
Dr G Buys	8	8
Ms M Phiri	8	8
Mr K Maja	8	8
Mr V Chonco	8	8

Governance and strategy committee

Member	Meetings held	Meetings attended
Mr C van der Rheede	3	3
Ms B Cele	3	3
Ms K Senyatsi	3	3
Mr K Tsimatsima	3	3

Finance and remuneration committee

Member	Meetings held	Meetings attended
Ms P Luwaca	6	6
Adv T Mhlongo	6	6
Mr A Rabe	6	6
Mr E Mmako	6	6
Ms B Cele	6	6

Grants and quality assurance committee

Member	Meetings held	Meetings attended
Mr M Mngomezulu	4	4
Mr A M Mahanjana	4	4
Mr A Kriel	4	4
Mr A Rabe	4	4
Ms K Senyatsi	4	4
Ms S Mthembu	4	4
Adv T Mhlongo	4	4
Ms L Gqokoma	4	4



Board members' remuneration

1. National Treasury regulations determine the board members' remuneration with amendments determined annually for a financial year.
2. All AgriSETA board members are remunerated as per these regulations.
3. Refer to the table for remuneration.

Board members

MEMBERS OF THE ACCOUNTING AUTHORITY (BOARD MEMBERS)	MEETING ATTENDANCE ALLOWANCE	EXPENSES	TOTAL
Mr A Kriel	107	6	113
Ms B Cele	222	-	222
Adv. T Mhlongo	214	1	215
Ms E Pitzer	196	2	198
Ms G Sepeng	150	31	180
Ms K L Senyatsi	124	-	124
Mr K Tsimatsima	116	9	124
Ms L Gqokoma	205	2	207
Mr M E Mmako	178	1	179
Mr M Mahanjana	116	3	119
Mr M Mngomezulu	259	25	284
Ms P Luwaca	-	1	1
Ms S Mthembu	81	-	81
	1 966	80	2 046



Learning Programmes and Projects (LPP)



Audit and risk committee members' remuneration

MEMBERS OF THE AUDIT AND RISK REMUNERATION	MEETING ATTENDANCE ALLOWANCE	EXPENSES	TOTAL
Dr F Buys	R80	-	R80
Ms EM Pillay	R103	R1	R104
Mr K Maja	R126	-	R126
Ms M Phiri	R108	-	R108
Mr V Chonco	R80	-	R80
Mr P Dala	R149	-	-
	R646	R1	R647

5. RISK MANAGEMENT

AgriSETA follows an integrated approach towards enterprise risk management and has adopted the public sector risk management framework in developing its risk management strategy and policy.

Enterprise risk management is an ongoing process that focuses on identifying, assessing, managing and monitoring all forms of risks across all operations. The risk tolerance levels have been implemented to prioritise risks; assist the organisation track the movement of risks over time and monitor the effectiveness of risk mitigation strategies.

The ARC is responsible for the risk management oversight including the risk reporting, ethics reporting and business continuity management.

6. INTERNAL CONTROLS

Internal controls are the management's responsibility and a fundamental requirement in every area of operations. Each manager is responsible for identifying areas of weakness and putting effective mechanisms such as standard operating procedures (SOP) to strengthen controls. The audit and risk committee is therefore responsible for the oversight function to ensure the effectiveness of the controls in place.

7. AUDIT AND RISK COMMITTEE

The ARC's task to meet at least quarterly (prior to the AA) is to consider the:

- SETA's finances
- internal auditor's quarterly reports
- fraud and fraud hotline matters and
- misappropriation of funds



INTERNAL AUDIT

The internal audit is outsourced to Bonakude Internal Auditors. Internal controls were reviewed and monitored by the management team and the organisation conducted a cost analysis to determine the effectiveness of insourcing versus outsourcing this function. The report indicated it was cost effective to insource the function and the chief audit executive officer appointed effective the 2023/2024 financial year.

COMPLIANCE WITH LAWS AND REGULATIONS

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

- National Treasury Regulations
- National Skills Development Plan (NSDP)
- New SETA Grants Regulations
- National Development Plan (NDP) 2030
- Medium-term Strategic Framework 2014-2019
- Human Resources Development Strategy for South Africa, 2030
- Skills Development Act, 1998 (Act No.97 1998) as amended in 2008.
- Skills Development Levies Act, 199 (Act No.9 of 1999)
- Public Finance Management Act, 1999 (Act No.1 of 1999) as amended by Act No.29 1999
- Protection of Personal Information Act

FRAUD AND CORRUPTION

AgriSETA has an approved anti-fraud and corruption policy and fraud prevention plan (FPP). The FPP encompasses controls to prevent fraud and corruption from occurring; detect fraud and corruption when they occur and respond appropriately and take corrective action when fraud and corruption happens.

All alleged fraud and corruption cases are investigated and followed up by applying the remedies available within the full extent of the law and implementing appropriate prevention and detection measures. These cases are reported at the subsequent ARC meetings.

Whistle-blowers are encouraged to report suspected fraud and corruption using the following platforms.

- Fraud hotline toll-free number: 0800 869 624
- Email: agriseta@thecorruptionhotline.com
- Fax: 086 439 0530
- Post: P O Box 1968, Durban, 4001

8. MINIMISING CONFLICTS OF INTEREST

AgriSETA has established a fraud hotline system to manage complaints and allegations of abuse in the SCM system. The system provides for written, verbal or anonymous reporting of complaints.

The CEO investigates the complaints or allegations and ensures the investigation reports are securely stored. The CEO informs the AA, through the ARC, of the investigation's outcome and proposed remedial actions. The AA handles the financial misconduct process, if applicable.

9. CODE OF CONDUCT

AgriSETA's code of conduct, set out in the organisation's constitution, applies to its AA and board sub-committees. A code of conduct for staff members is also in place. The constitution and code of conduct policies were reviewed in the reporting year.

During the period under review, there was no case of misconduct or negligence of duty from the AA members that required removal from office or membership termination.



10. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

AgriSETA has established a health and safety committee to manage and monitor the risks within the workplace. The entity has an approved health and safety policy and the committee ensures employees observe safety adherences at all times. The building assessment established non-compliance to the OHS Act and Building and Maintenance Act; hence the board's approval for refurbishment to ensure full health and safety compliance.

11. COMPANY/BOARD SECRETARY

The company secretary provides AA members with guidance and advice about good governance and ethics as well as the nature and extent of their duties and responsibilities and how they should be discharged. The company secretary plays an active role in coordinating and submitting the annual report in line with PFMA.

The company secretary is empowered with the necessary skills and authority to carry out all his duties including:

- ensuring board members' induction, training and development;
- ensuring board members receive adequate information on time to make informed decisions;
- maintaining all statutory records;
- annually reviewing the board and committee charters and
- assisting the board to efficiently and effectively discharge its responsibilities.

12. 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.



13. BBBEE COMPLIANCE PERFORMANCE INFORMATION

The following tables have been completed in accordance with BBBEE compliance requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the department /public entity applied any relevant code of good practice (BBBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes /no	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for issuing licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	N/A
Developing and implementing a preferential procurement policy?	Yes	<p>The preferential procurement policy was embedded within the SCM policy until 15 January 2023 when the Preferential Procurement Regulations 2022 came into effect.</p> <p>The 80/20 (80 = price and 20 = BBBEE status level of contributor) and 90/10 (90 = price and 10 = BBBEE status level of contributor) preference points system was used and the preference points system applied to all procurement equal to or above R30000 until 15 January 2023.</p> <p>The AA approved a new preferential procurement policy on 27 March 2023 in line with the revised Preferential Procurement Regulation, 2022. The 80/20 (80 = price and 20 = points for specific goals. The specific goals mean AgriSETA may contract with persons or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including implementing programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994</p>
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	Yes	AgriSETA does have a criteria backed by the discretionary grants (DG) policy on matters concerning projects and programmes partnerships related within the core business space.
Determining criteria for awarding incentives, grants and investment schemes in support of BBBEE?	Yes	AgriSETA does have criteria and guidelines backed by the DG policy on matters concerning awarding of DG projects and programmes



14. AUDIT COMMITTEE REPORT

I am pleased to present the audit and risk committee report for the financial year ended 31 March 2023.

1. LEGISLATIVE REQUIREMENTS

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.

2. 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. Eight meetings, including special meetings, were held during the year.

Name of the member	Number of meetings attended
Ms. M Pillay - Independent chairperson (resigned*)	4
Ms. M Phiri - Independent chairperson	8
Mr. K Maja - Independent member	8
Dr. G Buys - Organised employer	8
Mr. V Chonco - Organised labour representative	8

*Ms Pillay resigned as ARC member in November 2022.

3. 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.

4. 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. The audit and risk committee is satisfied with the overall risk management function.

5. 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 reviewed and approved 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 performance reports
- Review of the annual performance report
- Information technology
- Cybersecurity
- Skills plan implementation (learning programmes and projects)
- Human resource management



- Contract management
- Supply chain management
- Internal financial controls review
- Follow up on previously reported AGSA and internal audit findings
- High level year-end annual financial statement review
- Occupational health and safety
- Educational training quality assurance

6. 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 is satisfied with the quality of the quarterly reports.

7. 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 based on best practices and standards.
- Reviewed and commented on the of the annual performance 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.

8. EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The audit and risk committee has reviewed the annual financial statements, with focus 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.

9. EXTERNAL AUDITORS REPORT

We have reviewed the entity's implementation plan for audit issues raised in the prior year and noted that audit findings reported during the prior year have been addressed.

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.

10. 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 its responsibilities.



Ms MM Phiri

CHAIRPERSON of Audit and Risk Committee

DATE: 31 July 2023





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PART D: HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

1.3 Establishing the corporate services division

In the 2022/2023 financial year, our main focus was implementing the corporate services model by amalgamating the marketing and communications and ICT into one division, reporting into the newly created corporate services executive. The move would provide an integrated approach of services for AgriSETA's employees, namely HR management, facilities management (FM), marketing and communications and ICT, creating seamless strategic support to the business. Furthermore, this gave rise to the AA developing and approving a three-year HR strategy 2023-2025 in March 2023.

The HR management business unit forms part of the corporate services division and remains focused on attracting and retaining talented, skilled and passionate employees who are critical in fulfilling AgriSETA's mandate and strategic goals. This includes providing advisory and strategic support to the CEO, executive management and AgriSETA employees at large. The unit's mission is to offer efficient and effective service to internal and external stakeholders through wellness and recruitment in HR and health and safety through FM.

Due to the precarious nature of AgriSETA House and the space shortage, many officials continue working from home by board recommendation. During the reporting period, an external service provider conducted a feasibility study that considers all the critical aspects to repair and/or renovation of the building to be safety compliant. Ebesa Architects was appointed on 1 June 2022 to run the project and the outcomes report with recommendations tabled before the CEO and management on 31 October 2022. This report was further tabled to the finance and remuneration committee and the AA as at 31 March 2023.

The independent feasibility report states:

- The AgriSETA building must be refurbished to comply with the building and maintenance standards and the project is expected to take a maximum of two years.
- During this time AgriSETA employees must vacate the building and be housed in a rental property.
- The AA has endorsed the report and the cost estimates as tabled for the period FY2023/2024 until FY2024/2025.

The HR unit's key highlights for the period under review follows:

- approval of the revised organisational structure with improved efficiencies especially within core areas by the AA;
- completing the job grading and salary benchmarking including benefits projects in consultation with other SETAs;
- implementing the employee culture survey resolutions and wellness sessions to boost employee engagement and
- investing in continuous professional training and development in the workplace skills plan (WSP).

In the year under review, budgetary constraints impacted on the unit's ability to fully implement a:

- tool to automate the recruitment and placement processes;
- skills audit project;
- building leasing project and
- performance management automation process.

1.4 Employee wellness programme

A safe and healthy workplace is a fundamental right and an adherence to health and safety standards means AgriSETA maintains a productive workplace by minimising the risk of accidents, injury and exposure to health hazards. A new occupational health and safety committee was appointed, responsible for implementing the Occupational Health and Safety Act, 1993 requirements.

The employee wellness programme, through outsourced service provider Health1st, remained active during the year under review to provide employees with confidential assistance regarding personal and/or work-related problems potentially impacting on their job performance, health, mental and emotional well-being. Since its launch on 1 October 2021, the use of and reports issued by the service provider indicate its satisfactory application and an acceptable level of employees' wellbeing.



1.5 HR policy development and management

The policy review committee, led by the executive manager: corporate services contributed to the review, development and approval of 20 HR policies through the finance and remuneration committee and the AA on 31 March 2023. These are as follows:

- acting
- bereavement
- bursary
- career management and retention
- code of conduct
- disciplinary
- dress code
- grievance
- leave
- incapacity
- induction
- internship
- occupational health and safety
- performance management development and systems
- parking
- recruitment and placement
- succession planning
- sexual harassment
- termination of employment and
- working remotely (hybrid) policies.

These policies will be supplemented by the existing, approved HR policy manual until the board develops and approves stand-alone policies. As has been the practice throughout the policy review process, various employee workshops were conducted in March 2023 to ensure compliance and a thorough understanding of the approved policies by all layers of AgriSETA employees.

1.6 Future HR plans 2023/2023

The HR unit's strategic objectives for the new financial year are to update the HR standard procedure manual (SOP) to align all HR-related functions with the approved policies while achieving the divisional strategic goals towards key business areas including:

- automating the recruitment and placement process; procuring a tool for HR and AgriSETA employees.
- automating performance contracting and appraisal processes on the SAGE 300 people system.
- leasing office space for two years and implementing the feasibility study outcomes report recommendations under FM.
- developing a succession plan and retentions strategy with milestones to 2025.
- reintroducing and implementing the employee recognition programme across the organisation.
- implementing training initiatives and bursaries as part of AgriSETA's WSP to sufficiently fund the HR Strategy Implementation Plan.



Corporate Services



2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel related expenditure

Personnel cost by programme/activity/objective

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a percentage of the total (R'000)	Number of employees	Average personnel cost per employee (R'000)
Administration	R69 781	R30 592	44%	42	R728
Skills planning	R111 513	R12 530	11%	18	R696
Learning programme and projects (LPP)	R488 928	R19 677	4%	31	R635
Education training and quality assurance (ETQA)	R24 248	R6 853	28%	9	R761
	R694 470	R69 651	10%	100	R697

AgriSETA employees 84

Temporary 2

Internship positions 14

Personnel cost by salary band

Level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Top management	R2 291	3%	1	R2 291
Senior management	R10 722	15%	6	R1 787
Professional qualified	R18 118	26%	16	R1 132
Skilled	R15 407	22%	19	R811
Semi-skilled	R18 721	26%	35	R535
Unskilled	R4 394	6%	23	R191
TOTAL	R69 653			



Performance rewards

Programme//activity/objective	Performance rewards	Personnel expenditure (R'000)	Percentage of performance rewards to total personnel cost (R'000)
Top management	R286	R2 291	12%
Senior management	R885	R10 722	8%
Professional qualified	R1 228	R18 118	7%
Skilled	R1 404	R15 407	9%
Semi-skilled	R932	R18 721	5%
Unskilled	R326	R4 394	7%
TOTAL	R5 061	R69 653	

Training Costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a percentage of personnel cost	Number of employees trained	Average training cost per employee
Administration	R30 592	R706	2.3%	34	R21
Skills planning, research, monitoring and evaluation	R12 530	R262	2.1%	9	R29
LPP	R19 677	R195	1%	9	R22
Quality assurance	R6 853	R57	0.8%	6	R9



Education Training and Quality Assurance (ETQA)



Employment and vacancies

Programme/activity/objective	2021/2022 Number of employees	2021/2022 Approved posts	2022/2023 Number of employees	2022/2023 Vacancies	Percentage of vacancies
Top management	1	1	1	0	0%
Senior management	6	7	6	1	14%
Professional qualified	13	14	13	1	7%
Skilled	22	24	22	2	8%
Semi-skilled	33	33	32	2	6%
Unskilled	9	9	9	0	0%
TOTAL	84	88	84	6	7%

The above illustration is the total vacancies and approved positions as per the approved organisational structure by AA as at 31 March 2023.

Employment changes

The following is the breakdown of the changes in employment over the financial year. Turnover rates provide an indication of trends in employment profile of the public entity.

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	1	1	0	1
Senior management	6	1	0	7
Professional qualified	14	2	1	15
Skilled	23	3	3	23
Semi-skilled	30	0	1	29
Unskilled	9	0	0	9
Total	83	6	5	84

Reasons for staff leaving

Reason	Number	Percentage of total number of staff leaving
Death	0	0%
Resignation	5	5.95%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	5	5.95%

Explanations: Only permanent employees resigned for the period under review and no deaths, dismissals, ill-health or retirements were reported. No contracts expired.



Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0

Equity target and employment equity status

Below is a breakdown of vacancies according to occupational levels and genders.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	0	0	0	0	0	0	0
Senior management	4	0	0	0	0	1	1	0
Professional qualified	4	0	0	0	0	0	0	0
Skilled	8	0	0	0	1	0	0	0
Semi-skilled	10	0	0	0	0	0	0	0
Unskilled	3	0	0	0	0	0	0	0
TOTAL	30	0	0	0	1	1	0	0

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	0	0
Senior management	2	0	0	0	0	1	0	0
Professional qualified	9	0	1	1	0	0	0	0
Skilled	11	0	2	0	0	0	0	0
Semi-skilled	20	0	1	0	0	0	1	0
Unskilled	6	0	0	0	0	0	0	0
TOTAL	53	0	4	0	0	1	1	0

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	1
Unskilled	0	0	0	0
TOTAL	0	0	0	1

AgriSETA had 84 filled posts with a vacancy rate of 7% at the end of 2022/2023 with the SMS band having the highest percentage posts vacant of 14%. The entity currently employs two (2) women at SMS level, which constitutes 33,3% of the total number of posts at SMS level. The entity's Employment Equity target has improved but is still facing a challenge of non-compliance with the target set by government. For the period under review the entity has not employed people living with disabilities.





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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 78 to 123, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements in all material respects, the financial position of the Agriculture Sector Education and Training Authority as at 31 March 2023, 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 of 1999 (PFMA) and the Skills Development Levy Act 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 responsibilities of the auditor-general 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.

Other matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters:

National Treasury Instruction Note 4 of 2022-23: PFMA compliance and reporting framework

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 31 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of AgriSETA. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Retention of surplus funds

8. There are current deliberations with the National Treasury and the Department of Higher Education and Training regarding the appropriate approval processes for the retained surplus of R512 271 000, for the financial year 2021-22, disclosed in note 25. The ultimate outcome of the matter could not be determined and no provision for any liability was disclosed in the financial statements.

Responsibilities of the accounting authority for the financial statements



9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with 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.
10. 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.

Responsibilities of the auditor-general for the audit of the financial statements

11. 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.
12. 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

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Research, skills planning and report	28	This programme aims to address the challenges resulting from the lack of institutional mechanisms, to provide credible information and an analysis of the supply and demand for skills, thus informing the skills planning and delivery processes. It also looks at the gap in terms of the capacity to conduct and coordinate professional research, and the dissemination of information.
Programme 3: Learning programmes and projects	30	To Impact vibrant entrepreneurship and self-reliance, especially for rural economies, through skills development, on the productivity and profitability of the agricultural sector, and to contribute to food security.
Programme 4 : Quality assurance	35	To ensure that there are sufficient, high quality skills development institutions serving the agricultural sector.

15. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
16. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.



- the reported performance information is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

18. I did not identify any material findings on the reported performance information for selected programmes.

Other matter

19. I draw attention to the matter below.

20. Refer to the annual performance report on page(s) 25 to 36 for information on the achievement of planned targets for the year and management explanations provided for the over achievement of targets.

Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

	Planned target	Reported achievement
Programme 3 – learning programmes and projects Targets achieved: 96.7% Budget spent: 95%		
3.1.26. Number of learners who completed workplace based learning interventions absorbed into employment or self-employment	1 550	1 271
3.4.2. Number of partnerships with public sector in support of Ministerial projects	5	1

22. Reasons for the under-achievement of targets are included in the annual performance report on page 37.

Material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 3: learning programmes and projects. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow for consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

28. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R77 868 000 as disclosed in note 31 to the annual financial statements, as required by section 51(1) (b) (ii) of the PFMA. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with PFMA section 53(4).

29. Expenditure was incurred in excess of the approved budget, in contravention of section 53(4) of the PFMA.

Annual financial statements, performance report and annual reports

30. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA.

31. Material misstatements of commitments identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.



Other information in the annual report

32. The accounting authority is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to 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 on in this auditor's report.
33. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
34. My responsibility is to read this other information and, in doing so, consider whether it 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.
35. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

36. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
37. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on compliance with legislation included in this report.
38. Management did not adequately review and monitor compliance with applicable laws and regulations as material non-compliances were identified.
39. The review processes implemented by management over the preparation of financial statements and annual performance report were not always effective, material misstatements were identified in the submitted annual financial statements and the annual performance report.

Auditor - General

Pretoria

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 selected requirements in key legislation.

Financial statements

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
- conclude on the appropriateness of the 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

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.

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.



Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations	Legislation	Sections or regulations
Public Finance Management Act	PFMA 51(1)(b)(i)	Preferential Procurement regulation 2022 (PPPFA)	Regulation 4(4)
	PFMA 51(1)(b)(ii)		
	PFMA 51(1)(e)(iii)	Construction Industry Development Board Act and regulations	CIDB Act 18(1)
	PFMA 53(4)		CIDB reg. 17
	PFMA 54(2)(c)		CIDB reg. 25(7A)
	PFMA 54(2)(d)		CIDB reg. 17
	PFMA 55(1)(a)	State Information Technology Agency Act	SITA Act section 7(3)
	PFMA 55(1)(b)		
	PFMA 55(1)(c)(i)		
	PFMA 57(b)		
National Treasury Regulations	TR 16A.7.1		
	TR 16A.7.6		
	TR 16A.7.7		
	TR 16A6.1		
	TR 16A8.4		
	TR 16A9.1(d)		
	TR 16A3.2(a)		
	TR 16A6.4		
	TR 16A6.5		
	TR 16A6.3(c)		
	TR 16A8.3		
	TR 16A8.4		
	TR 30.1.1		
	TR 30.1.3(a)		
	TR 30.1.1		
	TR 30.1.3(b)		
	TR 30.1.3(d)		
	TR 30.2.1		
	TR 31.1.2(c)		
	TR 31.2.1		
TR 31.3.3			
TR 33.1.3			
	SCM Instruction Note 02 of 2021-22 PFMA instruction note no.3 of 2021/22 NT Instruction 4A of 2016/17 NT Instruction 07 of 2017/18 par 4.3 NT Instruction 4A of 2016/17 par 6 NT Instruction 01 of 2021-22 par. 4.1		
Preferential Procurement reg 2017	PPPFA section 2(1)(a) and (b)		
	Preferential Procurement reg 6(8), 7(8), 10(1)&(2) & 11(1)		
	Preferential Procurement reg 5(1) & 5(3)		
	Preferential Procurement reg 5(6)		
	Preferential Procurement reg 5(7)		
	Preferential Procurement reg 4(1) & 4(2)		
	Preferential Procurement reg 8(2)		
	Preferential Procurement reg 8(5)		
Preferential Procurement reg 9(1)			
Preferential Procurement regulation 2017 (PPPFA)	Preferential Procurement reg 4(4)		



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Abbreviations used:

QCTO Quality Council for Trades and Occupations

PFMA Public Finance Management Act

GRAP Generally Recognised Accounting Practice

TVET Technical and Vocational Education and Training

Minister Higher Education, Science and Innovation

ASB Accounting Standard Board



Board Responsibilities and Approval

The board is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is 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 AgriSETA as at the end of the financial year and the results of its operations and cash flows as at the end of the financial year. The external auditors are engaged to express an independent opinion on the annual financial statements and were 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 acknowledges 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 AgriSETA and all employees are required to maintain the highest ethical standards in ensuring the AgriSETA'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 AgriSETA. 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 2024 and, in the light of this review and the current financial position, it is 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 the 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 is primarily responsible for the financial affairs of the AgriSETA, it is supported by the AgriSETA's external auditors.

The external auditors are responsible for independently reviewing and reporting on the AgriSETA's annual financial statements. The annual financial statements are to be audited by external auditors and an audit opinion issued by 31 July 2023.

The audited annual financial statements set out on page 3, which have been prepared on the going concern basis, were approved by the board members on 28 July 2023 and were signed on its behalf by:



Gaitsiwe Sharon Sepeng

Board Chairperson



Statement of Financial Position

as at 31 March 2023

Figures in Rand (thousand)	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Cash and cash equivalents	8	532 229	637 002
Inventories	5	383	322
Receivables from exchange transactions	6	273	413
Receivables from non-exchange transactions	7	8 218	4 185
		541 103	641 922
Non-Current Assets			
Property, plant and equipment	3	9 030	10 036
Intangible assets	4	4 767	5 201
		13 797	15 237
Non-current assets		13 797	15 237
Current assets		541 103	641 922
Total Assets		554 900	657 159
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	5 532	5 235
Payables from non-exchange transactions	13	89 621	107 606
Provisions	11	24 011	16 478
		119 164	129 319
Non-current liabilities		-	-
Current liabilities		119 164	129 319
Total Liabilities		119 164	129 319
Assets		554 900	657 159
Liabilities		(119 164)	(129 319)
Net Assets		435 736	527 840
Reserves			
Capitalisation reserves		3 107	3 107
Discretionary reserves		418 832	509 496
Administration reserves		13 797	15 237
Total Net Assets		435 736	527 840



Statement of Financial Performance

Figures in Rand thousand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Proceeds from insurance	14	119	239
Other income	14	26	-
Income from Public Works : Administration	14	1 238	-
Interest received - investment	17	30 378	19 236
Total revenue from exchange transactions		31 761	19 475
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and donor funded income	16	8 793	19 718
Skills Development Levy : Income	14	562 752	516 025
Skills Development Levy : Penalties and interest	1415	8 030	6 685
Total revenue from non-exchange transactions		579 575	542 428
		31 761	19 475
		579 575	542 428
Total revenue	14	611 336	561 903
Expenditure			
Employee related costs	20	(43 121)	(38 771)
Depreciation and amortisation	3&4	(2 174)	(1 601)
Impairment losses on receivables	6	(7)	(104)
Operating lease expense	10	(281)	(313)
Employer grants and projects expenditure	18	(612 159)	(453 705)
Government grants and donor funded expenditure	19	(8 970)	(19 718)
Loss on disposal of assets and theft of assets	3	(33)	(50)
General expenses	21	(36 694)	(30 807)
Total expenditure		(703 439)	(545 069)
Total revenue		611 336	561 903
Total expenditure		(703 439)	(545 069)
Operating surplus/deficit		-	-
(Deficit) surplus before taxation		(92 103)	16 834
Taxation		-	-
(Deficit) surplus for the year		(92 103)	16 834



Statement of Changes in Net Assets

Figures in Rand thousand	Capitalisation reserves	Discretionary reserves	Administration reserves	Employer reserves	Total reserves	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2021	3 107	496 263	11 637	-	511 007	-	511 007
Surplus for the year	-	-	-	-	-	16 834	16 834
Transfer between reserves	-	(21 004)	(1 837)	39 675	16 834	(16 834)	-
Excess reserves transferred to discretionary reserves	-	34 238	5 437	(39 675)	-	-	-
Changes in net assets	-	13 234	3 600	-	16 834	-	16 834
Restated* balance at 01 April 2022	3 107	509 495	15 237	-	527 840	-	527 840
Deficit for the year	-	-	-	-	-	(92 103)	(92 103)
Transfer between reserves	-	(101 390)	(36 389)	45 676	(92 103)	92 103	-
Excess reserves transferred to discretionary reserves	-	10 727	34 949	(45 676)	-	-	-
Changes in net assets	-	(90 663)	(1 440)	-	(92 103)	-	(92 103)
Balance at 31 March 2023	3 107	418 832	13 797	-	435 736	-	435 736
Note(s)	9	9	9				



Cash Flow Statement

Figures in Rand thousand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Cash receipt from stakeholders and customers		583 729	545 586
Interest income		30 378	19 236
		614 107	564 822
Payments			
Cash paid to stakeholders, suppliers and employees		(718 230)	(500 111)
Total receipts		614 107	564 822
Total payments		(718 230)	(500 111)
Net cash flows from operating activities	22	(104 123)	64 711
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(428)	(1 691)
Purchase of intangible assets	4	(341)	(3 560)
Proceeds from insurance		119	239
Net cash flows from investing activities		(650)	(5 012)
Net increase/(decrease) in cash and cash equivalents		(104 773)	59 699
Cash and cash equivalents at the beginning of the year		637 002	577 303
Cash and cash equivalents at the end of the year	8	532 229	637 002



Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of financial performance						
Revenue						
Revenue from exchange transactions						
Proceeds from Insurance	-	-	-	119	119	
Other income	-	-	-	26	26	
Government grants and donor funded income	-	-	-	8 793	8 793	32.7
Interest received - investment	19 665	8 888	28 553	30 378	1 825	32.3
Total revenue from exchange transactions	19 665	8 888	28 553	39 316	10 763	
Revenue from non-exchange transactions						
Transfer revenue						
Income from Public Works : Administration	-	-	-	1 238	1 238	32.7
Skills Development Levy : Income	541 936	18 002	559 938	562 752	2 814	32.1
Skills Development Levy : Penalties and interest	-	-	-	8 030	8 030	32.2
Total revenue from non-exchange transactions	541 936	18 002	559 938	572 020	12 082	
Total revenue from exchange transactions	19 665	8 888	28 553	39 316	10 763	
Total revenue from non-exchange transactions	541 936	18 002	559 938	572 020	12 082	
Total revenue	561 601	26 890	588 491	611 336	22 845	
Expenditure						
Employee related costs	(39 596)	(491)	(40 087)	(43 121)	(3 034)	32.5
Depreciation and amortisation	(1 950)	-	(1 950)	(2 175)	(225)	
Impairment loss/reversal of impairments	-	-	-	(7)	(7)	
Operating lease expense	(4 175)	4 000	(175)	(281)	(106)	
Employer grants and projects expenditure	(490 855)	(53 950)	(544 805)	(612 161)	(67 356)	32.4
General expenses	(25 025)	(13 634)	(38 659)	(36 694)	1 965	32.6
Government grants and donor funded expenditure	-	-	-	(8 970)	(8 970)	32.7
Total expenditure	(561 601)	(64 075)	(625 676)	(703 409)	(77 733)	
	561 601	26 890	588 491	611 336	22 845	
	(561 601)	(64 075)	(625 676)	(703 409)	(77 733)	
Operating deficit	-	(37 185)	(37 185)	(92 073)	(54 888)	
Loss on disposal of assets and theft of assets	-	-	-	(33)	(33)	
	-	(37 185)	(37 185)	(92 073)	(54 888)	
	-	-	-	(30)	(30)	
Surplus/(deficit) for the year	-	(37 185)	(37 185)	(92 103)	(54 918)	
Surplus before taxation	-	(37 185)	(37 185)	(92 103)	(54 918)	
Taxation	-	-	-	-	-	

Retention of surplus funds

AgriSETA received approval by the minister of Higher Education, Science and Technology to retain the committed surplus funds amounting to R514 million to funds previous year contracts only realised and invoiced in the 2022/23 financial year.

The accounting policies on pages 9 to 24 and the notes on pages 25 to 52 form an integral part of the annual financial statements.



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.

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

The SETA is currently established until 31 March 2030. There are no known instances which cast doubt on the SETA's ability to continue as a going concern for the next 12 months.

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis 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.

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:

1.3.1 Property, plant and equipment

The SETA reviews the estimated useful lives of property, plant and equipment and intangible assets at each reporting date. Property, plant and equipment is initially measured at its cost, subsequently either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life. Refer to note 1.4 and 1.5.

1.3.2 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 AgriSETA as a whole. Management has assessed that AgriSETA operates as one segment both from services and geographical point of view. Management has not divided the financial information into different segments as required by GRAP 18.



Accounting Policies (continued)

1.3.3 Receivables from exchange transactions

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

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.3.4 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.

1.3.5 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.

1.3.6 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.

1.3.7 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.

Leave and bonus provision

The liability for accumulated leave and bonus provision is recognised and measured at the estimated future cash flows to be made in respect of all employees at the reporting date.

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 20 years, however the 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
Motor vehicle(s)	5 years
Office equipment	15 years
Computer hardware	3 years
Machinery	15 years
Building	20 years

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)



Accounting Policies (continued)

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	Depreciation method	Useful life
Licenses	Straight-line	12 months
Computer software	Straight-line	1- 8 years

1.6 Financial instruments

1.6.8 Initial recognition

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

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

1.6.9 Initial measurement

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

1.6.10 Subsequent measurement

AgriSETA measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value,
- Financial instruments at amortised cost,
- Financial instruments at cost.

All financial assets measured at amortised cost or cost are subject to an impairment review.

1.6.11 Financial assets

The AgriSETA's principal financial assets are trade receivables and other receivables, and cash and cash equivalents.

1.6.11.1 Trade and other receivables

Trade and other receivables are measured at amortised costs using the effective interest method less provision of impairment. A provision for impairment of receivables is recognised when there is objective evidence that AgriSETA will not be able to collect all amounts due according to the original terms. The amount of the provision is a difference between the receivable carrying amount and the present value of future cash flows discounted at the effective interest rate.

Movement in the provision is recognised in the statement of financial performance.

1.6.11.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, investments and deposits held by AgriSETA at South African Reserve Bank, Corporation for Public Deposits (CPD) and domestic banks. Cash and cash equivalents are measured at amortised costs. Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments held with registered banking institutions with a period maturity of three months or less and subject to insignificant risk of change.

1.6.12 Derecognition of financial assets

The SETA derecognises financial assets using trade date accounting, only when:

- the contractual rights to the cash flows from the financial asset expire, are settled, or waived.
- the SETA transfers to another party substantially all the risks and rewards of ownership of the financial asset; or



Accounting Policies (continued)

c) the SETA, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party. It can exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the SETA derecognises the asset, and separately recognises any rights and obligations created or retained in the transfer.

On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds received will be recognised in surplus or deficit.

1.6.13 Financial liabilities

The AgriSETA's principal financial liabilities are trade and other payables. All financial liabilities are subsequently measured at amortised cost, using the effective rate method comprising original debts less principal payments and amortisations.

1.6.13.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. On derecognition, the difference between the carrying amount of the financial liability and the amount paid is included in the surplus or deficit.

1.6.14 Fair value considerations

The fair values at which financial instruments are carried at the reporting date have been determined using available market values. Where market values are unavailable, fair value will be calculated by discounting expected future cash flows at prevailing interest rates.

The fair values will be estimated using available market information and appropriate valuation methodologies but are not necessarily indicative of the amounts that the AgriSETA could realise in the ordinary course of business. The carrying amounts of financial assets and liabilities with a maturity of less than one year are based on cost as fair value due to the short-term trading cycle of these items.

1.6.15 Offsetting financial instruments

Financial assets and liabilities are offset if there is any intention to either settle on a net basis or realise the asset and settle the liability simultaneously. A legally enforceable right to offset exists.

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 entity 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 entity initially measures statutory receivables at their transaction amount.



Accounting Policies (continued)

Subsequent measurement

The entity 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
- Employer receivables (SARS adjustments)

Impairment losses

The entity 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 entity 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 entity 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 entity 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.

Derecognition

The entity 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 entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, 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.



Accounting Policies (continued)

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

Inventory consists of consumables on hand at their reporting date. Inventories are initially measured at cost and subsequently measured at the lower cost and net replacement value. Cost is determined on a first-in, first-out basis. The cost of inventories comprises all costs of

purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Current replacement cost is the cost that the entity would incur to acquire the asset at the reporting date. Inventories are measured at the lower cost and current replacement cost where they are held for

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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 recognised 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.

Leave

AgriSETA recognises a liability and an expense for accumulating leave as and when employees render services that entitle them to leave days. The amount of the liability and expense is determined as the additional amount payable because of unused leave days owed to employees at the end of the period.



Accounting Policies (continued)

Pension fund

The AgriSETA provides a pension fund for all its employees through a defined contribution plan. Payments to the fund are charged as part of salary expenses as they fall due.

Performance bonus

The performance bonus is recognised when the entity has a constructive obligation to pay bonuses and when a reliable estimate can be made. AgriSETA provides for the upcoming year's bonus payments, which is amortised in the following year for usage and write-off residual balance.

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. The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. The SETA reviews and adjusts provisions at each balance sheet date. If an outflow no longer probable, provision is derecognised.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes to the annual financial statement - note 25.

The cost of employee benefits is recognised during the period 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 because of services rendered by employees up to the statement of financial position date. Provisions included in the statement of financial position are provisions for a 13th cheque (based on the current salary rates). Termination benefits are recognised and expensed only when the payment is made. No provision has been made for retirement benefits as AgriSETA does not provide for retirement benefits

1.12 Revenue from exchange transactions Investment income

Interest income from investments including corporation for public deposits and cash held in current accounts, is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Other income

Other income from rendering of services is recognised as revenue when the outcome of a transaction can be estimated reliably, and this occurs when:

- The amount of revenue can be measured reliably,
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- The stage of completion of the transaction at the reporting date can be measured reliably, and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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.



Accounting Policies (continued)

1.13 Revenue from non-exchange transactions

Skills Development Levy (SDL) Income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999) registered member companies of AgriSETA pay 1% of the total payroll cost as skills development levy (SDL). The levies paid to the South African Revenue Service (SARS) that collects the levies on behalf of the Department of Higher Education and Training (DHEST).

Eighty percent (80%) of SDL contributions by companies in the mining and minerals sector are transferred to AgriSETA and 20% to the National Skills Fund (NSF) by the Department of Higher Education and Training. SDL income received by AgriSETA is set aside in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended and the skills development levy grant regulations (grant regulations), issued in terms of this Act, for the purposes of:

Administration costs (includes 0.5% to QCTO)	10,5%
Mandatory grants	20,0%
Discretionary grants	49,5%

In addition to these amounts, employers that fail to file their returns and pay skills development levies within the prescribed time limits as set by SARS, are charged interest and penalties at rates prescribed by SARS from time to time. The said regulation regulating the 20% mandatory grant was set aside, however the court did not indicate what mandatory grant percentage should be paid. AgriSETA continued measuring mandatory grants at 20% since it's the best available information. The interest and penalties charged are remitted to the DHEST, which in turn transfers them to AgriSETA. The interest and penalties are disclosed separately as skills development levy penalties and interest. With effect 01 August 2005 companies with an annual payroll cost by DHEST of less than R500 000, are exempted in accordance with section 4(b) of the Skills Development Levies Act, 1999, as amended.

Also included in the skills development levy income is departmental levy received/receivable from the provincial departments of agriculture. Their contributions are accounted for as follows:

Administration costs	1/3 (33,3%)
Discretionary grants	2/3 (66,6%)

Inter-SETA transfers

Revenue is adjusted for transfers of employers between SETAs that arise due to incorrect allocation to a SETA on registration for skills development levy or changes to their business that result in a need to change SETAs. Such adjustments are disclosed separately as inter-SETA transfers. The amount of inter-SETA adjustments is calculated according to the most recent standard operating procedure as issued by the DHEST.

When transfers from other SETAs to AgriSETA occur, the levies transferred are recognised as revenue and allocated between the respective categories as reflected above to maintain their original identity. For transfers from AgriSETA to other SETAs, the levies in the respective categories are reduced by the amounts transferred or transferable to other SETAs.

Recognition of revenue from non-exchange transactions

Skills development levy income is recognised when it is probable that future economic benefits will flow to AgriSETA and these benefits can be measured reliably. This occurs when the DHEST either makes an allocation or payment to AgriSETA, whichever occurs first, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No.9 of 1999).

Levy contributions from employers with an annual payroll of less than R500,000, are not recognised as revenue but as a provision, as they represent an obligation as they are due to be refunded to such employers because the employers are exempted from paying skills development levies. Previously, this provision was accumulated indefinitely, but with effect 25 August 2013, the DHEST advised SETAs that this provision may be utilised for discretionary grants purposes after the expiry of five years in terms of section 109(4) of the Tax Administration Act, as the employers may not claim back the monies back after five years.



Accounting Policies (continued)

Measurement of revenue from non-exchange transactions

SDL income is measured at the fair value of the consideration received or receivable and that is the amount of the increase in net assets recognised by AgriSETA. Unconditional grants received are recognised as revenue when the amounts are received or become receivable. Funds for special projects transferred from government grants and other donors are recognised as a liability until the related eligible special project expenses are incurred, when the liability is extinguished, and revenue is recognised. Adjustments to revenue already recognised, arise from the completion of internal review process, and/or the outcome of an external appeal or objection process undertaken by employers.

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 returns and are reflected as a net reversal per scheme year on the revenue details provided by DHEST. The SETA recognises revenue monthly on net basis per scheme as after taking into account monthly net reversals per scheme year. The SETA has no access to or control of 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. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process are therefore accounted for as a change in an accounting estimate.

Government grants and donor funding income

Funds transferred by the government and other donor funding are accounted for in the financial statements of the AgriSETA as a liability until the related eligible expenses are incurred and the relevant conditions of the grant are met when the liability is utilised, the revenue is recognised as other income in the statement of financial performance.

Conditional government grants and other conditional donor funds received are recorded as deferred income when they are receivable and then recognised as income when the conditions attached to the grant are met. Unconditional grants are recognised as other income when the amounts have been received.

1.14 Comparative figures

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

1.15 Irregular, fruitless and wasteful expenditure

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

Irregular, fruitless and/or wasteful expenditure receivables are measured at the amount that is expected to be recovered and are derecognised when settled or written-off as irrecoverable.

Irregular, fruitless and/or wasteful expenditure must be removed from the balance of the irregular, fruitless and/or wasteful 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, fruitless and/or wasteful 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 derecognised in the balance of the irregular, fruitless and/or wasteful expenditure note. The accounting officer or accounting authority must only derecognise the irregular, fruitless and/or wasteful expenditure when he or she is satisfied that:

- reasonable steps have been taken to confirm that such irregular, fruitless and/or wasteful 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, fruitless and/or wasteful 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.



Accounting Policies (continued)

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

1.16 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not controlled over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the AgriSETA, including those charged with the governance of the SETA in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are family members who may be expected to influence, or be influenced by, that management in their dealings with the SETA.

The AgriSETA is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the SETA to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the SETA is exempt from the disclosures in accordance with the above, the SETA discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.17 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.

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 and/or credit adjustment 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.



Accounting Policies (continued)

Retrospective adjustments by South African Revenue Service

There are instances where South African Revenue Service 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.

1.18 Budget Information

The approved budget covers the fiscal period from 01 April 2022 to 31 March 2023. The annual 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.

1.19 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.

1.20 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.

1.21 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 annual financial statements.



Accounting Policies (continued)

1.22 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:

	2021/22 %	2020/21 %
Administration and 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 service 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.

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



Notes to the Annual Financial Statements

Figures in Rand (thousand)

2023

2022
Restated

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The AgriSETA has not applied the following standards and interpretations, which have been published and are mandatory for the AgriSETA's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	Unlikely there will be a material impact
GRAP 103 (as revised): Heritage Assets	Not yet determined by ASB	Unlikely there will be a material impact
GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
Guideline: Guideline on the Application of Materiality to Financial Statements	Not yet determined by ASB	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2023	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

3. Property, plant and equipment

	2023			2022		
	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	3 206	-	3 206	3 206	-	3 206
Machinery	399	(84)	315	399	(58)	341
Furniture and fittings	2 149	(704)	1 445	2 149	(596)	1 553
Motor vehicles	913	(384)	529	913	(252)	661
Office equipment	2 326	(762)	1 564	2 027	(616)	1 411
Computer hardware	5 188	(4 505)	683	5 106	(3 530)	1 576
Projects assets	111	(111)	-	111	(111)	-
Total	15 580	(6 550)	9 030	15 199	(5 163)	10 036



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 288	-	-	-	1 288
Buildings	3 206	-	-	-	3 206
Machinery	341	-	-	(26)	315
Furniture and fittings	1 553	-	-	(108)	1 445
Motor vehicles	661	-	-	(132)	529
Office equipment	1 411	300	-	(147)	1 564
Computer hardware	1 576	128	(33)	(988)	683
	10 036	428	(33)	(1 401)	9 030

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 288	-	-	-	1 288
Buildings	3 197	9	-	-	3 206
Plant and machinery	368	-	-	(27)	341
Furniture and fittings	1 656	4	-	(107)	1 553
Motor vehicles	-	661	-	-	661
Office equipment	1 519	26	-	(134)	1 411
Computer hardware	1 763	991	(50)	(1 128)	1 576
Projects assets	1	-	-	(1)	-
	9 792	1 691	(50)	(1 397)	10 036

The residual value and the useful life of an asset have been reviewed at the end of this current financial year-end and there is no change in expectations that differ from previous estimates.

Property valuation

The building is situated at 529 Belvedere Street, Arcadia. There are no restrictions on the title of the property, plant and equipment and no items are pledged as security for liabilities.

The office building was revalued on 31 March 2020 by an independent valuer who holds a qualification in property valuations and is a member of South African Council for Property Valuer's Profession. The valuation was carried out with reference to comparable market related sales and this method was used to determine the market related valuation. The building is due for another revaluation in 2025.



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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3. Property, plant and equipment (continued)

Depreciation - Land

Land is not depreciated as it is deemed to have indefinite useful life. The estimated useful life for the building is 20 years, however AgriSETA has a depreciation charged at zero because the residual value is above the carrying value.

Expenditure incurred to repair and maintain property, plant and equipment

Repairs and maintenance	164	145
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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.

4. Intangible assets

	2023			2022		
	Cost / valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	6 644	(1 877)	4 767	6 303	(1 102)	5 201

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	5 201	341	(775)	4 767

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	1 846	3 560	(204)	5 201



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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5. Inventories

Cleaning		27	30
Cartridges		224	223
Stationery		132	69
		383	322

6. Receivables from exchange transactions

Accrued interests and other receivables		273	406
Staff debtor (6.1)		-	7
		273	413

6.1 Impairment on receivables from exchange transactions

As of 31 March 2023, receivables from exchange transactions had a balance of R nil (2022: R 7 468) relating to staff debtors were impaired and provided for.

The amount of the impairment provision was R 7 468 as of 31 March 2023.

Staff debtors		7	7
Less provision for impairment		(7)	-
		-	7

7. Receivables from non-exchange transactions

DPW receivables (donor funded project)		3 922	413
Departmental levy receivable		3 172	2 459
Employer receivable (SARS adjustments)		1 124	1 313
		8 218	4 185



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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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	3
Bank balances	53 627	186 359
Short-term deposits	478 601	450 640
	532 229	637 002

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 7.42% (4.17% in 2022).

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 2023, all surplus funds are kept at the Corporation for Public Deposits.



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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9. Allocation of net surplus for the year to reserves

Year ended 31 March 2023

	Administratio n reserves	Mandatory reserves	Discretionary reserves	Total per statement of financial performance
Total revenue	-	-	-	-
SDL revenue	41 970	137 812	371 553	551 335
SDL penalties and interest received	-	-	8 030	8 030
Levy from departments	3 806	-	7 611	11 417
Donor funded income	-	-	8 793	8 793
Investments income	-	-	30 378	30 378
Other income	145	-	1 238	1 383
Subtotal	45 921	137 812	427 603	611 336
Total expenditure	-	-	-	-
Administration expenditure	(82 310)	-	-	(82 310)
Employer grants and project expenditure	-	(92 136)	(520 023)	(612 159)
Donor funded expenditure	-	-	(8 970)	(8 970)
Donor funded expenditure	-	-	-	-
Net surplus/(deficit) per statement of financial performance allocated	(36 389)	45 676	(101 390)	(92 103)

Year ended 31 March 2022

	Administratio n reserves	Mandatory reserves	Discretionary reserves	Total per statement of financial performance
Total revenue	-	-	-	-
SDL revenue	66 510	126 611	313 624	506 745
SDL penalties and interest received	-	-	6 685	6 685
Levy from departments	3 060	-	6 120	9 180
Donor funded income	-	-	19 718	19 718
Investment income	-	-	19 236	19 236
Other income	239	69	31	339
Subtotal	69 809	126 680	365 414	561 903
Total expenditure	-	-	-	-
Administration expenditure	(71 646)	-	-	(71 646)
Employer grants and projects expenditure	-	(87 005)	(366 700)	(453 705)
Donor funded expenditure	-	-	(19 718)	(19 718)
Net surplus/(deficit) per statement of financial performance allocated	(1 837)	39 675	(21 004)	16 834

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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9. Allocation of net surplus for the year to reserves (continued)

10. Operating lease

Minimum lease payments due

- within one year	91	283
- due between two and five years	91	217
Present value of minimum lease payments	182	500

Expenditure incurred for the rental of vehicle and printer machine in the current year

- Rental of vehicle	-	85
- Rental of printer machine	281	237
	281	322

The monthly operating lease payments of R281 000 consists of payments for the two printer machine, with the last lease contract ending 31 March 2025.

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

11. Provisions

Provision for performance bonus	4 785	4 663
Provision - levies from small companies	15 651	9 057
Provision for leave pay	3 575	2 758
	24 011	16 478

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Provision for performance bonus	4 663	5 183	(5 061)	4 785
Provision - levies from small companies	9 057	6 594	-	15 651
Provision for leave pay	2 758	1 015	(198)	3 575
	16 478	12 792	(5 259)	24 011



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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Reconciliation of provisions - 2022

	Opening balance	Additions	Utilised during the year	Total
Provision for performance bonus	3 742	4 361	(3 440)	4 663
Provision - levies from small companies	8 927	130	-	9 057
Provision for leave pay	2 583	223	(48)	2 758
	15 252	4 714	(3 488)	16 478

Provision for performance bonus

Employees sign performance contracts as part of their conditions of service at the beginning of each financial year. Employees are assessed bi-annually and the bonus is paid in September each year. The amount is dependent on the outcome of individual performance evaluation.

Provision: Levies for small companies

The amount of R15,65 million (2021/22: R9 million) relates to levies contributed by employers who are exempted from contributing skills development levies, after being exempted from contributing SDL due to legislation changes which came into effect from 01 August 2005. The South African Revenue Service (SARS) collects the levies on behalf of DHEST and the responsibility to refund the employers remains with SARS.

In terms of Skills Development Circular No. 09/2013, issued by the DHET on 25 August 2013, SETAs can utilise exempted amounts contributed after expiry date of five years as stipulated in terms of Section 190 (4) of the Tax Administration Act. These amounts are being transferred to discretionary funds in line with the aforementioned circular.

Provision for leave

In terms of AgriSETA leave policy, the entity has an obligation to either pay out unused leave on termination of service or allow employees to carry over unused leave for the next six months. At each financial year end an obligation is recognised for the full leave pay entitlement due to employees.

12. Payables from exchange transactions

Trade and other payables	3 848	4 194
Accruals administration	615	91
Sundry creditors	5	5
Payables - structured salaries (12.1)	1 064	945
	5 532	5 235

12.1 The payable amount relates to salaries that were withheld from the employees from January to March 2023, and will be paid over to the employees in December 2023, or upon earlier resignation of an employee.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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13. Payables from non-exchange transactions

Accruals discretionary grants		-	785
Trade payables discretionary grants		73 382	67 254
Levy creditors (mandatory grants payables)		16 239	39 567
		89 621	107 606

14. Revenue

Proceeds from insurance		119	239
Other income - recycling		26	-
Income from Public Works: Administration		1 238	-
Investment revenue (interest received)		30 378	19 236
Government grants and donor funded income		8 793	19 718
Skills development levy: income		562 752	516 025
Skills development levy: penalties and interest		8 030	6 685
		611 336	561 903

15. Levies

Levy transfer - administration		72 348	66 511
Levy transfer - discretionary grants		341 175	313 654
Levy transfer - mandatory grants		137 812	126 680
Levies transfer - penalties and interest		8 030	6 685
Levy transfer - department of Agriculture (Administration)		3 806	3 060
Levy transfer - department of Agriculture (Discretionary)		7 611	6 120
		570 782	522 710

16. Government grants and donor funding income

Income from public works : Projects		-	-
		8 793	19 718
		8 793	19 718



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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17. Investment revenue

Interest revenue

Interest received - investment

Interest received - bank

27 961	16 671
2 417	2 565
30 378	19 236
-	-
30 378	19 236

18. Employer grants and project expenditure

Discretionary expenditure

Discretionary grants project expenditure

Discretionary grants administration expenditure

Discretionary grants employee costs

487 180	339 517
6 312	2 249
26 530	24 935
520 022	366 701

Mandatory expenditure

Mandatory grants expenditure

Discretionary expenditure

Mandatory expenditure

92 137	87 005
520 022	366 701
92 137	87 005
612 159	453 706

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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19. Government grants and donor funded expenditure

Donor funded project expenditure : Public works (19.1)		8 793	19 718
Project admin expenditure : Public works		177	-
		8 970	19 718
		8 970	19 718
		-	-

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 R66 million excluding R4.95 million project administration cost. In the current year, R8.79 million has been incurred and paid or payable to the service providers contracted for implementation of the programme.

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	31 969	29 766
Structured salaries	2 477	2 304
Medical aid expense	224	176
UIF contributions	114	95
SDL contributions	372	334
Leave expense	882	426
Pension fund contributions	3 078	2 923
Overtime expense	343	81
Acting allowances	257	140
Performance bonus	3 384	2 487
Long-term benefits	21	39
	43 121	38 771

As at 31 March 2023, AgriSETA had 102 total number of employees, compared to a count of 105 employees as at 31 March 2022



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
21. General expenses			
Information technology costs		7 981	7 561
Advertising and promotion		840	847
Audit fees - External		5 083	4 274
Bank charges		184	153
Consulting and professional fees		1 922	1 493
Bad debts expense		-	37
Audit fees - Internal		563	711
Catering		108	145
Quality Council for Trade and Occupations (QCTO)		3 277	2 131
Insurance		491	386
Postage and courier		130	84
Printing, stationery and cleaning		486	745
Fuel expense		38	32
Repairs and maintenance		185	165
Security (Guarding of SETA property)		399	366
Staff welfare		225	205
Subscriptions and membership fees		28	125
Telephone landlines		1 706	1 646
Training		1 340	1 052
Travel and accommodation		3 968	2 002
Small assets		30	-
Municipal costs (rates, water & electricity)		2 094	2 190
License (annual subscription)		1 212	926
Recruitment costs		243	356
Board and audit committee fees		2 914	2 978
Workmen's Compensation		102	154
Workshop costs (AGM)		1 145	43
		36 694	30 807

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
22. Cash flows from operating activities			
(Deficit) surplus		(92 103)	16 834
Adjustments for:			
Depreciation and amortisation		2 175	1 601
Proceeds from insurance and assets disposal		(119)	(239)
Loss on fixed assets		33	50
Inventory adjustment		(61)	179
Impairment deficit		7	104
Movements in provisions			
Changes in working capital:			
(Increase)/decrease in exchange and non exchange receivables current year		2 883	3 157
Increase/(decrease) in payables from exchange, non-exchange, consumables and provisions current year		(24 471)	41 798
		(104 123)	64 711

23. Financial instruments disclosure

AgriSETA operations are exposed to interest rate, credit and liquidity risk. AgriSETA has developed a comprehensive risk strategy in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below. Financial instruments were not discounted as they will be settled or recovered within a short period. The effect of discounting was not considered material.

Market risk

AgriSETA is exposed to fluctuations in the employment market, for example, sudden increases in unemployment and changes in wage rates. No significant events occurred during the year in the market that AgriSETA is aware of. There are adequate procedures in place to address changes in the market when necessary.

Interest rate risk

The AgriSETA manages its interest risk by effectively investing surplus funds in short-term deposits and call accounts with different accredited financial institutions according to the SETA's investment policy. Any movement in the interest rates will affect interest income. Interest income is utilised for additional discretionary grants and therefore will not affect the operations of the AgriSETA adversely.

AgriSETA manages its interest risk by spreading its funds over the two major banks in which it uses current account, call account and short-term investments. A cash management system is used for monitoring bank balances. The sensitivity of surplus funds to interest rates is dependent on the prime rate variations. At the reporting date, the prime rate was 7.42% (Prior year: 4.17%).



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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23. Financial instruments disclosure (continued)

The SETA's exposure to interest rate risk and the effective interest rates on financial instruments at the balance sheet date are as follows:

Year ended 31 March 2023	Floating rate		Non-interest bearing		Total
	Amount R'000	Effective interest rate	Amount R'000	Weighted average period until maturity in years	
Assets	-	-	-	-	-
Cash and cash equivalents	532 229	7,42%	-	-	532 229
Trade and other receivables from exchange	-	-	273	-	273
Other receivables from non-exchange transactions	-	-	7 094	-	7 094
Total financial assets	532 229	-	7 367	-	539 596
Liabilities	-	-	-	-	-
Payables from exchange transactions	-	-	(5 532)	-	(5 532)
Payables from non-exchange transactions	-	-	(89 621)	-	(89 621)
	532 229		(87 786)	-	444 443

Year ended 31 March 2022 Amount R'000 Effective interest rate Amount R'000 Weighted average period until maturity in years Total

Year ended 31 March 2022	Amount R'000	Effective interest rate	Amount R'000	Weighted average period until maturity in years	Total
Assets					
Cash and cash equivalents	637 002	4,17%	-	-	637 002
Trade and other receivables from exchange	-	-	413	-	413
Other receivables from non-exchange transactions	-	-	2 872	-	2 872
Total financial assets	637 002	-	3 285	-	640 287
Liabilities					
Payables from exchange transactions	-	-	(5 235)	-	(5 235)
Payables from non-exchange transactions	-	-	(107 606)	-	(107 606)
	637 002		(109 556)	-	527 446

The comparative amounts (2021/22) for other receivables from non-exchange transactions under financial assets previously reported as R3.9 million, has been restated to R2.87 million due to an increase of R260 000 casting error and a reduction of R1.3 million that was erroneously included. This R1.3 million erroneous amount relates to Employer receivables (SARS adjustment) that do not meet the definition of a financial asset and should thus be excluded from the financial assets financial instrument note.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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23. Financial instruments disclosure (continued)

Credit risk

Financial asset, which potentially subject the AgriSETA to the risk of non-performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and account receivable.

The AgriSETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The AgriSETA's exposure is continuously monitored by the accounting authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The AgriSETA's concentration of credit risk is limited to the agriculture sectors in which the SETA operates. No events occurred in the agriculture industry during the financial period that may have an impact on the accounts receivable that has not been adequately provided for. This concentration of risk is limited as SARS is a government entity with sound reputation.

The ageing of trade and other receivable has impairment of R7 468 in the current year.

The ageing of trade and other receivable from exchange transactions

Figures in Rand thousand	2022/23		2021/22	
	Gross	Impairment	Gross	Impairment
Past due 60 and above	280	(7)	460	(47)
Subtotal	280	(7)	460	(47)

The ageing of receivables from non-exchange

Figures in Rand thousand	2022/23		2021/22	
	Gross	Impairment	Gross	Impairment
Past due 60 and above	7 094	-	2 872	-
Subtotal	7 094	-	2 872	-

Cash and cash equivalents

Figures in Rand thousand	2022/23		2021/22	
	Gross	Impairment	Gross	Impairment
Not past due	532 229	-	637 002	-
Subtotal	532 229	-	637 002	-

Liquidity risk

The AgriSETA manages liquidity risk through proper management of working capital, capital expenditure. Adequate reserves and liquid resources are maintained. The AgriSETA manages liquidity risk through forecasting, as well as monitor cash flows on a daily basis.



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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2022/23

	Carrying amount	6 months or less	6 to 12 months
Trade and other payables from exchange transactions	(5 532)	-	(5 532)
Trade and other payables from non-exchange transactions	(89 621)	-	(89 621)
	(95 153)	-	(95 153)

2021/22

	Carrying amount	6 months or less	6 to 12 months
Trade and other payables from exchange transactions	(5 235)	-	(5 235)
Trade and other payables from non-exchange transactions	(107 606)	-	(107 606)
	(112 841)	-	(112 841)

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
24. Commitments			
Discretionary Funded Project			
Already contracted for but not provided for			
• Adult education and training (AET)		1 568	2 488
• Agri college support		878	1 595
• Artisan's development		147 006	108 949
• Bursaries continuation		14 171	13 504
• Bursaries post-graduate		7 777	11 770
• Bursaries undergraduate		12 518	22 778
• Career guidance		-	888
• Graduate placements		29 025	17 656
• Internships		28 416	25 699
• Learnerships		48 690	75 348
• Lecture development		75	100
• Mentorships		1 800	400
• Occupational qualifications		3 509	2 320
• Partnerships		143 872	199 155
• Research, monitoring and evaluation		305	2 288
• Recognised prior learning (RPL)		2 470	5 478
• Skills programmes		5 095	6 164
• Commodity organisations		998	5 490
• TVET/ATVET office establishment		55	-
• New venture creation		-	94
		448 228	502 164
Approved by the accounting authority but not yet contracted			
Letter of appointment issued		-	91 867
Total operational commitments			
Already contracted for		448 228	502 164
Approved by Accounting authority but not yet contracted		-	91 867
		448 228	594 031

Commitments for the year ended 31 March 2022 were restated from R552.8 million to R594 million due to a prior period error adjustment effected in the 2022/23 financial year.

- The prior period error relates to expenditure invoices, credit notes of R1 million, contract re-instatements of R7.3 million, and projects with prior year start dates to the value of R33.2m contracted during 2022, which should have been effected during the prior financial year.



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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25. Contingencies

25.1 Contigent Assets

Inter-SETA receivables

The SETA has Inter-SETA balances that did not fully meet the recognition criteria for Inter-SETA receivables in alignment to the standard operating procedure issued by the Department of Higher Education and Training. Amounts have not been confirmed as yet. A receivable will be raised once the criteria to trigger transaction(s) has been met.

25.2 Contigents Liabilities

25.2.1 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 2 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:

On 02 September 2020, National Treasury issued a new instruction note 12 of 2020/21 effective for the surpluses realised in the 2019/20 financial years and beyond. This instruction note repealed instruction note no. 06 of 2017/2018 on the retention of cash surpluses and introduced the revised provisions of the retention of surpluses to be followed by the public entities listed in Schedule 3A and 3C of the PFMA. According to this instruction a surplus is based on the cash and cash equivalent at the end of the year add receivables less current liabilities.

Cash and cash equivalent at the end of the year	532 229	637 002
Add : Receivables	8 491	4 598
Less : Current Liabilities	(119 164)	(129 329)
Surplus	421 556	512 271

Notwithstanding the accumulated surplus of R421.5 million above, AgriSETA has at year end commitments in the form of contracts with various service providers as indicated in note 24. The commitment value on these contracts is R448.2 million. The net deficit after taking into account these commitments is R26.7 million.

25.2.2 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.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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Prior to the order coming into effect, the regulation was repromulgated in January 2016, to which BUSA launched renewed review proceedings in the Labour Court to set the repromulgated 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 repromulgate Regulation 4(4) was “irrational and lacking in any legal justification”. The regulation, as repromulgated in 2016, was consequently set aside.

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.

25.2.3 Inter-SETA payables

The SETA has inter-SETA balances that did not fully meet the recognition criteria for inter-SETA payables in alignment to the standard operating procedure issued by the Department of Higher Education and Training. Amounts have not been confirmed as yet. A payable will be raised once an invoice has been received from the receiving SETA.



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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26. Related parties

Relationships

Controlling entity

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	3 276	2 131
Mandatory grants received		
ServiceSETA	(122)	(69)

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 :

TVETS, universities and other entities (included in payables) from non-exchange

University of Limpopo	54	-
Northern Cape Urban FET College	-	516
Lovedale FET College	-	2 385
Cape Peninsula University of Technology	-	209
Tshwane University of Technology	-	519
University of the Free State	-	923
University of South Africa	-	76
Durban University of Technology	155	179
National Agricultural Marketing	-	795
Fort Cox College Agricultural & Forestry	1 233	733
Madzivhandila College of Agriculture	-	1 271
University of Venda	1 356	1 145
University of Johannesburg	95	95
Motheo FET College	-	1 238
Coastal KZN TVET College	358	358

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
26. Related parties (continued)			
Vhembe FET College		40	922
University of Stellenbosch		24	835
Tshwane South TVET College		-	412
False Bay College		-	715
Central University of Technology Free State		-	189
Gert Sibande College		254	-
Cedara College		1 350	-

26.2 Non-executive (accounting authority)

Accounting authority - board members

Year ended 31 March 2023	Members' fees	Travel reimbursement	Total
Ms E Pitzer	195	2	197
Mr A Kriel	107	6	113
Ms B Cele	222	-	222
Mr E.L Mhlongo	214	1	215
Ms M.E Mmako	178	1	179
Ms G Sepeng (Chairperson)	150	31	181
Ms K.L Senyatsi	125	-	125
Mr K Tsimatsima	116	9	125
Mr M Mahanjana	116	3	119
Ms S Mthembu	80	-	80
Mr M.S Mngomezulu	259	25	284
Ms L.V Gqokoma	204	2	206
	1 966	80	2 046

Year ended 31 March 2022

	Members' fees	Travel reimbursement	Total
Ms E. Pitzer	155	-	155
Mr A. Kriel	86	-	86
Ms B. Cele	173	-	173
Mr E.L Mhlongo	190	-	190
Ms M.E Mmako	173	-	173
Ms G. Sepeng (Chairperson)	413	11	424
Ms K.L Senyatsi	138	-	138
Mr K. Tsimatsima	112	-	112
Mr M. Mahanjana	121	-	121
Ms P.S Luwaca	-	19	19
Dr C. Van der Rheede	9	-	9



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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26. Related parties (continued)

Ms S. Mthembu	78	-	78
Mr M.S Mngomezulu	257	6	263
Ms L.V Gqokoma	216	-	216
	2 121	36	2 157

Accounting authority - audit and risk committee

Year ended 31 March 2023

	Members' fees	Travel reimbursement	Total
Dr G. Buys	80	-	80
Ms E. Pilay (Chairperson) *	103	1	104
Ms M. Phiri **	108	-	108
Mr K. Maja	126	-	126
Mr V. Chonco	80	-	80
Dr P. Dala	149	-	149
	646	1	647

* Ms E Pilay was appointed chairperson from 01 September 2020 until 25 November 2022.

** Ms M Phiri was appointed chairperson from 01 26 January 2023.

26.3 Stakeholders : Companies related to accounting authority

Year ended 31 March 2023		Levies received from the employer	Member fee paid to employers	DG expenditure	MG expenditure	Total paid
Hortgro Services	Mr Anton Rabe	-	169	1 204	-	1 373
Agri SA	Mr C Van der Rheede	96	133	695	19	847
		96	302	1 899	19	2 220

Year ended 31 March 2022		Levies received from employers	Member fee paid to employers	DG expenditure	MG expenditure	Total paid
Hortgro Services (Pty) Ltd	Mr A Rabe	-	234	-	-	234
Agri SA	Mr C Van Der Rheede	38	259	-	-	259
		38	493	-	-	493

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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26.4 Executive Management

Year ended 31 March 2023	Salary	Performance bonus	Travel reimbursement and cellphone allowance	Total
Dr K.I Sirovha (Chief Executive Officer)	2 049	287	36	2 372
Ms M. Sebela (Chief Financial Officer)	1 881	254	57	2 192
Mr M. Dlanga (Company Secretary)	1 437	146	15	1 598
Ms K.N Ndlovu (Chief Risk Officer)	1 162	106	15	1 283
Mr M. Shabangu (Executive Manager: LPP)	1 567	98	12	1 677
Mr M.F Phetla (Executive Manager: ETQA)	1 567	197	24	1 788
Mr J.F Fouche (Executive Manager: SP&R)	1 567	189	12	1 768
Dr M.B Letsoalo (Executive Manager: Corporate service)	1 567	-	64	1 631
	12 797	1 277	235	14 309

Year ended 31 March 2022	Salary	Performance Bonus	Travel reimbursement and cellphone allowance	Total
Dr K.I Sirovha (Chief Executive Officer)	2 068	-	47	2 115
Ms M. Sebela (Chief Financial Officer)	1 833	192	15	2 040
Mr M. Dlanga (Company Secretary)	1 401	80	19	1 500
Ms K.N Ndlovu (Chief Risk Officer)	1 129	90	14	1 233
Mr K.M.A Khoza (Chief Risk Officer)	1 275	90	12	1 377
Mr M. Shabangu (Executive Manager: LPP)	1 529	94	12	1 635
Mr M.F Phetla (Executive Manager: ETQA)	1 529	160	35	1 724
Mr J.F Fouche (Executive Manager: SP&R)	1 529	160	28	1 717
Dr M.B Letsoalo (Executive Manager: Corporate service)	382	-	3	385
	12 675	866	185	13 726



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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27. Prior-year adjustments

In the current year some line items of the financial statements disclosed in the prior years were restated due to errors which were identified. The errors were as a result of transactions erroneously omitted and or erroneously accounted for. The restatements were done retrospectively in line with the standard. Below are balances and totals as per the statements which were restated as a result of errors:

Statement of financial position

Year ended 31 March 2022

Note	As previously reported	Correction of error	Amount restated
Increase in payables from non-exchange (levy creditors - mandatory grants payables)	(32 039)	(7 527)	(39 566)
Decrease in payables from non-exchange (trade payables discretionary grants)	(68 566)	1 312	(67 254)
Decrease in trade payable from non-exchange (accruals: discretionary grant)	(5 102)	4 317	(785)
Increase in payables from exchange (trade and other payables)	(4 954)	(281)	(5 235)
Decrease in total net assets	(530 020)	2 179	(527 841)
	(640 681)	-	(640 681)

The payables from non-exchange transactions (levy creditors) amount was understated by R7.5 million in the 2021/22 financial year. The understatement was due to the omission of mandatory grants accruals that should have been recognised on 31 March 2022.

The payables from non-exchange transaction (trade payables discretionary grants) was overstated by R1.3 million in the 2021/22 financial year. These relate to discretionary grant invoices that were erroneously recognised and cancelled in the current financial year or credit notes have been raised subsequently whereby an adjustment was made to decrease the payables balance.

The trade payables from non-exchange (accruals discretionary grants) as previously reported was R5.1 million, it was discovered that the invoices amounting to R203 000 were posted to payables from non exchange and R4.1 million relates to the cancelled invoices in the financial year 2021/22. Therefore the adjustment was made to reduce the accruals accordingly .

An amount of R281 000 relates to various adjustment to general expenditure to correct over or understatement of expenditure that was identified during the current financial year. This makes the administration expenditure and payables from exchange to increase accordingly.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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Statement of financial performance

Year ended 31 March 2022

	Note	As previously reported	Correction of error	Amount restated
Increase in mandatory grants expenditure	18	79 478	7 527	87 005
Decrease in discretionary grants expenditure		371 988	(5 287)	366 701
Decrease in general expenditure		30 870	(62)	30 808
Decrease in surplus for the year		19 012	(2 178)	16 834
		501 348	-	501 348

The mandatory grants expenditure was understated by R7.5 million in the 2021/22 financial year, the understatement was due to the omission of 2022/202 file/accruals that should have been recognised on 31 March 2022.

The accruals discretionary grants as previously reported was R5.1 million, it was discovered that the invoices amounting to R203 000 were posted to discretionary grants payables and R4.1 million relates to the cancelled invoices in the financial year 2021/22; and the R958 000 of overstatement was corrected in financial year 2021/22. Therefore the adjustment resulted in decrease in discretionary grants expenditure by R5.3 million.

The general expenditure was overstated by R62 000 in the financial year 2021/22. Therefore an adjustment to correct the error was made in the current financial year which reduces the expenditure and payables from exchange and non-exchange transactions.

Surplus for the year was also reduced by R2.2 million due the adjustments made on expenditure

Statement of net assets

Year ended 31 March 2022

Allocation of accumulated surplus

	Administration reserves	Employer reserves	Discretionary reserves	Surplus for the year
As previously reported	17 337	47 202	(45 527)	19 012
Prior period error : Reclassification of interest received	(19 236)	-	19 236	-
Allocation of surplus after interest adjustment	(1 899)	47 202	(26 291)	19 012
Effect of prior year adjustment	62	(7 527)	5 287	(2 178)
Amount restated	(1 837)	39 675	(21 004)	16 834

In the 2021/22 financial year, on the statement of net assets and Note 9 of the financial statements, interest received amounting to R19.2 million was incorrectly allocated to administration reserves instead of discretionary reserves. In terms of section 3 (4), AgriSETA is required to transfer any unspent administrative funds and any interest earned on funds on 31 March each financial year into the discretionary fund. As a result, the allocation to administration reserves was overstated

and a prior period adjustment effected in the current financial year 2022/23 to reduce the administration reserve and increase the discretionary reserve with R19.2 million accordingly.



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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28. Going concern

The annual financial statements 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.

SETAs have been re-established until 31 March 2030 as per Gazette No 42290 dated 7 March 2019.

29. Events after the reporting date

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

30. Material losses through criminal conduct

To the best of our knowledge, no material losses through criminal conduct or irregular, fruitless and wasteful expenditure were incurred during the year.

31. Irregular, fruitless and wasteful expenditure

Opening balance	2 528	4 967
Less : Amount deemed not irregular expenditure	-	-
Opening balance as restated	2 528	4 967
Add: Irregular expenditure - current year	77 868	1 409
Less: Amount written off - current year	(2 663)	(3 848)
	-	-
Closing balance	77 733	2 528

Details of irregular expenditure incurred during the year

The appointment of other members of the accounting authorities in 2020 was not in compliance with applicable legislation in relation to the Skills Development Act. The R135 000 amount relates to board fees paid in the current financial year prior to the amount being written off.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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In total, a cumulative amount of R2.6 million was approved by the board for write-off after the SETA followed all due processes in consultation with National Treasury and DHEST to legitimise the removal from the irregular expenditure register.

AgriSETA received approval by the minister of Higher Education, Science and Technology to retain the committed surplus funds amounting to R514 million to funds previous year contracts only realised and invoiced in the 2022/23 financial year. In the past this approval was received from National Treasury however in 2022/23 the National Treasury redirected the approval process to DHEST Minister. The audit process however identified that the approval process should have remained with National Treasury.

The AgriSETA has not incurred any fruitless and wasteful expenditure in the current financial year 2022/23.

32. 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.

32.1 Skills Development Levy (SDL) income

In the current financial year, AgriSETA collected (1.1%) more levies from both private levy payers and provincial departments of agriculture, which is R2.8 million more than the budgeted amount. The overcollection is due to the increase in number of employers joining AgriSETA and also transferring from other SETAs to AgriSETA.

32.2 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 are not budgeted for.

32.3 Investment income - Interest received

Investment income comprise of interest received on the CPD investment account. The budgeted return on investment was R28.6 million, however actual yield was R30.3 million. The increase is mainly attributed to consistent investment balances held during the year. This is due to the fact that AgriSETA funded most of the 2022/23 expenditure using levies received in the 2022/23 financial year without any withdrawal of funds from the investment account. Late servicing of commitment or projects ensure that there were sufficient cash reserves for longer term investments. Monthly cash forecasting techniques assisted in determining the monthly required cash.



Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	Note(s)	2023	2022 Restated
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32.4 Employer grants and project expenditure

Actual employer grants and projects expenditure were more than the budget by R67 million. This is due to the adjustment of budget as approved by the minister. The phase of implementation of projects was the driver for discretionary grants expenditure payments. The mandatory grants paid was higher in 2022/23 and the major contributor was the 100% approval of the work skills programme.

32.5 Employee related costs

Personnel expenditure is R3.03 million above the budget. The administration employee costs in 2022/23 increased marginally with a variance of 6% due to salary increases as well as increase in the expenditure due to provisions raised for leave and performance bonus by R423 000 and R2.4 million respectively.

32.6 General expenses

General expenses are limited to 10.5% of employer collected SDL revenue. During the current year AgriSETA exercised strict control over general expenditure to ensure cost containment and that expenditure does not exceed budget. There was a spending of R1.96 million below budget. Any unspent funds are transferred to the discretionary reserves.

32.7 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 three years. The project costs amounted to R8.7 million in the current financial year 2022/23. The programme is picking up momentum in the current 2022/23 financial year.



AgriSETA employees with the CEO, proudly giving a high five to all who contributed to the success of the 2022/23 performance of 95%

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