



Education, Training and Development Practices Sector Education and Training Authority

Annual Report 2022/23

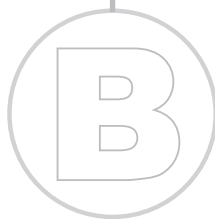


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PART

A

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General **Information**

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ETDP SETA's

Information

Name:

Education, Training and Development Practices
Sector Education and Training Authority
Referred to in this report as ETDP SETA

Physical Address:

ETDP SETA House
2-6 New Street, South Marshalltown
JOHANNESBURG, CBD
0001

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Private Bag X105
Melville
2109

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Addresses of the nine provincial offices are presented on the back cover of the report.

External Auditors:

The Auditor-General of South Africa (AGSA)
4 Davenry Street
Lynwood Bridge Office Park, Lynwood Manor
PRETORIA, RSA
0081

Banker:

Standard Bank of South Africa
5 Simmonds Street
JOHANNESBURG
2000

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List of Abbreviations/ Acronyms

Abbreviation/ Acronym	Description
4IR	Fourth Industrial Revolution
AA	Accounting Authority
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
APPETD	Association of Private Providers of Education, Training and Development
ATR(s)	Annual Training Report(s)
B.Ed.	Bachelor of Education
CAPS	Curriculum Assessment Policy Statements
CBO	Community-Based Organisation
CCMA	Commission for Conciliation, Mediation and Arbitration
CDO(s)	Career Development Officer(s)
CEO	Chief Executive Officer
CET	Community Education and Training
CFO	Chief Financial Officer
CHE	Council on Higher Education

COMDEV Community Development

COO Chief Operations Officer

CS Constituency Support

DBE Department of Basic Education

DoE Department of Education

DHET Department of Higher Education and Training

DPME Department of Planning, Monitoring and Evaluation

DPSA Department of Public Service and Administration

ECD Early Childhood Development

EFAL English First Additional Language

ERP Enterprise Resource Plan

ETD Education, Training and Development

ETDP SETA Education, Training and Development Practices Sector Education and Training Authority

ETDQA Education Training and Development Quality Assurance

ERP Employee Wellness Programme

EXCO Executive Committee

FET Further Education and Training

GRAP Generally Recognised Accounting Practice

HEI Higher Education Institution

HERC Higher Education and Research Chamber

HESI Higher Education Science and Innovation

HSRC Human Sciences Research Council

HR Human Resources

IA Internal Audit

ICT Information and Communication Technology

KZN KwaZulu-Natal

LP Limpopo Province

M&E Monitoring and Evaluation

MIS Management Information System

MOA Memorandum of Agreement

MOU Memorandum of Understanding

MSc Master of Science

MTSF Medium Term Strategic Framework

NEHAWU National Education, Health and Allied Workers' Union

NGO Non-Governmental Organisation

NLPE Non-Levy Paying Entity

NPO Non-Profit Organisation

NSA National Skills Authority

NSDS National Skills Development Strategy

NSDP National Skills Development Plan

NSF	National Skills Fund
OHSA	Occupational Health and Safety Act
PDoE	Provincial Departments of Education
POPIA	Protection of Personal Information Act
PhD	Doctor of Philosophy
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
PSRIP	Primary School Reading Improvement Programme
PWD	People with Disabilities
QAC	Quality Assurance Committee
QCTO	Quality Council for Trades and Occupations
RMC	Risk Management Committee
RPL	Recognition of Prior Learning
SACE	South African Council for Educators
SADTU	South African Democratic Teachers' Union
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SDA	Skills Development Act
SDI	Skills Development Intervention

SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMT	School Management Team
SOPs	Standard Operating Procedures
SP	Strategic Plan
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training
UoT	University of Technology
USAf	Universities South Africa
WIL	Work Integrated Learning
WITS	University of Witwatersrand, Johannesburg
WPE	Workplace Experience
WSP	Workplace Skills Plan
WSPRs	Workplace Skills Plans Reports

③

Foreword

by the Chairperson



Mr Duncan Hindle
Accounting Authority Chairperson

Introduction

“Education is the great engine of personal development.” These are the words of former President Nelson Rolihlahla Mandela and, to honour his memory, the ETDP SETA continues to strive to meet the skills development needs of the ETD Sector. In doing so, it is guided by the national priorities articulated in the National Skills Development Plan and the National Development Plan.

The ETDP SETA is mandated to promote and facilitate the delivery of education, training and development in order to enhance the skills profile of people working in this large and broad sector. Additionally, the SETA aims to contribute towards the creation of employment opportunities, especially for youth and women and the disabled. To do so, the SETA continues to implement the approved five-year Strategic Plan, as elaborated and detailed in the Annual Performance Plans.

Overview of performance

Detailed reports on the performance of each programme are included in Part B: Performance Information. In summary, for the year under review, and based on the APP approved by the Minister of Higher Education, Science and Innovation and tabled in Parliament, 89% of the targets were achieved. Significantly, the number of levy-paying employers has increased since Covid-19, together with the amount of levies paid, suggesting a strong recovery in the sector.

The Financial and Audit Reports are included in Part F of the Report. Although I had anticipated an unqualified audit outcome, it is unfortunate that the ETDP SETA received a qualified audit outcome opinion. I however remain confident that we will do better in the 2023/24 financial year.

Strategic Relationships

To ensure the growth of the country economically, and to address unemployment, poverty and inequality, the SETA entered into partnerships with various stakeholders to increase the supply of occupations such as university lecturers and ECD practitioners. These include effective partnerships with employers to support work-based learning, so as to achieve the NSDP 2030 vision of an educated, skilled and capable workforce for South Africa.



Looking ahead, the ETDP SETA Board will continue to ensure that innovative measures, supported by the new opportunities presented by the Fourth Industrial Revolution, will be deployed."

Challenges faced by the Board

South Africa is faced with an ongoing challenge of poverty and inequality, and the education sector deals with this on a daily basis. During the year under review, the Accounting Authority continued to ensure that the SETA implements programmes that seek to develop unemployed youth, to alleviate one of the critical challenges of unemployment.

Looking ahead, the ETDP SETA Board will continue to ensure that innovative measures, supported by the new opportunities presented by the Fourth Industrial Revolution, will be deployed. This is to ensure that the SETA is more streamlined, more agile, and more innovative in dealing with its operations. Together with training providers and constituencies, new ways are being explored to manage the delivery of skills across the sector.

Medium to long term goals of the entity

For the coming year, the particular focus areas of the SETA will include:

- Ensuring that short and medium-term recommendations of both the Skills and Teacher Development Summits held in late 2021 are implemented through the 2023/24 APP; and the long-term ones are incorporated into the SETA Strategic Plan; and
- Steering the APP financial resource, in collaboration with SETA line departments (DHET and DBE), to achieve the objectives of the Economic Recovery and Reconstruction Plan (ERRP) released in 2021.

Acknowledgements, appreciation and conclusion

I first wish to acknowledge and thank both public and private employers for their continued commitment to support and contribute towards skills development in the ETD Sector. The levy contributions are the lifeblood of the SETA, and are used in support of education and training.

I would also like to appreciate the contribution of every member of the Accounting Authority, as well as that of participants in the Committees and Chambers, which is greatly valued. Management is to be commended for their efforts during the year, and we look to them to lead us in promoting and facilitating the delivery of programmes to enhance the skills profile of the sector. On behalf of the Board, let me also thank the entire ETDP SETA team for their dedication and commitment over the past year.

In conclusion, let me say it is my honour to lead this organisation and a privilege to be able to serve in the ETD Sector.



Mr Duncan Hindle

Accounting Authority Chairperson

25 August 2023

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Chief Executive Officer's Overview



Mrs Sesi Nombulelo Nxesi
Chief Executive Officer

General financial overview of the organisation

The ETDP SETA programmes and activities are funded through the skills development levies from ETD sectoral organisations, the financial contribution from the Departments of Education and the interest income. Interest income pertains to interest earned on a positive bank balance during the course of the year.

Revenue analysis

The financial outlook for the year under review reflects an overall increase across all sources of revenue. The constituent levy-paying organisations and the Departments of Education continue to be the pillars of financial support to the ETDP SETA and play a pivotal role in ensuring that the mandate of ETDP SETA is achieved.

Levies from organisations account for 60% of the total revenue. The revenue for the 2022/23 financial year increased by R45,6 million (7%) compared to the prior year.

Contributions from the Departments of Education account for 32% of the total revenue and the contributions increased by R5.1 million (1%) compared to the prior year.

The Departments of Education continue to provide much needed financial support to the ETDP SETA, as required by the Department of Public Service and Administration (DPSA) Circular No. HRD 1 of 2013. The receipts from some of the provincial departments are, however, below the percentage contribution stipulated in the DPSA circular, thus resulting in less revenue received by the ETDP SETA, compared to the budgeted revenue for the year under review.

Interest income increased by R43,7 million (96,3%) compared to the prior year. This accounts for 8% of the total revenue.

The table below shows the revenue received over the past three financial years:

Revenue items	2022/23 R'000	2021/22 R'000	2020/21 R'000
Levies from levy paying organisations	690 036	644 415	415 074
Departments of Education	374 952	369 808	318 942
Interest income	89 126	45 403	43 398
Other revenue	269	204	110
Total	1 154 384	1 059 831	777 524

Spending trends

Expenditure on mandatory grants increased by R13 million (10.4%) from the prior year. There was a slight improvement in the disbursement of discretionary grants, as compared to the prior year. ETDP SETA, working closely with its stakeholders, continues to engage in ways to fast track implementation of projects, which would in turn improve disbursement of funds. Expenditure on administration expenses was within the approved budget and has increased by 16% compared to the prior year. ETDP SETA continues to apply strict cost-containment measures in its business conduct.

“
ETDP SETA
continues to apply
strict cost-containment
measures in its
business conduct.”

The table below shows the expenditure trends over three financial years against the budget:

Expenditure items	2022/23 R'000	2021/22 R'000	2020/21 R'000
Mandatory grants	139 736	126 529	79 275
Discretionary grants	569 941	486 342	763 078
Administration	206 598	178 808	169 337
Quality Council for Trades and Occupations (QCTO) transfers	4 050	2 686	3 665
Total	920 325	794 365	1 015 355

Capacity constraints and challenges faced the organisation

The following capacity constraints were experienced:

- Internal control deficiencies were identified by the internal auditors on performance information reporting.
- The organisation did not operate at a full staff complement, as per the approved organisational structure, due to some vacancies not having been filled. In addition to the delays in appointments, the internal staff promotions continued to create vacancies on previous positions held and, in some few instances, suitable candidates could not be identified on first attempts of the advertisement and selection processes. The organisation has not experienced significant resignations in the 2022/23 financial year as there were only three terminations.

Strategies to address challenges experienced

Mitigation plans to improve internal controls deficiencies on performance information reporting were developed. Management is putting in place a strategy to align the organisational structure with the organisational strategy and the plans are in place to ensure timely filling of vacancies to enhance productivity and service delivery.

Discontinued activities/activities to be discontinued

There are no discontinued activities or an intention to discontinue any activities of the ETDP SETA.

New or proposed activities

There were no new or proposed activities.

Request for rollover of funds

The Executive Authority approved the utilisation of surplus funds of R1 092 627 000 from the 2021/22 financial year to fund commitments from discretionary grants projects, as well as other areas of priority in the sector.

Supply Chain Management (SCM) processes and systems

ETDP SETA complied with National Treasury Regulation 16A4.1 The Supply Chain Management Unit is operational and effective under the leadership of the Chief Financial Officer (CFO). The SETA strives always to ensure compliance with its policies and legislation applicable to the organisational environment. In the last financial year, there were no material findings during the AGSA audit on supply chain management processes. ETDP SETA is committed to ensuring the maximum value for its funds.

Concluded unsolicited bids for 2022/23

The organisation did not award any unsolicited bid proposals in the 2022/23 financial year.

Audit report matters from the prior year

For the 2021/22 financial year, the ETDP SETA received an unqualified audit outcome with no material findings on financial statements. There were, however, material misstatements identified in the reported performance information for Programme Three of the Annual Performance Plan 2021/22, which were later corrected.

Plans to address financial challenges

ETDP SETA has not experienced serious financial challenges in the year under review, however, there are still few Departments of Education that were not able to pay the full financial contribution as expected. Continuous engagements with the Departments of Education are taking place and are aimed at ensuring that there is adherence to the payable contribution amounts, that the payments are made and that the expected contributions are made in full and on time.

The slow implementation of the projects resulted in slow disbursement of funds, and this has led to increased financial commitments. The matter will be attended to in the 2023/24 financial year.

Events after the reporting date

There were no significant events after the balance sheet date.

Economic viability

The ETDP SETA remains solvent and liquid with improved viability.

Acknowledgements

I would like to express my appreciation for the support received from the Chairperson of the Accounting Authority, all members of the Accounting Authority and the Chairpersons and members of the Committees and Chambers.

My sincere gratitude also goes to management and staff for their commitment towards the implementation of programmes.

I would like to thank our partners in the implementation of the programmes and projects, as well as the beneficiaries of the programmes and projects. Our constituencies and stakeholders play a critical role in supporting service delivery.

I am thankful for the support we continue to receive from the Ministry of Higher Education, Science and Innovation and the Department of Higher Education and Training, as well as the Ministry, the Department of Basic Education and the Provincial Departments of Education for the partnerships entered into and the general support with the implementation of the APP projects.



Mrs Sesi Nombulelo Nxesi

Chief Executive Officer

25 August 2023

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Statement of Responsibility & Confirmation of Accuracy of the Annual Report

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

The annual report is complete, accurate and is free from any omissions and has been prepared in accordance with the guidelines for annual reports, 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 (Standards of GRAP), applicable to the ETDP SETA.

The Accounting Authority is responsible for establishing and implementing a system of internal controls 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 Auditor General South Africa (AGSA) is engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, performance information, the human resources information and the financial affairs of the ETDP SETA for the financial year ended 31 March 2023.



Mrs Sesi Nombulelo Nxesi
Chief Executive Officer
25 August 2023



Mr Duncan Hindle
Accounting Authority Chairperson
25 August 2023

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Strategic Overview

Vision

The vision of the ETDP SETA is to be a promoter and facilitator in the development and improvement of the skills profile of the sector's workforce to benefit employers, workers, and employees in the sector.

Mission

The ETDP SETA holds as its mission, the promotion, facilitation, and development of an education, training, and development sector in which:

- the skill levels of employees and workers are raised
- there is a healthy balance between supply and demand in the labour market
- there are diverse, flexible routes for initial and in-service education and training
- a variety of career paths are available
- the quality of education and training provision is improved
- the levy grant scheme is efficiently administered

- there is regular liaison with providers, other SETAs, the Department of Employment and Labour, the Departments of Education (DoE), the National Skills Authority (NSA) and the South African Qualifications Authority (SAQA) and its structures
- internal and external communication is effective to advance national human resource and skills development
- dialogue and interaction between public and private entities in the sector about skills transfer and training delivery is encouraged; and
- employers, workers, and employees in the sector benefit from quality training, higher productivity, and harmonious mutual dependencies.

Values

The ETDP SETA's values include a commitment to:

- transparency and fair conduct
- honesty and integrity
- courteousness and caring
- honouring deadlines
- promoting equity amongst all our stakeholders
- cooperative governance; and
- striving for continuous improvement.



The vision of the ETDP SETA is to be a promoter and facilitator in the development and improvement of the skills profile of the sector's workforce to benefit employers, workers, and employees in the sector."

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Legislative and Other Mandates

The ETDP SETA operates within a diverse regulatory environment of government legislation. This legislation places obligation on Accounting Authority and Management to ensure compliance, while executing the ETDP SETA mandate.

The following are some of the key legislative mandates which guide the SETA in the execution of its mandate:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- The Skills Development Act, 1998 (Act No. 97 of 1998)
- Skills Development Levies Act (Act No. 9 of 1999)
- Public Finance Management (Act No. 1 of 1999) as amended
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Protection of Personal Information Act (Act No.4 of 2013)
- Disaster Management Act (Act No. 5 of 2002)
- Occupational Health and Safety Act (Act No. 85 of 1993)

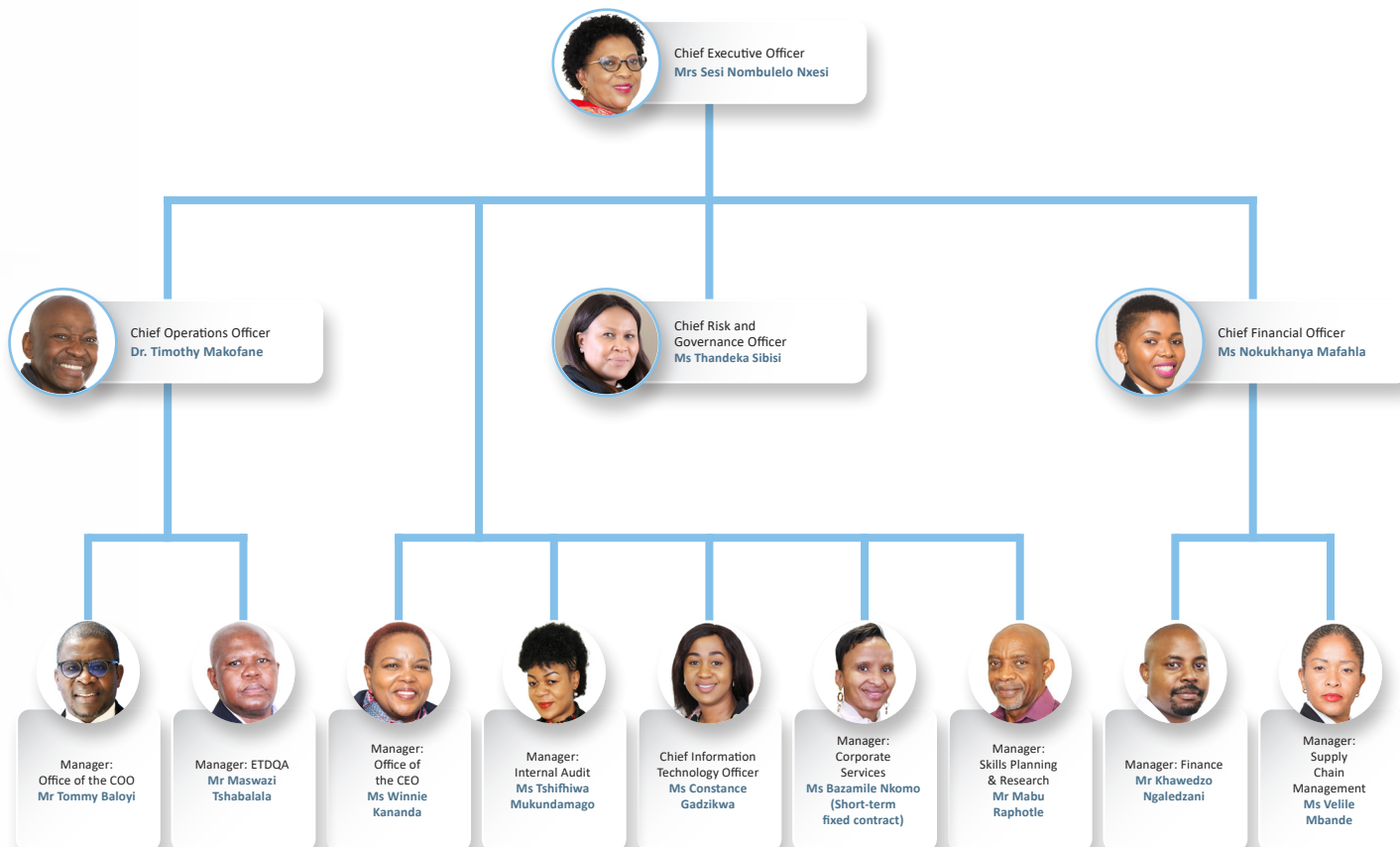
Over and above the above legislative mandates, the ETDP SETA is guided by The SETA Standard Constitution of 2011 and ETDP SETA policies. The National Skills Development Plan (NSDP) provides a basis for the formation of the performance outcomes and the outcome indicators for all the programmes outlined in the Annual Performance Plans (APPs).

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Organisational Structure: Governance



High Level Management Structure



PART

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Performance Information

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Auditor-General's Report:

Predetermined Objectives

The Auditor-General of South Africa (AGSA) did not identify material findings on the annual performance report.

During the auditing process, AGSA identified material misstatements in the reported performance information of the annual performance report.

These misstatements were promptly identified and subsequently corrected by management to ensure the accuracy and reliability of the performance report.

Refer to the auditors conclusion on the annual performance report included in the auditor's report under "Report on the audit of the annual performance report" on pages 149-151.

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Situational Analysis

Service delivery environment

The ETDP SETA, a schedule 3A public entity, is charged with the responsibility to drive the skills development programmes in line with the Skills Development Act, Act 97 of 1998 as amended. The implementation of the objectives and the targets set are outlined in the APP and Service Level Agreement (SLA).

The SETA uses four target-driven Programmes to achieve its APP and SLA. Of the four, one (Programme 3) is the largest with 68% (24 out of 35) of the APP targets rendering services directly to the public. While the overall SETA performance is 89% in the year under review, three programmes achieved 100% and Programme 3 is the only programme that under-performed with 83%. The reasons for this under-achievement include the delays in the transition to a new ICT system resulting in disruptions to some business operations; and weaknesses in the project management and implementation of targets.

Consequently, four targets were not achieved, namely; completion of internships, provision of bursaries to continuing students, the training of unemployed youth in entrepreneurial and digital skills programmes and the support to CBOs/NGOs/NPOs with training interventions. These are critical interventions targeting young people to contribute to the economic growth and job creation.

Towards the end of the 2022/23 financial year, corrective measures were undertaken to mitigate against the above-mentioned challenges. There is notable progress in most of the core ICT functions due to additional technical resources being deployed in critical areas of the organisation. The second measure was to strengthen the business operations by establishing a project management team and ensuring that project planning for the 2023/24 financial year commenced in the last quarter of the 2022/23 financial year.

Organisational environment

Previously, there were delays in the filling of vacancies, however mitigation plans were put in place to fill critical positions to enhance productivity and ensure continuity in service delivery. Some of the critical vacancies that were filled during the year under review include the Chief Risk and Governance Officer, and the appointment of a Manager: Corporate Services on a fixed-term contract. Management is putting in place a strategy to ensure timeous filling of vacancies.

The organisation did not experience significant resignations in the 2022/23 financial year as there were only four terminations due to natural attrition, retirement and resignation.

During the third quarter of the financial year, the ETDP SETA experienced a security incident which disrupted internal ICT systems. The incident was managed diligently, and mission critical systems and data were recovered successfully. There was no data exfiltration detected and the organisation is putting measures in place to strengthen its security posture.

Key policy developments and legislative changes

- The Protection of Personal Information (POPI) Act - All Memoranda of Agreements (MoAs) as well as Memoranda of Understanding (MoU) with contracting partners and beneficiaries were updated in compliance with the Act.
- Preferential Procurement Policy Framework Act, Circular 01 of 2022/2023 - The new Preferential Procurement Regulations 2022 came into effect on 16 January 2023 and the ETDP SETA revised its SCM policy accordingly.
- National Treasury Instruction Note 4 of 2022/23 - PFMA Compliance and reporting framework - The ETDP SETA implemented reporting mechanisms, as stipulated in the instruction note.

Progress towards Achievement of Strategic Institutional Impacts and Outcomes

Programme 1

Outcome	Outcome Indicator	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress (As at 31 March 2023)
Capable human capital for improved service delivery	Number of employees and governance structure members trained and professionally capacitated for improved service delivery	-	All staff and governance structure members trained on relevant competencies and capabilities	163 [127 (94%) Staff members and 36 (100%) Governance Structure members]
Digitalised business environment for improved performance	Number of automated business processes implemented for improved organisational efficacy by year end	-	15	11 (73%)

Programme 2

NSDP Outcome 1	Outcome Indicator	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress (As at 31 March 2023)
Increased production of Occupations In High Demand	Number of Occupations In High Demand identified and reported through Sector Skills Plans process	20	30	24 (80%)
	Number of research studies conducted to inform skills planning	-	15	11 (73%)
	Percentage of WSPs and ATRs evaluated and feedback provided to employers	1 000	100%*	100%
Effectiveness of implementation of skills programmes and projects	Number of evaluation studies conducted	4	5	3 (60%)

“*” Denote that this is non-cumulative target over a five-year period.

Programme 3

NSDP Outcome 2	Outcome Indicator(s)	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress as at 31 March 2023
Linking education and the workplace	Number of youth accessing work-based learning opportunities to enhance employability	15 566	20 205	11 900 (59%)
	Increased number of students receiving financial assistance from the ETDP SETA bursary scheme and/or ETDP SETA funded skills development initiatives	13 837	20 105	2 317 (12%)
NSDP Outcome 3	Outcome Indicator(s)			
Improving the level of skills in the South African workforce	Increased number of teachers and government officials who are competent in digital skills to facilitate digital learning, e-learning, blended learning and other new digital skills transfer to learners	-	51 844	14 856 (29%)
	Constituent organisations supported, through skills development, to enhance employees' capabilities on digital skills	-	14	44 (314%) ¹

¹ The over-achievement is attributed to the constituencies that have received more than one type of support during the five-year period based on their skills development needs.

NSDP Outcome 5	Outcome Indicator(s)	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress as at 31 March 2023
Support the growth of the public college system	CET Colleges funded to implement digital learning platforms	-	9	9 (100%)
	Increased number of TVET and CET College lecturers, managers, practitioners, and council members trained in specialised fields and lecturers exposed to relevant industries	4 039	5 000	190 (4%)
NSDP Outcome 6	Outcome Indicator(s)			
Skills development support for entrepreneurship and cooperative development	Increased number of emerging cooperatives especially in rural areas to acquire the new skills required in the 4IR	42	100	30 (30%)
NSDP Outcome 7	Outcome Indicator(s)			
Encourage and support worker-initiated training	Increased number of worker-initiated training supported	-	10	3 (30%)
NSDP Outcome 8	Outcome Indicator(s)			
Support career development services	Career Development Services: Increase in the career development opportunities for previously disadvantaged individuals in accessing post-school education and training as a result of career guidance events organised	260	400	125 (31%)

“-” Denote that the outcome indicator is new hence there is no baseline.

Programme 4

NSDP Outcome 4	Outcome Indicator	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress (As at 31 March 2023)
Increase access to occupationally directed programmes	Occupational qualifications that promote Occupations In High Demand to increase employability are developed	3	12	7 (58%)
	Candidates are enrolled in Recognition of Prior Learning programmes to fast track the award of qualifications	1 104	1 100	450 (41%)
	Increase the number of candidates awarded qualifications through the Recognition of Prior Learning processes	490	875	351 (40%)
	Accredited quality learning programmes for priority skills in the sector are offered through various modes of learning programme delivery	2 301	1 549	1 478 (95%)
	Increase in the number of work-integrated learning sites promoted and supported for Occupations In High Demand to increase employability	10	75	25 (33%)

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Institutional Programme

Performance Information

Programme 1: Administration

Purpose

The purpose of the programme is to ensure effective organisational management and administration.

Sub-programmes

The programme has the following sub-programmes:

- Governance and Risk: The purpose of the sub-programme is to ensure good corporate governance and adequate internal controls.
- Human resources: The purpose of the sub-programme is to ensure recruitment of capable human capital and continuous development to enhance organisational performance.
- Finance and Supply Chain Management: The purpose of the sub-programme is to ensure a sound and compliant financial environment and efficient supply chain management processes.
- Information Communication Technology: The purpose of the sub-programme is to provide information technology capability for efficient running of core business processes of the ETDP SETA in a manner that increases value, enhances quality, and improves productivity.

Outcomes

- Capable human capital for improved service delivery.
- Digitalised business environment for improved performance.

Actual Achievements

There were two targets for the financial year and both were achieved, translating to 100% achievement.

1 (a) Number of employees and governance structure members trained and professionally capacitated for improved service delivery.

A total of 163 staff and governance structures members attended training [i.e. 127 staff members (93%), and 36 governance structures members (100%)].

1 (b) Number of automated business processes for improved organisational efficacy.

The following five business processes were automated:

Assessor and Moderation Registration

The ETDP SETA has developed and launched the Assessor and Moderator Online Registration System. The purpose of the system is to simplify and speed up the registration processes.

It also gives Assessors and Moderators the ability to track their applications and receive registration updates from ETDP SETA officials timeously.

Digital Contract Management

A digital contract management solution offers an efficient and secure process to develop, sign and maintain contracts. Furthermore, it assists with the standardisation of contractual agreements, which enables the organisation to keep track of contractual agreement terms and conditions of implementation.

Quality Assurance – Learner Enrolments

As part of the ETDP SETA Information Management System implementation, Quality Assurance processes have been automated. The learner enrolment process enables Skills Development Providers to access training programmes for which they are accredited and enrol learners against the programmes. Furthermore, validation checks have been built within the system to ensure that data is of good quality.

Quality Assurance – Learner Assessments

Assessors and Moderators are enabled to conduct assessments online and upload assessment reports. Furthermore, training providers have the ability to make requests online for external

moderation to be conducted and scheduling is done by ETDP SETA officials. This has enabled the ETDP SETA to manage the workload of external verifiers more effectively.

Performance Information Management – Learner Processing

The automated business process caters for the learner/ beneficiary performance information management and includes, among other processes, the annual performance plan capturing, target allocations, projects creation and linking learners to projects. The system streamlines target allocations to implementing units and keeps track of allocated targets and budget; it also allows for target readjustments when a need arises.

Programme 1: Outcomes, Outputs, Output indicators, Targets and Actual Achievements

Programme 1: Administration								
Outcome	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Capable human capital for improved service delivery	Trained and professionally capacitated employees and governance structures members for improved service delivery	Number of employees and governance structures trained and professionally capacitated for improved service delivery	91	94	70	163 (127 Staff and 36 Governance Structures Members)	+93	There was a need for additional training in response to the functional requirements and this was accommodated within the allocated training budget.

Programme 1: Administration								
Outcome	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Digitalised business environment for improved performance	Digital transformation strategy in place and implemented	Number of automated business processes implemented for improved organisational efficacy by year end	-	6	5	5	-	-

Linking Performance with Budgets

Sub-programme	Budget (2021/22)	Actual expenditure (2021/22)	(Over)/ Under-expenditure (2021/22)	Budget (2022/23)	Actual expenditure (2022/23)	(Over)/ Under-expenditure (2022/23)
	R'000	R'000	R'000	R'000	R'000	R'000
Human Resources	114 394	107 080	7 314	3 435	2 572	863
Information Communication Technology	14 766	12 547	2 219	15 916	11 259	4 657
Total	129 160	119 627	9 533	19 351	13 831	5 520

Strategy to Overcome Areas of Underperformance

None.

Institutional Response to the Covid-19 Pandemic

Although Covid-19 Regulations were lifted, the ETDP SETA continued to provide a safe and healthy working environment by adhering to the provisions of the Occupational Health and Safety Act 85 of 1993. Occupational risk assessments were conducted on a quarterly basis in all ETDP SETA Offices and mitigation measures were implemented to continuously provide a safe working environment.

Sub-programme	Intervention	Geographical location	No of Beneficiaries	Disaggregation of Beneficiaries	Total Budget Allocation (R'00)	Budget Spent Per Intervention	Contribution to the Output in the APP	Immediate Outcome
Human Resources Management	Occupational Risk Assessments	National (Head Office) and nine Provinces (ETDP SETA Provincial Offices)	136 staff members	-	-	-	-	A safe and healthy working environment

Programme 2: Research and Skills Planning

Purpose

The purpose of the programme is to obtain accurate information on the supply of and demand for skills, in order to address the skills gaps in the ETD sector.

Sub-programmes

The programme has the following sub-programmes:

Research: The purpose of the sub-programme is co-ordinate research projects in order to identify interventions required for skills planning.

Workplace Skills Plans and Annual Training Reports: The purpose of the sub-programme is to facilitate the submission and Evaluation of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs). WSPs and ATRs play a critical role in the development of the Sector Skills Plan.

Performance Monitoring, Evaluation and Reporting: The purpose of the sub-programme is to monitor organisational performance and to ensure alignment between planning and implementation, detect deviations and gaps in the implementation to ensure that corrective measures are addressed.

Outcomes

- Increased production of Occupations In High Demand for purposes of employability and occupational mobility.
- Effectiveness of implementation of skills programmes and projects.

Actual Achievements

There were four targets for the financial year, all were achieved, translating to 100% achievement.

2(a) Number of Occupations In High Demand (OIHD) identified and reported through Sector Skills Plans process

- The Final Sector Skills Plan (SSP) 2023 – 2024 was approved by the Minister in March 2023. This process, as indicated, identified 14 Occupations In High Demand (OIHD), which correlates with the published national 2020 OIHD:

2021-134501- School Principal 2021-233107- FET Phase School Teacher (Grades 10-12) 2021-233108- Senior Phase School Teacher (Grades 7- 9) 2021-234101- Foundation Phase School Teacher 2021-234102- Intermediate Phase School Teacher (Grades 4-6) 2021-235201- Special Needs Teacher 2021-235101- Education or Training Advisor	2021-231101- University Lecturer 2021-134503- Faculty Head 2021-232130- TVET Educator 2021-234201- Early Childhood Development Practitioner 2021-121202- Business Training Manager 2021-122301- Research and Development Manager 2021-242202- Policy Analyst
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2(b) Number of research studies conducted to inform skills planning

The following studies were conducted and achieved:

- Early Childhood Development (ECD) Research Chair, in partnership with North West University (NWU): The research project is for a period of five years and it started in 2021. The research project is a continuation of the work done by the previous research chair on Early Childhood development (ECD) and Schooling. The research project focuses on the ‘supportive networks to provide children with opportunities to develop and thrive physically, cognitively, socially and emotionally.’ The ECD and Schooling research project, will also focus on ‘action research to improve collaboration for learning and action within the ECD sector in disadvantaged areas in order to develop capacity for sustainable education.’ A report on ‘Key Skills Change Drivers’ was produced as a baseline for what was finalised and approved.
- “Impact of Covid-19 in the ETD Sector” in partnership with the Human Science and Research Council (HSRC): The three-year research project started in 2021 and is aimed at ensuring that the ETDP SETA’s ‘planning, policy making, and programme implementation draw from research informed assessment of the impact of Covid-19 on its constituencies and subsectors’. In the first year of this research a report on ‘Labour Market Outcomes of Persons with Disabilities who were beneficiaries of SETA funded interventions between 2015 and 2019 arising from impact of Covid-19 Pandemic’ was finalised and approved.

- Work Integrated Learning (WIL) Research Chair in partnership with the Cape Peninsula University of Technology (CPUT): The five-year research project started in 2021 and is a continuation of the work of the previous strategic period (2015 – 2019). In the current strategic period, the research project is focusing on ‘participatory action research that will enable interventions to be carried out to improve the practice of identified areas/elements of WIL in the TVET sector. It will also ensure alignment of practice with current trends and new developments in the labour market.’ This is contained in a report entitled ‘The Validation of the Research Findings on Current Practice of Work Integrated Learning at 10 Selected South African TVET Colleges’, which was submitted and approved.
- Mathematics Education Research Chair in collaboration with the University of Free State (UFS): The five-year research project started in January 2022. It is aimed at conducting research in the area of mathematics education in South Africa. It seeks to determine whether the current training in mathematics education by South African universities is able to meet the needs of the country and the implications of skills planning. The baseline report on ‘The Landscape Review of Mathematics Education in South Africa’ articulates some of the recommendations for universities.

2(c) Percentage of WSPs and ATRs evaluated and feedback provided to employers

The evaluation process was concluded and feedback provided to all employers who submitted. The results of the evaluation were as follows:

- Received – 1 163
- Rejected – 08
- Approved – 1 155

WSPs and ATRs approved per size, as reported against the SLA

Size	SLA target	Achievement
Small	685	679
Medium	293	294
Large	172	182
Total	1 150	1 155

2 (d) Number of evaluation studies conducted

The ETDP SETA appointed an independent service provider to conduct an Evaluation Study to review its current Five-Year Strategic Plan (i.e. 2020/21 – 2024/25). The first report on literature review and desktop analysis was submitted and accepted. The study is continuing in the financial year 2023/24.

Programme 2: Outcomes, Outputs, Output indicators, Targets and Actual achievements

Programme 2: Research and skills planning								
NSDP Outcome 1	Output	Output indicator (OI)	Audited actual performance (2020/21)	Audited actual performance (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Increased production of Occupations In High Demand	Occupations In High Demand identified to inform future skills development initiatives	Number of Occupations In High Demand identified and reported through Sector Skills Plans process	15	14	14	14	-	-
	Research conducted to inform skills planning	Number of research studies conducted to inform skills planning	3	4	4	4	-	-
	100% WSPs and ATRs received and evaluated	Percentage of WSPs and ATRs evaluated and feedback provided to employers	1 167	1 150	100%	100%	-	-

Programme 2: Research and skills planning								
NSDP Outcome 1	Output	Output indicator (OI)	Audited actual performance (2020/21)	Audited actual performance (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Effectiveness of implementation of skills programmes and projects	Conducted evaluation studies with recommendations for areas of improvements	Number of evaluation studies conducted	-	1	1	1	-	-

Linking performance with budgets

Sub-programme	Budget (2021/22)	Actual expenditure (2021/22)	(Over)/ Under-expenditure (2021/22)	Budget (2022/23)	Actual expenditure (2022/23)	(Over)/ Under-expenditure (2022/23)
	R'000	R'000	R'000	R'000	R'000	R'000
Sector Skills Plan	-	-	-	-	-	-
Research	7 980	4 459	3 551	6 658	8 562	(1 904)
Workplace Skills Plans and Annual Training Reports	-	-	-	-	-	-
Performance Monitoring, Evaluation and Reporting	3 950	274	3 676	4 124	419	3 705
Total	11 930	4 703	7 227	10 782	8 981	1 801

Strategy to overcome areas of underperformance

None.

Reporting on the institutional response to the Covid-19 pandemic

The ETDP SETA has collaborated with Human Science Research Council (HSRC) to conduct a study, which is aimed at ensuring that the ETDP SETA's 'planning, policy making, and programme implementation draws from a research informed assessment of the impact of Covid-19 on its constituencies and subsectors'. In the first year of this longitudinal study, a final report on 'Labour Market Outcomes of Persons with Disabilities' was concluded and submitted to ETDP SETA. The research project beneficiaries were the previously funded beneficiaries between 2015 and 2019.

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 (R'000)	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Research	Research on the impact of Covid-19 in the ETD Sector	N/A	126	People with disabilities enrolled in skills programmes	786	786	Contributed to Output 3.12 of the APP	Insight into targeted intervention with respect to people with disabilities

Programme 3: Learning Programmes and Projects

Purpose

The purpose of the programme is to implement projects and programmes identified in the financial year in order to raise the skills and education levels of the unemployed and employed beneficiaries in the sector, reduce unemployment and enhance occupational mobility.

Sub-programmes

This programme has three sub-programmes:

- Implementation of learning programmes as per NSDP outcomes (for both employed and unemployed): The purpose of the sub-programme is to facilitate skills development programmes for both employed and unemployed people in the ETD Sector
- Partnership projects: The purpose of the sub-programme is to collaborate with other organisations, institutions and constituencies on various skills development interventions for a better impact
- Career development services: The purpose of this sub-programme is to support career development services

Outcomes

The following NSDP outcomes are incorporated into Programme 3:

- Outcome 2: Linking education and the workplace
- Outcome 3: Improving the level of skills in the South African workforce
- Outcome 5: Supporting the growth of the public college system
- Outcome 6: Supporting skills development for entrepreneurship and cooperative development
- Outcome 7: Encouraging and supporting worker-initiated training; and
- Outcome 8: Supporting career development services.

Actual achievements

The programme had 24 targets and 20 were achieved, translating to 83% achievement. Three targets, relating to internships completions, enrolments of the unemployed in skills programmes and bursary renewals respectively, were not achieved.

The delays in reporting were as a result of receiving the statements of results and certificates later than expected. In some instances, there were dropouts before the end of the project. The under-achieved KPIs are as follows:

- Number of unemployed graduates completed internship programmes. There was an under-achievement of 636.
- Number of unemployed learners enrolled in entrepreneurial and digital skills programmes. There was an under-achievement of 850.
- Number of bursaries awarded to students (Renewals). There was an under-achievement of 1 724.
- Number of CBOs/NGOs/NPOs supported with training interventions. There was an under-achievement of 1.

The tables on the following pages provide detailed information.

Programme 3: Outcomes, Outputs, Output Indicators and Actual Achievements

Programme 3: Learning programmes and projects								
NSDP Outcome 2	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Linking education and the workplace	1 300 TVET college students received workplace experience	Number of TVET students requiring work-integrated learning to complete their qualifications placed in workplaces	354	509	1 300	1 303	+3	More students were placed within the allocated budget

Programme 3: Learning programmes and projects								
NSDP Outcome 2	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Linking education and the workplace	500 university students requiring work integrated learning to complete their qualifications placed in workplaces	Number of university students requiring work integrated learning to complete their qualifications placed in workplaces	-	-	500	636	+136	More students were placed within the allocated budget
	354 TVET college students completed their work integrated learning placements	Number of TVET students completed their work integrated learning placements	1 369	223	354	356	+2	More students than projected completed the work-integrated learning placements
	1 500 graduates placed in internships	Number of unemployed graduates placed in internship programmes to acquire workplace experience and exposure	3 034	865	1 500	1 505	+3	More graduates were placed within the allocated budget

Programme 3: Learning programmes and projects								
NSDP Outcome 2	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Linking education and the workplace	1 227 unemployed graduates completed internships programmes	Number of unemployed graduates completed internships programmes	4 769	1 343	1 227	591	-636	Inadequate monitoring of the entry requirements for internship programmes
	1 000 unemployed learners enrolled skills programmes	Number of unemployed learners enrolled in entrepreneurial and digital skills programmes	750	1 127	1 000	150	-850	Delays in the procurement of the service provider to do the training
	700 unemployed learners completed skills programmes	Number of unemployed learners completed skills programmes	1 667	1 466	700	991	+291	More learners than projected completed their programmes
	200 unemployed learners enrolled in ECD learnership programmes	Number of unemployed learners enrolled in ECD learnership programmes	-	-	200	200	-	None

Programme 3: Learning programmes and projects								
NSDP Outcome 2	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Linking education and the workplace	600 bursaries awarded to students for high and intermediate level skills	Number of bursaries awarded to the students for high and intermediate level skills required by the ETD sector (new intake)	605	1 258	600	622	+22	More students were awarded bursaries within the allocated budget
	270 students granted bursaries completed their studies	Number of students granted bursaries completed their studies	107	233	270	291	+21	More students than projected completed their studies
	1 944 bursaries awarded to students (renewals)	Number of bursaries awarded to students (renewals)	585	524	1 944	220	-1 724	At the time of reporting, fewer applications for renewals were received than expected
	250 people with disabilities enrolled in skills programmes	Number of people with disabilities enrolled in skills programmes	250	250	250	250	-	None

Programme 3: Learning programmes and projects								
NSDP Outcome 3	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Improving the level of skills in the South African workforce	10 DBE and other Departments' Skills Development Projects implemented	Number of DBE and other Departments' Skills Development Partnership Projects in place	8	12	10	10	-	None
	400 workers from constituent employers enrolled in skills programmes	Number of workers from constituent employers enrolled in skills programmes	-	-	400	587	+187	More workers than projected were enrolled in skills programmes within the allocated budget
	1 000 workers from constituent employers granted bursaries (new entries)	Number of workers from constituent employers granted bursaries (new entries)	-	-	1 000	1 295	+295	More workers were awarded bursaries within the allocated budget
	6 305 workers completed skills development programmes	Number of workers completed skills development programmes	10 447	5 173	6 305	8 426	+2 121	More workers than projected completed their programmes

Programme 3: Learning programmes and projects								
NSDP Outcome 3	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Improving the level of skills in the South African workforce	26 partnership projects established with HEIs	Number of partnerships established with public HEIs	26	26	26	26	-	None
	20 partnership projects established with private HEIs	Number of partnerships established with private HEIs	-	23	20	21	+1	More partnerships were established within the allocated budget

NSDP Outcome 5	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Support the growth of the public college system	50 TVET partnerships Established	Number of TVET partnerships established	48	50	50	50	-	None
	9 CET colleges supported in the use of digital learning platforms	Number of CET colleges supported in the use of digital learning platforms	-	9	9	9	-	None

Programme 3: Learning programmes and projects								
NSDP Outcome 6	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Skills development support for entrepreneurship and cooperative development	10 CBOs/ NGOs/ NPOs supported with training interventions	Number of CBOs/ NGOs/ NPOs supported with training interventions	-	15	10	9	-1	One organisation that was reported as an achievement had to be removed as it was incorrectly categorised as an NGO
	10 cooperatives supported with training interventions	Number of cooperatives supported with training interventions	-	20	10	10	-	None

Programme 3: Learning programmes and projects								
NSDP Outcome 7	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Encourage and support worker-initiated training programmes	Three worker-initiated training programmes supported	Number of worker-initiated training programmes supported	-	-	3	3	-	None

Programme 3: Learning programmes and projects								
NSDP Outcome 8	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Support career development services	50 career development practitioners trained	Number of career development practitioners trained	25	50	50	50	-	None

Linking performance with budgets

Sub-programme	Budget (2021/22)	Actual expenditure (2021/22)	(Over)/Under-expenditure (2021/22)	Budget (2022/23)	Actual expenditure (2022/23)	(Over)/Under-expenditure (2022/23)
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Employed learning programmes	36 000	17 865	18 135	73 000	12 976	60 024
Unemployed learning programmes and student programmes	381 950	44 579	337 371	401 750	124 619	277 131
CBO/NGO/NPO partnership projects	1 500	448	1 052	1 000	604	396
TVET and CET college partnership projects	25 499	13 624	11 875	12 700	4 677	8 023
Public HEI partnership projects	50 170	1 262	48 908	50 151	6 971	43 180
Private HEI partnership projects	20 000	1 656	18 344	15 017	2 910	12 107
DBE and other departments' partnership projects	190 000	52 451	137 549	166 750	36 918	129 832
Co-operatives	10 532	0	10 532	5 019	286	4 733
Grand total (DG)	715 651	131 885	583 766	725 387	189 961	535 426

Strategy to Overcome Areas of Underperformance

OI#	Output Indicator	Strategy to Overcome Areas of Under-performance			
		What is to be done?	How?	By When?	Responsible Official
3.5	Number of unemployed graduates completed internship programmes	Ensure that the entry requirements for the internship categories are adhered to and verified prior the inception of the programme Proper monitoring of all projects	Standard Operating Procedures (SoPs) Project monitoring instrument reported quarterly	30 September 2023	Dr Makofane (COO)
3.6	Number of unemployed learners enrolled in entrepreneurial and digital skills programmes	Terms of Reference and implementation strategies must be developed prior to the beginning of the financial year of APP implementation	Sourcing of service providers timeously	30 September 2023	Dr Makofane (COO)
3.11	Number of bursaries awarded to students (renewals)	The bursary amounts and agreements need to be revised to give students adequate financial support and the bursary agreement to cover full duration of the qualification	Amendment of the bursary agreements	30 September 2023	Dr Makofane (COO)
3.21	Number of CBOs/NGOs/NPOs supported with training interventions	Encouragement of CBOs/NGOs/NPOs to participate in the SETA funded skills development opportunities	Develop a strategy for CBOs/NGOs/NPOs support	30 September 2023	Dr Makofane (COO)

Institutional response to Covid-19

Most of the teaching and learning programmes were conducted through multimodal approaches.

Programme 4: Quality Assurance

Purpose

The purpose of the programme is to ensure quality provisioning of occupationally directed programmes for Occupations In High Demand.

Sub-programmes

This programme comprises of the following five sub-programmes:

- Qualification development: The purpose of the sub-programme is to develop quality occupational qualifications, which are responsive to Occupations In High Demand.
- Recognition of Prior Learning (RPL) enrolments: The purpose of the sub-programme is to enrol candidates in Recognition of Prior Learning programme to fast track the award of qualifications.
- Recognition of Prior Learning (RPL) completions: The purpose of the sub-programme is to fast track the award of qualifications through Recognition of Prior Learning processes.
- Learning programme evaluation: The purpose of the sub-programme is to ensure quality provisioning of learning programmes delivered through various modes of delivery/ approaches.
- Workplace learning site approval: The purpose of the sub-programme is to create an enabling environment for the implementation of workplace learning opportunities for Occupations In High Demand.

Outcome

Increase access to occupationally directed programmes.

Actual Achievements

This programme had five targets for the financial year and all were achieved, translating to 100% achievement.

Qualification development: Four occupational qualifications, which aim to potentially increase the absorption of employees in the labour market for Occupations In High Demand, were developed. The details of these occupational qualifications are as follows:

- Higher Occupational Certificate: Early Childhood Development Centre Manager, NQF Level 5, with 183 Credits
- Advanced Occupational Certificate: Career Coach, NQF Level 6, with 121 Credits.
- Higher Occupational Certificate: Environmental Education, Training and Development Practitioner, NQF Level 5 with 156 Credits.
- Higher Occupational Certificate: Youth Development Practitioner, NQF Level 5, with 134 Credits.

Recognition of Prior Learning (RPL) enrolments: 250 candidates were enrolled in the Recognition of Prior Learning project to promote access to learning programmes and fast track the award of qualifications. The candidates were enrolled in the Recognition of Prior Learning programme against the Further Education Training Certificate; Early Childhood Development, NQF Level 4, Credits 140.

Recognition of Prior Learning (RPL) completions: 185 of the 250 candidates, who were enrolled in the Recognition of Prior Learner project of the 2021/2022 financial year, completed the programme and were awarded a qualification to enhance employability in the labour market.

The candidates have successfully completed the Recognition of Prior Learning programme against the following pre-2009 qualifications:

- Further Education and Training Certificate: Early Childhood Development, NQF Level 4, Credits 140.
- Further Education and Training Certificate: Community Development NQF Level 4; Credits 125.

Learning programme evaluation: 738 learning programmes from various skills development providers were evaluated to increase the number of accredited learning programmes that will support the delivery of learnerships and skills programmes.

Workplace learning site approval: 15 workplace learning sites were approved to ensure that they are conducive for structured work experience programmes that will provide opportunities for the students to acquire on-the-job experience.

Programme 4: Outcomes, Outputs, Output Indicators and Actual Achievements

Programme 4: Quality Assurance								
Outcome	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Increase access to occupationally directed programmes.	Four occupational qualifications promoting Occupations in High Demand are developed.	Number of occupational qualifications promoting Occupations in High Demand are developed.	-	3	4	4	-	-
	140 candidates are enrolled in RPL programme.	Number of candidates enrolled in RPL programme.	200	200	250	250	-	-
	250 candidates completed RPL programme.	Number of candidates completed RPL programme.	141	166	140	185	+45	More learners complied with the RPL assessment requirements and were declared competent.

Programme 4: Quality Assurance								
Outcome	Output	Output indicator (OI)	Audited actual achievement (2020/21)	Audited actual achievement (2021/22)	Planned target (2022/23)	Actual achievement (2022/23)	Deviation from planned target to actual achievement (2022/23)	Reasons for deviation
Increase access to occupationally directed programmes.	420 learning programmes evaluated.	Number of learning programmes evaluated.	-	400	420	738	318	More learning programmes were received and processed.
	15 work integrated learning sites for Occupations In High Demand are approved.	Number of work integrated learning sites for Occupations In High Demand are approved.	-	10	15	15	-	-



The purpose of the programme is to ensure quality provisioning of occupationally directed programmes for Occupations In High Demand."

Linking Performance with Budgets

Output Indicators	2021 - 2022			2022 - 2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Number of occupational qualifications promoting Occupations in High Demand are developed	1 500	470	1 030	1 600	920	680
Number of Candidates enrolled in Recognition of Prior learning (RPL) programme	3 200	1 300	1900	4 500*	-	4 500
Number of learning programmes evaluated	500	1 674	(1 174)	1 000	2 361	(1 361)
Number of work integrated learning sites for Occupations In High Demand are approved	500	-	500	500	391	109
TOTAL	5 700	3 444	2 256	7 600	3 672	3 928

*Funded from the discretionary grant

Strategies to overcome areas of underperformance

None.

Institutional Response to Covid-19 Pandemic

In its endeavours to support the Skills Development Providers in post Covid-19 pandemic era, the ETDP SETA continued to receive and processed applications for the following quality assurance functions:

- Accreditation of Skills Development Providers to deliver learning programmes using multimodal remote learning strategies that minimised face to face contact sessions.
- Online external moderation of assessment results submitted by the Skills Development Providers for approval.

Sub-programme	Intervention	Geographical location	No of Beneficiaries	Disaggregation of Beneficiaries	Total Budget Allocation (R'00)	Budget Spent Per Intervention	Contribution to the Output in the APP	Immediate Outcome
Learning programmes evaluation	Multimodal remote learning strategies	National and Provincial	7 Skills Development Providers	-	-	-	12 learning programmes were approved to be delivered through various multimodal remote learning strategies.	Skills Development Provider were able to deliver accredited learning programmes during this period using multimodal remote learning strategies.
	Online external moderation	National and Provincial	106 Skills Development Providers	-	-	-	9 644 Certificates of Competence were printed and issued.	Assessment results that were endorsed through an online process, enabled the learners to receive their Certificates of Competence speedily.

Summary of ETDP SETA's Performance Against Service Level Agreement signed with DHET

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Identify and increase production of Occupations in High Demand	National enrolment and resource ratios for high level skills	Percentage of discretionary grant budget allocated at developing high level skills	77%	77%	-	-	0%	77%	100%	0%	3.2, 3.4(a), 3.4(d) & 3.4(e); 3.9, 3.11, 3.13, 3.14, 3.17, 3.18, 3.19, 3.21 3.22 & 3.23
	National enrolment and resource ratios for intermediate level skills.	Percentage of discretionary grant budget allocated at developing intermediate level skills	23%	23%	-	-	0%	23%	100%	0%	3.1, 3.4 (b) – 3.4(c), 3.6, 3.8, 3.21, 3.22 & 4.2
		Percentage of discretionary grant budget allocated at developing elementary level skills	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Identify and increase production of Occupations in High Demand	Identification of interventions required to improve enrolment and completion of priority occupations:	Number of WSPs and ATRs approved for small firms	685	0	679	-	0	679	99%	-6	2 (c)
		Number of WSPs and ATRs approved for medium firms	293	0	294	-	0	294	100%	1	2 (c)
		Number of WSPs and ATRs approved for large firms	172	0	182	-	0	182	106%	10	2 (c)
		Number of sector research agreements signed for TVET growth occupationally directed programmes	1	0	0	-	1	1	100%	0	2 (b)

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Identify and increase production of Occupations in High Demand	National enrolment and resource ratios for high level skills	Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment	-	-	-	-	-	-	-	-	-
		Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	-	-	-	-	-	-	-	-	-
		Number of small and emerging enterprises trained on sector and national identified priority occupations or skills.	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Identify and increase production of Occupations in High Demand	Identification of interventions required to improve enrolment and completion of priority occupations:	Number of people trained on entrepreneurship supported to start their business.	-	-	-	-	-	-	-	-	-
Linking education and the workplace	Opening of workplace-based learning opportunities increased	Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	1 300	0	1 301	2	0	1 303	100%	3	3.1
		Number of TVET students completed their Work Integrated Learning placements.	354	0	1	237	118	356	101%	2	3.3

ETDP SETA Performance Against the 2022/23 Service Level Agreement

NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Linking education and the workplace	Opening of workplace-based learning opportunities increased	Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces	500	0	636	0	0	636	127%	136	3.2
		Number of university students completed their Work Integrated Learning placements	-	-	-	-	-	-	-	-	-
		Number of unemployed learners enrolled in internships	1 500	28	637	349	491	1 505	100%	15	3.4
		Number of unemployed learners completed internship	1 227	384	97	34	76	591	48%	-636	3.5
		Number of unemployed learners enrolled in Skills programmes	1 000	0	0	0	150	150	15%	-850	3.6

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Linking education and the workplace	Opening of workplace-based learning opportunities increased	Number of unemployed learners completed Skills programmes	700	30	186	304	471	991	142%	291	3.7
		Number of unemployed learners enrolled in Learnerships programmes	200	0	0	0	200	200	100%	0	3.8
		Number of unemployed learners completed Learnerships programmes	-	-	-	-	-	-	-	-	-
		Number of unemployed learners enrolled in Candidacy programmes	-	-	-	-	-	-	-	-	-
		Number of unemployed learners completed Candidacy programmes	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Linking education and the workplace	Opening of workplace-based learning opportunities increased	Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces	500	0	636	0	0	636	127%	136	3.2

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Improving the level of skills in the South African workforce	To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy.	Number of workers enrolled in skills development programmes	-	-	-	-	-	-	-	-	-
		Number of workers completed skills development programmes	6 305	6 397	1 218	188	629	8 432	134%	2 127	3.16
		Number of workers granted bursaries (new entries)	1 000	0	0	18	1 277	1 295	130%	295	3.15
		Number of workers granted bursaries (continuing)	-	-	-	-	-	-	-	-	-
		Number of workers granted bursaries completed their studies	-	-	-	-	-	-	-	-	-
		Number of workers enrolled in Skills programmes	400	0	0	238	349	587	147%	187	3.14

ETDP SETA Performance Against the 2022/23 Service Level Agreement

NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Improving the level of skills in the South African workforce	To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy.	Number of workers completed Skills programmes	-	-	-	-	-	-	-	-	-
		Number of workers enrolled AET programmes	-	-	-	-	-	-	-	-	-
		Number of workers completed AET programmes									

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Increase access to occupationally directed programmes	Increase access for intermediate and high-level skills	Number of artisan learners enrolled	-	-	-	-	-	-	-	-	-
		Number of artisan learners completed	-	-	-	-	-	-	-	-	-
		Number of unemployed learners granted bursaries (new enrolments)	600	0	0	100	522	622	104%	22	3.9
		Number of unemployed learners granted bursaries (continuing)	1 944	0	0	0	220	220	11%	-1 724	3.11
		Number of unemployed learners granted bursaries completed their studies	270	0	0	2	289	291	108%	21	3.10

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Increase access to occupationally directed programmes	Increase access for intermediate and high-level skills	Number of learners enrolled in RPL	250	0	0	250	0	250	100%	0	4.2
		Number of learners completed RPL	140	0	185	0	0	185	132%	45	4.3
		Number of TVET partnerships established	50	8	24	8	10	50	100%	0	3.19
		Number of public HEI partnerships established	26	0	0	13	13	26	100%	0	3.17
		Number of private HEI partnerships established	20	0	0	0	21	21	105%	4	3.18
		Number of SETA-Employer partnerships established	10	1	1	4	4	10	100%	0	3.13

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/ SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Support the growth of the public college system	Support the TVET colleges	Number of SETA offices established and maintained in TVET colleges	3	0	0	0	3	3	100%	0	-
		Number of Centres of Specialisation supported	10	-	-	-	10	10	100%	0	-
		Number of TVET lecturers exposed to the industry through Skills programmes	-	-	-	-	-	-	-	-	-
		Number of managers receiving training on curriculum related studies	-	-	-	-	-	-	-	-	-
		Number of TVET colleges lecturers awarded bursaries	-	-	-	-	-	-	-	-	-
		TVET colleges infrastructure development (equipment/ workshops)	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Support the growth of the public college system	Support the CET colleges	Number of CET colleges' lecturers awarded skills development programmes	-	-	-	-	-	-	-	-	-
		CET colleges' infrastructure development support (equipment/ workshops/ Connectivity/ ICT)	9	0	0	0	9	9	100%	0	3.20
		Number of managers receiving training on curriculum related studies	-	-	-	-	-	-	-	-	-
		Number of CET learners accessing AET programmes	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Skills development support for entrepreneurship and cooperative development	To increase skills development support for entrepreneurial activities and the establishment of new enterprises and cooperatives	Number of cooperatives funded for skills that enhance enterprise growth and development	10	0	0	0	10	10	100%	0	3.22
		Number of small businesses funded for skills that enhance growth and development	-	-	-	-	-	-	-	-	-
		Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities.	10	0	4	3	2	9	90%	-1	3.21

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/ SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Encourage and support worker-initiated training		Number of federations / trade unions supported through the relevant skills training interventions	3	0	0	3	0	3	100%	0	3.14 & 3.15
Support career development services		Number of Career Development Events in urban areas on Occupations In High Demand	-	-	-	-	-	-	-	-	-
		Number of Career Development Events in rural areas on Occupations In High Demand	-	-	-	-	-	-	-	-	-
		Number of Career Development Practitioners trained	50	0	0	0	50	50	100%	0	3.24
		Number of capacity building workshops on Career Development Services initiated	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2022/23 Service Level Agreement											
NSDP Outcomes	NSDP sub-outcomes	Output Indicators	APP/ SLA Targets	Total Achieved (Q1)	Total Achieved (Q2)	Total Achieved (Q3)	Total Achieved (Q4)	Total Achieved	Achievement in %	Variance	2022/23 APP Output Indicator #
Governance		Quarterly SETA Good Governance report	4	1	1	1	1	4	100%	0	-
10. Rural Development		Number of Rural Development Projects initiated	3	0	0	0	3	3	100%	0	3.1, 3.3, 3.6, & 3.8
Number of SLA targets			39								
Number of SLA targets achieved			31								
Achievement in %			79%								

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Revenue Collection

Detailed below is how the ETDP SETA derives its revenue:

Based on section 3(1) and 3(4) of the Skills Development Levies Act (SDLA) No. 9 of 1999, as amended, registered member companies of the ETDP SETA pay a skills development levy of 1% of the total payroll cost to SARS, which collects the levies on behalf of the DHET. Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4(b) of the SDLA (1999) as amended, effective 1 August 2005.

In terms of the DPSA circular, circular HRD 1 of 2013, all government departments are required to set aside a minimum of 1% of the total department's annual personnel budget for training and development of personnel and potential employees. A total of 30% of the 1% is appropriated to the SETA under which the department belongs. For departments belonging to more than one SETA, a 30% levy contribution is apportioned proportionally amongst those SETAs.

The ETDP SETA receives contributions from the Department of Basic Education, nine Provincial Departments of Education, and the Department of Higher Education and Training to cover levy contributions pertaining to Technical, Vocational Education and Training Colleges (TVETs) and Community Education and Training Colleges (CETs).

The table below depicts the revenue collection status of the SETA for the year:

	2022/23 R'000			2021/22 R'000		
Sources of revenue	Estimate	Actual amount collected	(Over)/Under collection	Estimate	Actual amount collected	(Over)/Under collection
Levies from employers	532 153	690 037	(157 883)	510 556	644 415	(133 859)
Departmental contributions	519 114	374 952	144 162	479 367	369 808	109 559
Interest income	45 234	89 126	(43 892)	75 556	45 404	30 152
Other revenue	-	269	(269)	-	204	(204)
Total	1 096 501	1 154 384	(57 882)	1 065 479	1 059 831	5 648

ETDP SETA collected 5% more revenue than anticipated. There is a shortfall in revenue collected from the government Departments of Education, which was augmented by the increased revenue from levy paying employers. This is the same trend as in previous years. Interest income has significantly increased due to increased reserve funds and increase in interest rates.

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Capital investment

There was no capital investment or additions to non-current assets in the financial year.

PART

C

Governance

Introduction

The ETDP SETA is a Schedule 3A public entity in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), as amended, and is governed by a number of legislations, which include the Skills Development Act of 1998 and the Skills Development Levies Act of 1999. In 2011, the Minister of Higher Education and Training published the gazette on Sector Education and Training Authorities (SETAs Standard Constitution) to provide directives on SETA governance and operations (Government Notice R1399 in Government Gazette No. 24035).

In the execution of its duties, the Accounting Authority (AA) of ETDP SETA and its structures are guided by corporate governance principles that are embodied in King IV™ Report.

Portfolio Committee

The portfolio committee on Higher Education, Science and Innovation (HESI) and the Select Committee on Education of the National Council of Provinces (NCOP) exercise oversight responsibility over the 21 SETAs, in addition to the Ministry of Higher Education, Science and Innovation. The two Parliamentary Committees may, at any time, invite the SETA to account for matters related to its operations, for example, the strategic plan and APPs. For the year under review, ETDP SETA was not called to appear before any of the committees.

Executive Authority

The Executive Authority of the ETDP SETA is the Minister of Higher Education, Science and Innovation and is responsible for the appointment of the Accounting Authority members. The Executive Authority appointed the ETDP SETA Accounting Authority effective from 1 April 2020 to 31 March 2025.

The Executive Authority requires the ETDP SETA to submit, on an annual basis, a sector skills plan (SSP), a strategic plan (SP) and an annual performance plan (APP). Furthermore, the ETDP SETA enters into a Service Level Agreement with the Director General of the Department of Higher Education, which outlines objectives and targets to be achieved on an annual basis.

The Quarterly reports tabled below were submitted on the dates, as stipulated by the Compliance Calendar of 2022/2023. The reports detail performance against set targets, as required by the National Treasury Instruction Note 33 amended part five (5) and 30 of the Treasury Regulations, 2005.

The table below reflects reports submitted by the Accounting Authority to the Executive Authority.

Report	Date Submitted
Quarterly Monitoring Report Quarter 1	31 July 2022
Quarterly Monitoring Report Quarter 2	31 October 2022
Quarterly Monitoring Report Quarter 3	31 January 2023
Quarterly Monitoring Report Quarter 4	30 March 2023

In addition to the above reports, the ETDP SETA also submits quarterly monitoring and governance implementation charter reports to DHET.

The Accounting Authority (The Board)

Introduction

The Accounting Authority (AA) of the ETDP SETA is responsible for providing strategic leadership and oversight. This is to ensure that the ETDP SETA fulfils its mandate and realises its vision and mission in the attainment of the targets, as set in the National Skills Development Plan and Service Level Agreement entered into with DHET.

The AA execute its functions and powers, as outlined in the Standard Constitution of the SETAs (2019) as follows:

- Governs and manages the SETA
- Ensures that the SETA achieves the objectives found in clause 5 of the Constitution and performs the functions in clause 6 of the Constitution
- Provides effective leadership and ensures that the SETA implements the goals of the NSDP and the Performance Agreement with the Minister
- Sets a strategic direction for the SETA
- Liaises with stakeholders
- Ensures that the SETA complies with the relevant statutory requirements and the requirements of the Constitution
- Manages institutional risk
- Monitors the performance of the SETA; and

- Applies for the establishment of the SETA in terms of section 9(1) of the Act, read together with the Regulations Regarding the Establishment of Sector Education and Training Authorities, 7 September 1999, as amended by General Notice R106 in the Government Gazette 27254 of February 2005.

Accounting Authority Charter

The ETDP SETA Accounting Authority complies with the SETA Governance Charter approved by the Minister of Higher Education Science and Innovation on 30 March 2016. The approved charter outlines the following areas:

- Board composition
- Board roles and functions
- Board powers
- Delegation of authority
- Board's term of office
- Establishment of committees
- Board meetings

The Board complies with all aspects and provisions of the ETDP SETA Constitution.

Composition of the Board

The ETDP SETA is comprised of 15 non-executive members, appointed by the Minister of Higher Education Science and Innovation. The composition is as follows:

- Chairperson of the Accounting Authority
- Six representatives from organised employers
- Six representatives from organised labour
- Two Ministerial appointees

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees	Total number of meetings held	Total number of meetings attended
Duncan Hindle	01 April 2020	-	Bachelor of Education Honours	Education Governance	ETDP SETA AA Chairperson Umalusi	ETDP SETA EXCO	12	12
Simoné Geyer	01 April 2020	-	Master of Laws degree (Labour Law)	Education, Labour Law, Human Resource development and negotiations	ETDP SETA AA Member	ETDP SETA EXCO	12	7
Thembisa Futshane	01 April 2020	-	Master of Social Change and Development Post Graduate Certificate in Social Change and Development	Basic Education and PSET. Strategic and Operational Planning Organisational Development Change Management Human Development	ETDP SETA AA Member HR Chairperson	ETDP SETA Human Resource	12	5

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees	Total number of meetings held	Total number of meetings attended
Hellen Ntlatleng	01 April 2020	-	Bachelor of Arts, Education Diploma, Post Graduate course in National Leadership GIBBS	Education	ETDP SETA AA Member University of Limpopo	-	12	8
Mandla Mthembu	01 April 2020	-	Master of Arts (Kent University UK), Bachelor of Arts (Hons) Applied Linguistics UKZN, EASL (Canterbury Christ Church University UK)	Policy Analysis and Development; Strategic Management; OD and Scenario Planning; Research, Training and Development; Operations Management.	ETDP SETA AA Member QAC Chairperson Fundisa Isizwe Trust	ETDP SETA EXCO ETDP SETA Quality Assurance Committee	12	12
Vijayanthimala Singh (Dr)	01 April 2020	-	Doctor of Education (DEd): Psychology	Human Resource Strategy, Higher Education Policy Development, Governance, Risk Management, Research and Leadership	ETDP SETA AA Member Higher Education and Research Chamber Chairperson	ETDP SETA Higher Education and Research Chamber	12	11

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees	Total number of meetings held	Total number of meetings attended
Linda Ingram	01 April 2020	-	Higher Certificate in Education	Online learning and integrated systems Education Business processes	ETDP SETA AA Member APPETD The Education Scene (Pty) LTD Bridge 2 Loan (Pty) LTD Round of Applause (Pty) Ltd Director on the CIPPT Board (Chartered Institute of Professional Practitioners and Trainers	-	12	11
Amos Vusi Monyela	01 April 2020	-	Master of Public Administration	Human Resource Management	ETDP SETA AA Member TVET/CET Chamber Chairperson	ETDP SETA EXCO ETDP SETA TVET/CET Chamber	12	6
Faseega Solomon	01 April 2020	-	Bachelor of Arts; Advanced Certificate in Education in Biological Sciences Diploma in Education	Teacher Development Trade Unionism Development, Curriculum and Assessment	ETDP SETA AA Member Schooling Chamber Chairperson	ETDP SETA Schooling/ ECD Chamber	12	11

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees	Total number of meetings held	Total number of meetings attended
Lindiwe Motshwane	01 April 2020	-	Postgraduate Diploma in Public Management, Advanced Certificate in Education, Diploma Labour Law	Trade Unionism, Education, Labour Law, Public Management, Finance	ETDP SETA AA Member Finance Committee Chairperson	ETDP SETA EXCO ETDP SETA Finance Committee	12	10
Nolitha Mboniswa	01 April 2020	-	Bachelor of Arts, Higher Diploma in Education, Certificate in Human Resource Management, Advance Certificate in Human Resource Management, Practical Labour Law, Certificate in Sports Management	Education, Trade Unionism	ETDP SETA AA Member	ETDP SETA Audit Committee	12	11
Nkosiphendule Ntantala	01 April 2020	-	Bachelor of Arts in Education	Teaching, Leadership, Management and Administration, Public Speaking, Microsoft Office, Labour Matters.	ETDP SETA AA Member ICT Governance Chairperson	ETDP SETA ICT Governance Committee	12	7

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees	Total number of meetings held	Total number of meetings attended
Dimakatso Moses Peo	01 April 2020	-	Master of Business Administration and Trade (Industrial Instrumentation) National Diploma Commercial Practice; Diploma Projects Management; Post graduate Certificate in Management.	Education, Trade Unionism, Labour	ETDP SETA AA Member Remuneration Committee Chairperson	ETDP SETA Remuneration Committee	12	10
Thokozani Mathebula (Dr)	01 April 2020	-	Doctor of Philosophy (2010), Master of Education (2001), Bachelor of Education (1999) & Bachelor of Arts in Education (1995-1998)	Democracy and citizenship education, African philosophy, school governance, social justice, and research in education	ETDP SETA AA Member South African Democratic Teachers Union Journal Editorial Board member (2018 to date)	-	12	12

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees	Total number of meetings held	Total number of meetings attended
Patricia Chiloane	01 April 2020	-	Master of International Business Administration National Diploma and further education qualifications Extended Diploma in Global Business Management (Level 11)	Entrepreneur specialises in Skills Development with a particular passion for community development, ensuring previously disadvantaged communities are employable.	ETDP SETA AA Member	-	12	10

Note: The number of meetings held includes scheduled AA meetings (5), Special AA Meetings (3), Strategic Planning (1), Annual General Meeting (1), Governance Training (1) and NSA Meetings (1)

The table below covers the Independent Chairperson of the Audit Committee attending AA and Special AA Meetings

Name of member	Number of meetings held	Number of meetings attended
Pumla Mzizi	12	6 (All scheduled meetings and Annual General Meeting)

Note: The number of meetings held includes scheduled AA meetings (5), Special AA Meetings (3), Strategic Planning (1), Annual General Meeting (1), Governance Training (1) and NSA Meetings (1)

Committees and Chambers

The Accounting Authority utilises certain governance structures that are established in terms of its Constitution, as follows:

The Executive Committee

The role of the committee is to oversee the management of financial matters and the implementation of the AA approved policies.

The Audit Committee

The role of the committee is to monitor and reinforce the effectiveness of both the internal control system and the internal audit function, as well as the scope and results of the external audit, its cost-effectiveness, the independency and objectivity of the external auditors.

The Finance Committee

The role of the committee is to perform all functions delegated to it by the Accounting Authority in order to ensure that the SETA meets the requirements of the Skills Development Act, the Skills Development Levies Act, Public Finance Management Act and the Treasury Regulations

The Human Resource Committee

The role of the committee is to advise the Accounting Authority on any matter relating to remuneration, in order to enable the Accounting Authority to develop consistent, fair and impartial strategies, policies, procedures and processes for the compensation of its members and staff, so as to attract, motivate and retain talented people.

The ICT Governance Committee

The role of the committee is to advise the Accounting Authority on all ICT related matters and compliance to ICT governance prescripts.

Quality Assurance Committee

The role of the committee is to provide oversight on the execution of the quality assurance functions and obligations of the SETA, on behalf of the Accounting Authority.

Three Advisory Chambers, which were established from the organisational constituencies to advise the Accounting Authority on ETD sector matters were:

Schooling/ECD Chamber

The role of the Chamber is to advise the AA on issues of policy development and implementation in the schooling and ECD sub sector. It provides a platform for debates, discussions and engagements on skills development matters in education, training and development and thus enhances SETA's mandate in the sector.

TVET/CET Chamber

The role of the Chamber is to advise the AA on issues of policy development and implementation in the TVET/CET sub-sector. It provides a platform for debates, discussions and engagements on skills development matters in education, training and development and thus enhance SETA's mandate in the sector.

Higher Education and Research Chamber

The role of the Chamber is to advise the AA on issues of policy development and implementation in the Higher Education and Research sub sectors. It also provides the platform for debates, discussions and engagements on skills development matters in education, training and development and thus enhances SETA's mandate in the sector.

Meeting attendance by the Executive Committee Members

Name & Surname	Number of meetings held	Number of meetings attended
Duncan Hindle	7	7
Simone Geyer	7	7
Lindiwe Motshwane	7	6
Vusi Amos Monyela	7	6
Mandla Mthembu	7	7

Note: The number of meetings held includes 4 scheduled EXCO Meetings and 3 special EXCO meetings

Meeting attendance by the Audit Committee Members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Pumla Mzizi	01 August 2020	-	10	8
Raksha Beecum-Khadaroo	01 August 2020	-	10	7
Linda Nene	01 August 2020	-	10	8
Ntsetsa Molalekoa	01 August 2020	-	10	7
Nolitha Mboniswa	01 August 2020	-	10	8

Note: The number of meetings held includes scheduled Audit Committee meetings (4), Joint Audit and Fincom Meetings (2) Special Audit Committee Meetings (1), Strategic Planning (1), Annual General Meeting (1), Governance Training (1)

Independent Chairpersons attending Audit Meetings

Name & Surname	Number of meetings held	Number of meetings attended
Vernon Makaleni (Committee Chairperson)	4	4

Note: The number of meetings held includes scheduled Audit Committee meetings (4),

Meeting attendance by the Finance Committee members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Lindiwe Motshwane	01 August 2020	-	9	7
Maria Walshe	01 August 2020	-	9	6
Kulula Manona	01 August 2020	-	9	5
Thirona Moodley	01 August 2020	-	9	7
Neo Maimane	01 August 2020	-	9	7
Paul Slack	01 March 2022	-	9	7

Note: The number of meetings held includes scheduled Finance Committee meetings (4), Joint Fincom and Audit Meetings (2) Strategic Planning (1), Annual General Meeting (1), Governance Training (1)

Meeting attendance by the Human Resources Committee members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Thembisa Futshane	01 August 2020	-	7	2
Xolani Mdoda	01 August 2020	-	7	7
Enoch Rabotapi	01 August 2020	-	7	4
Tseliso Ledimo	01 August 2020	-	7	1
Jeanine Topping	01 August 2020	-	7	6

Note: The number of meetings held includes scheduled Human Resource Committee meetings (4), Annual General Meeting (1), Strategic Planning (1) Governance Training (1)

Meeting attendance by the ICT Governance Committee members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Nkosiphendule Ntantala	01 August 2020	-	7	4
David Mawela	01 August 2020	-	7	7
Ebrahim Ansur	01 August 2020	-	7	7
Charles Motau (Dr)	01 August 2020	-	7	5
Anton De Boer	01 August 2020	-	7	7
Nthabiseng Tema	01 December 2020	-	7	3

Note: The number of meetings held includes scheduled ICT Governance Committee meetings (4), Annual General Meeting (1), Strategic Planning (1) Governance Training (1)

Meeting attendance by the Quality Assurance Committee members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Mandla Mthembu	01 August 2020	-	9	5
Confidence Dikgole	01 August 2020	-	9	9
Habib Karimulla	01 August 2020	-	9	7
Xolani Mdoda	01 June 2021	-	9	5
Renny Somnath (Dr)	01 August 2020	-	9	8

Note: The number of meetings held includes scheduled Quality Assurance Committee meetings (4), Special QAC Meetings (1) , SAQA & ETDP SETA Consultation (1), Annual General Meeting (1), Strategic Planning (1) Governance Training (1)

Meeting attendance by the Remuneration Committee members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Moses Peo	01 June 2021	-	7	7
Alukhwathifhedzi Nenzhelele	01 June 2021	-	7	7
Enoch Rabotapi	01 June 2021	-	7	7
Simone Geyer	01 August 2021	-	7	6
Thembisa Futshane	01 March 2021	-	7	5
Lindiwe Motshwane	01 June 2021	-	7	7

Note: The number of meetings held includes scheduled Remuneration Committee meetings (7)

Meeting attendance of the Risk Management Committee members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Vernon Makaleni	01 May 2022	-	5	5

Note: The RMC is made up of Internal Staff members. The Chairperson is the only external independent member that is remunerated, meetings held include RMC Meetings (4) AGM (1).

Meeting attendance by the Schooling and ECD Chamber members

Name	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Faseega Solomon	01 August 2020	-	10	8
Jonovan Rustin	01 November 2020	-	10	8
Hema Hariram	01 August 2020	-	10	8
Heidi van Staden	01 August 2020	-	10	8
Betty Qhinebe	01 August 2020	-	10	9
Johann Guldenpfennig	01 August 2020	-	10	8
Wiseman Dinwa	01 August 2020	-	10	6
Mkhusele Dubula	01 August 2020	-	10	9
Mpho Komana	01 August 2020	-	10	3
Vonani Mathonsi	01 November 2022	-	10	2
Shashi Nankoo	01 August 2020	-	10	3
Diseko Gopane	01 August 2020	-	10	5
Skhumbuzo Manganye	01 August 2020	-	10	2
Sussan Malima	01 August 2020	-	10	4
Nosipho Malope Ruth Ledwaba (replaced Nosipho Malope)	01 August 2020 01 November 2022	31 August 2022 -	10 10	3 5
Sandile Beuzana	01 August 2020	-	10	7
Marubini Lukhaimane	01 August 2020	-	10	4
Gavin De Bruyn	01 August 2020	-	10	5
Vuyelwa Ntuli	01 August 2020	-	10	2
Heidi van Staden	01 August 2020	-	10	7

Note: Scheduled Chamber Meetings (4), Inter-Chamber Meetings (2), AGM (1) Strategic Planning Session (1), SSP Reference Group Meeting (1) Special Chamber Workshops and task team meetings regarding the Concept Paper (1).

Meeting Attendance by the TVET/CET Chamber members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Amos Vusi Monyela	01 August 2020	-	13	8
Basani Hlekane	01 August 2020	14 March 2023	13	3
Sello Sethusha	01 August 2020	-	13	4
Dr Christopher Moekwa	01 March 2022	-	13	6
Mpopelele Agnes Matlawe	01 August 2020	-	13	2
Takalani Ratshilumela	01 August 2020	-	13	12
Vuyokazi Mazwi	01 August 2020	-	13	8
Gregory Masondo	01 August 2020	-	13	9
Langton Nzuma	01 August 2020	-	13	11
Kim Dry Courtois	01 August 2020	-	13	8
Brenda Ndelu	15 March 2022	-	13	3

Note: Scheduled Chamber Meetings (4), Inter-Chamber Meetings (2), AGM (1) Strategic Planning Session (1), SSP Reference Group Meeting (1) Research Chair Meeting (1) SAQA & ETDP SETA Consultation Meeting (1) Special Chamber Workshops and task team meetings regarding the Concept Paper (2).

Meeting Attendance by the HER Chamber members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Vijayanthimala Singh (Dr)	01 August 2020	-	12	9
Linda Meyer (Dr)	01 August 2020	23 November 2022	12	6
Shirley Lloyd (Dr)	01 August 2020	-	12	11
Stewart Ngandu	01 August 2020	-	12	6
Nicholas Christopher Taylor (Dr)	01 August 2020	-	12	8
Mandisa Cakwe	01 August 2020	-	12	4
Humphrey Khwidzhili (Dr)	01 August 2020	-	12	8
Marion Joseph (Dr)	01 August 2020	-	12	9
Ben Van der Walt (Adv)	01 August 2020	-	12	7
Vonani Mathonsi	01 August 2020	30 October 2022	12	3
Solly Poee (Dr)	01 August 2020	-	12	12
Lucky Mabutho Cele	01 March 2023	-	12	1

Note: Scheduled Chamber Meetings (4), Inter-Chamber Meetings (2), AGM (1) Strategic Planning Session (1), SSP Reference Group Meeting (1) Research Chair Meeting (1) SAQA & ETDP SETA Consultation Meeting (1) Special Chamber Workshops and task team meetings regarding the Concept Paper (1).

It should be noted that attendance of Committee and Chamber Chairpersons to the AGM, Strategic Planning Sessions and Governance Training are recorded under the Meeting attendance of AA Members.

Remuneration of Members

The tables below provide information on how members of the Accounting Authority, Committees and Chambers were remunerated. The amounts of remuneration paid to each member include other expenses, such as travel reimbursements during the financial year ended 31 March 2023.

The remuneration amount is determined as per the National Treasury Circular 2022 dated 12/01/2023. Members employed by government departments are not remunerated for meeting sittings. Most of the meetings are held virtually hence minimal costs were incurred for travel reimbursement.

Accounting Authority Remuneration

Name	Surname	Remuneration R	Other Allowances: (Travel expense) R	Other Re-imbursements R	Total R
Duncan	Hindle	104 455	12 614	157 491	274 560
Simone	Geyer	0	0	0	0
Thembisa	Futshane	0	0	0	0
Hellen	Ntlatleng	0	0	4 000	4 000
Amos Vusi	Monyela	0	0	0	0
Mandla	Mthembu	75 560	0	3 942	79 503
Mala	Singh	71 549	3 108	2 538	77 196
Linda	Ingram	51 129	0	1 096	52 226
Lindiwe	Motshwane	64 271	0	2 128	66 400
Nolitha	Mboniswa	53 388	0	1 612	55 000
Faseega	Solomon	65 135	0	2 151	67 287
Nkosiphendule	Ntantala	48 019	0	2 368	50 387
Dimakatso	Peo	69 028	1 452	1 612	72 093
Thokozani	Mathebula	73 359	882	1 741	75 983
Patricia	Chiloane	66 690	7 168	1 612	75 471

Independent Chairpersons attending Accounting Authority Meetings Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Pumla	Mzizi	70 000	0	70 000

Executive Committee Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Duncan	Hindle	55 824	0	55 824
Mandla	Mthembu	43 428	0	43 428
Lindiwe	Motshwane	34 794	0	34 794
Simone	Geyer	0	0	0
Amos Vusi	Monyela	0	0	0

Audit Committee Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Pumla	Mzizi	78 020	1 670	79 690
Raksha	Beecum-Khadaroo	49 035	1 290	50 325
Nolitha	Mboniswa	52 062	1 032	53 094
Linda	Nene	57 540	1 161	58 701
Ntsetsa	Molalekoa	0	0	0

Independent Chairpersons attending Audit Committee Meetings Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Vernon	Makaleni	44 544	0	44 544

Finance Committee Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Lindiwe	Motshwane	66 972	1 336	68 308
Maria	Walshe	53 223	903	54 126
Thirona	Moodley	49 293	1 290	50 583
Neo	Maimane	44 589	1 161	45 750
Paul	Slack	48 915	903	49 818
Kulula	Manona	0	0	0

Human Resource Committee Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Thembisa	Futshane	0	0	0
Enoch	Rabotapi	0	0	0
Jeanine	Topping	44 460	1 161	45 621
Xolani	Mdoda	47 745	1 290	49 035
Tseliso	Ledimo	11 085	258	11 343

ICT Governance Committee Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Nkosiphendule	Ntantala	44 392	0	44 392
David	Mawela	48 906	1 419	50 325
Ebrahim	Ansur	48 906	1 419	50 325
Charles	Motau	37 791	1 032	38 823
Anton	De Boer	48 906	1 032	49 938

Quality Assurance Committee Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Mandla	Mthembu	50 275	0	50 275
Renny	Somnath	57 669	1 290	58 959
Confidence	Dikgole	66 561	1 290	67 851
Xolani	Mdoda	40 014	903	40 917
Habib	Karimulla	0	0	0

Remuneration Committee

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Moses	Peo	88 784	2 338	91 122
Alukhwathifhedzi	Nenzhelele	70 878	1 806	72 684
Lindiwe	Motshwane	69 072	1 806	70 878
Thembisa	Futshane	0	0	0
Enoch	Rabotapi	0	0	0
Simone	Geyer	0	0	0

Risk Management Committee

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Vernon	Makaleni	119 618	2 593	122 212

Schooling Chamber Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Faseega	Solomon	34 581	0	34 581
Jonavon	Rustin	31 122	645	31 767
Hema	Hariram	28 899	1 060	29 959
Heidi	Van Staden	24 453	446	24 899
Betty	Qhinebe	35 568	774	36 342
Johan	Guldenpfennig	31 122	645	31 767
Wiseman	Dinwa	24 453	645	25 098

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Mkhuseli	Dubula	35 568	1 076	36 644
Mpho	Komana	13 338	258	13 596
Vonani	Mathonsi	0	0	0
Shashi	Nankoo	0	0	0
Diseko	Gopane	0	0	0
Skhumbuzo	Manganye	0	0	0
Sussan	Malima	0	4 042	4 042
Ruth (replaced Nosipho Malope)	Ledwaba	0	0	0
Sandile	Beuzana	0	0	0
Marubini	Lukhaimane	0	1 100	1 100
Gavin	De Bruyn	0	0	0
Vuyelwa	Ntuli	0	0	0

TVET/CET Chamber Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Amos Vusi	Monyela	0	0	0
Basani	Hlekane	0	0	0
Sello	Sethusha	0	0	0
Christopher	Moekwa (Dr)	0	0	0
Mpopolele Agnes	Matlawa	0	0	0
Takalani	Ratshilumela	44 590	1 032	45 622

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Vuyokazi	Mazwi	35 568	903	36 471
Gregory	Masondo	40 144	1 032	41 176
Langton	Nzuma	44 461	903	45 364
Kim	Dry Courtois	35 569	645	36 214
Brenda	Ndelu	11 115	129	11 244

HER Chamber Remuneration

Name	Surname	Remuneration R	Other expenses: (Travel expense) R	Total R
Vijayanthimala	Singh (Dr)	42 261	0	42 261
Linda	Meyer (Dr)	26 547	645	27 192
Shirley	Lloyd (Dr)	40 015	903	40 918
Stewart	Ngandu	26 676	774	27 450
Nicholas Christopher	Taylor (Dr)	30 994	516	31 510
Mandisa	Cakwe	0	0	0
Humphrey	Khwidzhili (Dr)	33 345	774	34 119
Marion	Joseph (Dr)	35 569	774	36 343
Ben	Van der Walt (Adv)	28 899	645	645
Solly	Pooe (Dr)	44 461	1 032	1 032
Lucky Mabutho	Cele	4 446	0	4 446
Vonani	Mathonsi (Resigned in Nov 2022)	13 338	0	13 338

Risk Management

The ETDP SETA has a Risk Management Framework in place, which incorporates the Risk Management Strategy and approved Policy. On a quarterly basis, operational risk registers are reviewed, while the strategic risk register is reviewed on an annual basis to ensure an effective management of risks. The monitoring of the implementation of risk mitigation plans is conducted and the progress of thereof is reported to the Risk Management Committee and the Audit Committee.

The ETDP SETA has an internal Risk Management Committee (RMC) that is chaired by an independent Chairperson. The RMC submits quarterly reports to the Audit and Risk Committee and advises the ARC on the identified risks and progress made in implementing controls aimed at mitigating those risks that have been identified. In addition to the RMC, the ETDP SETA has in place the Audit Committee that advises the SETA on risk management and independently monitors the effectiveness of the risk management system.

Internal Control Unit

Effective risk management is fundamental to the ETDP SETA activities. The ETDP SETA has a Governance, Risk and Compliance (GRC) unit that is responsible for overseeing the implementation of the risk management, as outlined in the approved policy. The GRC unit is responsible for conducting irregular expenditure assessments, in line with the National Treasury Frameworks.

Internal Audit and Audit Committee

The ETDP SETA has an Internal Audit function that follows a risk-based approach that incorporates management's risk assessment and mitigation measures. The objective of the internal audit function is to help the ETDP SETA in the accomplishment of its objectives by bringing a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, internal control, and governance processes. The Internal Audit function is governed by an approved Internal Audit Charter and adheres to the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (Standards) in executing its deliverables.

The Audit Committee of the ETDP SETA is an independent committee constituted to review the control, governance and risk management within the SETA in terms of section 77 of the Public Finance Management Act (PFMA). The Committee performs its function in line with the approved terms of reference based on the Audit Committee Charter. The Audit Committee regulates and discharges all its responsibilities in compliance with the charter. The Audit Committee receives reports from the Internal Auditors on the implementation of the audit plan. Reports from the Auditor-General South Africa on audits performed are also presented to the Audit Committee.

Summary of key activities and Internal Audit Work done

Internal Audit provides reasonable assurance to the Board, Audit and Risk Committee and Management, on the adequacy and effectiveness of internal controls, risk management and governance processes. Below is a summary of internal audit activities performed by the Internal Audit function during the financial year under review, which consisted of both assurance and advisory services:

No.	Audit Activity
1	ARC Participation (Q1, Q2, & Q3, Q4 of 2022/23)
2	Attendance of SMT Meetings to present Reports
3	Human Resource Audit
4	Review of Annual Financial Statements (AFS)- 2021/22
5	Audit of Predetermined Objectives – Q4 of 2021/22
6	Review of Annual Performance Report (APR)- 2021/22
7	Financial Management
8	Business Continuity Management
9	Supply Chain Management
10	Bursary Payment Process
11	Follow-Up on 2021/22 AG and IA Findings
12	Review of Interim Financial Statements – 2022/23
13	Payments of Stipends
14	Audit of Predetermined Objectives – Q1 of 2022/23
15	Review of the Draft 2023/24 APP
16	Audit of Predetermined Objectives – Q2 of 2022/23
17	Audit of Predetermined Objectives – Q3 of 2022/23
18	Data Migration
19	IT Proactive Assurance – New Information Management System

The table below depicts meeting attendance, qualifications and appointment date for the Audit Committee:

Name of Member	Qualification	Internal/ External	If internal position in ETDP SETA	Date appointed	Date Resigned (Tenure ended)	Number of Meetings held	Number of meetings attended
Pumla Mzizi	CA (SA)	External and Independent	-	01 August 2020	-	7	7
Raksha Beecum- Khadaroo	BA (Law), LLB, LLM (Tax) Admitted Attorney Certified Director	External and Independent	-	01 August 2020	-	7	7
Linda Nene	Master of international business Post Graduate Diploma in Management, specialising in Corporate Governance BCom (Accounting) Certificate in Risk Management Strategies in the Public Sector FIIASA (Fellow of the Institute of Internal Auditors SA) CCSA (Certification in Control Self-Assessment) CRMA (Certification in Risk Management Assurance) CPrac (SA) Compliance Practitioner (South Africa)	External and independent	-	01 August 2020	-	7	7
Ntsetsa Molalekoa	BCom	AA Nominee	Employer representative	01 August 2020	-	7	7

Name of Member	Qualification	Internal/ External	If internal position in ETDP SETA	Date appointed	Date Resigned (Tenure ended)	Number of Meetings held	Number of meetings attended
Nolitha Mboniswa	BA, Higher Diploma in Education, Certificate in Human Resource Management, Advance Certificate in Human Resource Management, Practical Labour Law, Certificate in Sports Management	AA Member	Labour representative	01 August 2020	-	7	7

Note: The number of meetings held includes scheduled Audit Committee meetings (4), Joint Audit and Fincom Meetings (2) Special Audit Committee Meetings (1).

Compliance with laws and regulations

The ETDP SETA reviews its policies and procedures, as and when there are changes in the regulatory environment. This is to ensure compliance with the Skills Development Act, Public Finance Management Act, and all other relevant legislation. To ensure compliance with the National Treasury Instruction Note 4 of 2022/23 - PFMA Compliance and reporting framework, the SETA implemented reporting mechanisms, as stipulated in the framework, which requires quarterly submission of irregular, fruitless and wasteful expenditure reports for expenditure that occurs during the financial year.

During the period under review, compliance with the Protection of Personal Information Act, as well as compliance to the BBBEE Act, were prioritised. Training on POPIA was conducted to capacitate staff on compliance to the Act.

A BBBEE compliance verification process was also undertaken and the gaps identified are at the stage of implementation by responsible managers.

The ETDP SETA compliance universe framework is in place and compliance is reviewed on a regular basis by the internal control unit.

Fraud and Corruption

The ETDP SETA has an approved Fraud Prevention Policy, which is informed by the stipulations in the PFMA, Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), Protected Disclosures Act, 2000 (Act No. 26 of 2000) and other related legislation. In addition to the Policy, the SETA has a Fraud Prevention Plan in place, which incorporates the following measures:

- Ethical Conduct
- Fraud Response and Implementation Plan; and
- Whistleblowing Policy, including an independent hotline.

The ETDP SETA has an anonymous fraud-hotline number for whistleblowing that can be used to report cases of fraud. The following number or email can be used to report cases of fraud: Tip-offs: 0800 204 937 Email: etdpseta@behonest.co.za.

When fraud and corruption allegations are reported, the preliminary enquiry is conducted by the Internal Control unit and, where there is a need to refer such allegations to law enforcement authorities, the CEO will sign the relevant authorisation. All cases reported are brought to the attention of the Audit Committee.

Minimising conflict of interest

The ETDP SETA Code of Conduct and Ethics, deals with the management of conflict of interest for both employees and AA members. Members of the Accounting Authority, Management and Employees annually complete a mandatory disclosure of interest form, as required by the Public Service Regulations, 2019.

In addition, declaration of interest is done for all meetings attended per member and is a standing agenda item for all meetings.

Code of Conduct

The ETDP SETA Code of Conduct and Ethics, is set out in the organisation's constitution, applicable to its accounting authority and board sub-committees, stakeholders and staff. Cases of misconduct or negligence are handled by the HR unit, where appropriate action is taken to address such matters should they be identified.

Health, Safety and Environmental Issues

The ETDP SETA recognises the need to create and maintain a reasonably healthy and safe working environment for its employees, as such an approved Health and Safety Policy that is informed by the Health and Safety Act 85 of 1993 is in place. In addition to the policy, an Employee Health & Wellness Programme (EH&WP) has been established to address problems in the workplace to improve productivity and the general health and well-being of all employees.

Broad-Based Black Economic Empowerment (B-BBEE) Compliance Performance Information

Criteria	Response	Discussion
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	N/A. ETDP SETA is a Schedule 3A public entity that is mandated by the Skills Development Act to achieve skills development and economic growth within the subsector it operates.
Developing and implementing a preferential procurement policy?	Yes	The procurement processes assist in the achievement of socio-economic objectives, whereby the ETDP SETA gives business opportunities to women, black entrepreneurs and youth. This is done by targeting sectors where provisioning of goods and services can be done with minimum capital and skills. Catering, cleaning services, supply of stationery and ready-made supplies are acquired from the preferred suppliers, as per the procurement goals outlined in the approved SCM policy
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A. ETDP SETA is a Schedule 3A public entity that is mandated by the Skills Development Act to achieve skills development and economic growth within the subsector it operates.
Developing criteria for entering partnerships with the private sector?	Yes	The ETDP SETA will work with appointed service providers to determine the value of partnerships held with private sector
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	Various projects and programmes are implemented in the organisation to comply with the criteria however, accurate value of support cannot be established, hence service providers will be appointed to assist the ETDP SETA

Audit Committee Report

1. Legislative requirements

The Audit Committee herewith presents its report for the financial year ended 31 March 2023, as required by treasury regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

2. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) (ii) of the Public Finance Management Act, 1999 and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein.

3. The effectiveness of internal control

The system of internal control is designed to provide cost effective assurance that assets are safeguarded, and that liabilities are effectively managed. As per the PFMA requirements, internal audit and the Auditor-General of South Africa, primarily evaluate the internal controls of an organisation for adequacy and effectiveness.

This is achieved by assessing the effectiveness of risk management and identifying corrective actions and enhancements to controls and internal processes. Based on the evaluations, it was noted that matters were reported indicating some improvements required in the system of internal controls in areas pertaining to financial reporting, reporting on pre-determined objectives and compliance with laws and regulations. Through our analysis of audit reports and engagement with the SETA we can conclude that the system of internal control for the period under review was not entirely adequate and effective.

A matter of concern for the Audit Committee that has been raised with the SETA continuously is that the SETA is currently not implementing all internal and external audit action plans agreed upon. Based on our interaction with the SETA we conclude that the action plan management system has not been implemented adequately and effectively to address internal and external audit findings and the Audit Committee and Internal Audit have recommended specific improvements in this regard.

4. Risk management

Management is responsible for the establishment and management of an effective system of governance, risk management as well as prevention and detection of fraud and internal controls. Internal Audit was guided by the consolidated risk profile, provided by the Risk Management function, the critical audit areas, and

management's inputs in the formulation of the internal audit three-year strategic and the annual plans. The SETA has established a Risk Committee that is chaired by an independent Chairperson. The meetings have taken place in line with the approved charter. Based on the quarterly audit committee reviews, the risk and fraud management system is not yet adequate and effective.

5. Evaluation of Financial Statements

The Audit Committee has reviewed the draft annual financial statements prepared by the SETA and has advised management to ensure that all the review notes are fully addressed prior to submission of the annual financial statements to the Auditor General South Africa.

Subsequently the material misstatements that were corrected were also reviewed when the management report of the AGSA was discussed with the Audit Committee. Furthermore, there were uncorrected misstatements which lead to the qualification.

6. Evaluation of Performance Information

The Audit Committee has reviewed information on predetermined objectives to be included in the annual report prepared by the SETA and has advised management to ensure that all the review notes are fully addressed prior to submission to the Auditor General South Africa.

The Audit Committee has discussed the external audit outcomes programme performance information to be included in the annual report with the AGSA.

7. Compliance with laws and regulations

The Audit Committee is concerned with the status of compliance with laws and regulations. The progress has been impacted by the capacity challenges within the SETA.

8. Internal Audit

The accounting officer is obliged, in terms of the Public Finance Management Act, 1999, to ensure that the SETA has a system of internal audit under the control and direction of the Audit Committee. The Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

9. Auditor General South Africa

We have reviewed the SETA's implementation plan for audit issues raised in the previous year and based on the interaction with the SETA and the internal audit reports, the committee is not satisfied that all matters have been adequately addressed. To effectively address and prevent repeat audit findings, it must be a high priority for the SETA in the 2023/24 financial year.

The Audit Committee is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs and accepts the conclusions of the AGSA on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the AGSA.

10. General

We would like to express our appreciation to the Executive Authority, the Accounting Authority for the leadership and support, AGSA, Internal Audit and management for their commitment.

Signed on behalf of the Audit Committee by:

P Mzizi CA(SA)

P Mzizi CA(SA)

Chairperson of the Audit Committee

25 August 2023

PART

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SOURCES



HUMAN RESOURCE MANAGEMENT

16

Overview of Human Resources Matters

The Human Resources Management Unit provides support to all the Units within the ETDP SETA and is responsible for ensuring the recruitment of capable human capital and its continuous development to enhance organisational performance.

As at the end of the 2022/23 financial year, the staff establishment stands at 145 employees and the organisational structure consists of the following business units:

- Office of the CEO
- Operations Management
- Research and Skills Planning
- Finance and Supply Chain Management
- Corporate Services
- Information Technology
- Marketing and Communication
- Governance, Risk and Compliance

The areas reflected below provide a comprehensive human resources information for the 2022/23 financial year.

Priorities identified for the year under review

To ensure that the ETDP SETA has a capable human capital for improved service delivery, the organisation placed more focus on staff development. One hundred-and-sixty-three staff members and Governance structures members attended training [i.e. 127 staff members (93%), and 36 governance structure members (100%) which is made up of Board and Board Committees, excluding Chambers], against an APP target of 70 trained and professionally capacitated employees and governance structures members for improved service delivery. This was achieved through on-the-job training and awarding bursaries to employees to further their studies.

Workforce planning framework and key strategies to attract and recruit skilled and capable workforce

The ETDP SETA recruited employees with skills and knowledge to contribute towards the achievement of the organisation's mandate. Vacant positions were filled through a fair and objective recruitment and selection process.

To attract and recruit skilled and capable workforce, the ETDP SETA has put in place the following strategies:

- A market related Total-Cost-to-Company (TCT) remuneration that is inclusive of employment benefits.
- Training and development initiatives to capacitate employees with skills and knowledge that will contribute towards their career advancement.

Actual achievements

The following are the actual achievements:

Employee performance management and development framework

The organisation implemented an automated Employee Performance Management and Development System (PMDS), Corporater, to manage employee performance and align individual performance to strategic objectives of the organisation.

The ETDP SETA's performance management and development framework is based on the Department of Public Service and Administration's (DPSA) Performance Management Development Policy Framework.

To promote continuous performance improvement of employees and to recognise outstanding performance, the ETDP SETA uses performance rewards linked to the individual's performance.

Employee wellness and well-being interventions

The ETDP SETA appointed a service provider to render employee health and wellness service. The programme's emphasis was on addressing the psychological, physical, emotional and financial well-being of employees in the workplace, recognising that issues and events in employees' personal lives often have an impact on their performance and experience of work.

During the 2022/23 financial year, one employee was placed on temporary disability and nineteen employees were supported through various employee health and wellness interventions. A new application for disability has been submitted and is still pending finalisation.

Human Resource Policies

The following approved HR Policies, governing the employees' conditions of service and guiding their conduct, were implemented during the year under review:

- Appointment Policy
- Employment Cycle Policies
- Employment Equity Policy
- Employment Relations Management, Discipline and Grievance Management, and Code of Conduct
- Human Resources Development and Performance Management Policy
- Human Resources Planning and Organisational Structure
- Leave Management Policy
- Occupational Health and Safety and Wellness Related Policies
- Recruitment and Selection Policy
- Remuneration and Compensation Policy

Support to Staff Dependants

The Bursary Policy for employee dependants was approved by the Accounting Authority during the 2021/2022 financial year, for implementation during the 2022 academic year. During the period under review, the ETDP SETA awarded 20 bursaries, valued at R1 662 020.20, to employee dependants to study various qualifications.

Achievements

The Human Resources department achieved the following:

- Successful conclusion of salary negotiations and a two-year agreement for salary increases and improvement of conditions of service was signed for the 2022/23 and 2023/24 financial years

- Filling of critical positions and reduction in the vacancy rate to 6%
- Retained internal human resources talent by appointing internal candidates who met the requirements into higher positions.

Challenges

The following challenges were experienced during the period under review:

- Non-compliance by employees in relation to the submission of documents by the due date. Follow-ups were made with the respective employees and the required information was submitted.
- Attracting employees with disabilities in line with the ETDP SETA Employment Equity Plan. To address the identified challenges, adverts for vacant positions were distributed to organisations for persons with disabilities.
- A delay in the filling of vacant positions was addressed through effective monitoring of the recruitment plan.

Future HR plans/goals

The following plans/goals have been set by the HR Department to ensure continuous improvement in the management of human resources:

- Promote high standard of professional ethics
- Put consequence management measures in place, as a corrective measure to ensure that employees comply with the organisational Policies
- Prioritise appointment of persons with disabilities
- Offer efficient and effective human resources services
- Implement an integrated HR Information System to track the staff members' employment cycle from appointment through to exit
- Align the organisational structure to the five-year Strategic Plan to ensure that the ETDP SETA has an organisational structure that is fit-for-purpose.

Labour Relations

The ETDP SETA is committed to harmonious and sound employee relations and has a recognition agreement with the National Education, Health and Allied Workers' Union (NEHAWU), which represents most employees in the organisation. The salary negotiations were successfully concluded and a two-year agreement was signed, valid for the 2022/23 and 2023/24 financial years.

Staff turnover

The organisation's staff turnover at the end of the reporting period was 2,94% which is within the acceptable level. The organisation continues to aim for a turnover rate that is below 10%.

Human Resource oversight statistics

Personnel cost by programme

Costs includes salaries, subsistence and travel expenses

Programme	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. As a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Programme 1	195 009	50 404	25,85	49	1 029
Programme 2	139 736	5 758	4,12	5	1 152
Programme 3	569 941	55 268	9,70	72	768
Programme 4	15 639	6 295	40,25	8	787
Total	920 325	117 725	12,79	134	879

Note: The above total number of employees includes eleven (11) fixed-term contract employees who were paid through personnel budget and their contracts were terminated at different times of the year. The number of employees is the average taking into account the terminations and appointments during the year.

Personnel cost by salary band

Level	Personnel expenditure (R'000)	Percentage (%) of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top management	8 327	7,07	4	2 082
Senior management	13 499	11,47	8	1 687
Professionally qualified	28 433	24,15	23	1 236

Level	Personnel expenditure (R'000)	Percentage (%) of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled	64 695	54,95	87	744
Semi-skilled	2 771	2,35	12	231
Total	117 725	100	134	879

Note: The number of employees is the average taking into account the terminations and appointments during the year.

Performance rewards per band

Programme	Performance rewards	Personnel expenditure	Percentage (%) of performance rewards to total personnel cost
	(R'000)	(R'000)	
Top management	90	8 327	1,08
Senior management	343	13 499	2,54
Professionally qualified	747	28 433	2,63
Skilled	1 744	64 695	2,70
Semi-skilled	89	2 771	3,21
Total	3 013	117 725	2,56

Note: The amount relates to actual payments made to SETA employees after the finalisation of the performance appraisals for 2021/22 financial year.

Training costs

The table below summarises the training expenditure over the financial year:

Personnel expenditure (R'000)	Training expenditure	Training expenditure as a % of personnel cost	No. of employees trained	Average training cost per employee
	(R'000)			(R'000)
117 725	858	0,73	127	7

Table on training costs

The table below provides a breakdown of training expenditure per occupational level over the financial year:

Training programme	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No. of employees trained	Average training cost per employee (R'000)
Top management	8 327	80	0,96	4	20
Senior management	13 499	95	0,70	9	11
Professionally qualified	28 433	55	0,19	21	3
Skilled	64 695	540	0,83	84	6
Semi-skilled	2 771	88	3,18	9	10
Total	117 725	858	0,73	127	7

Employment and vacancies

The tables in this section summarise employment and vacancies. The following tables summarise the number of posts on the approved establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment.

2021/2022	2022/2023			
No. of Employees	Approved Posts	No. of Employees	Vacancies	% Vacancies
128	145	136	9	6%

	2021/2022		2022/2023			
Programme	Approved posts	No. of employees	Approved posts	No. of employees	Vacancies	% vacancies
Top management	4	3	4	4	0	0
Senior management	9	8	9	9	0	0
Professionally qualified	25	21	25	23	2	8
Skilled	92	86	93	88	5	5
Semi-skilled	14	10	14	12	2	14
Unskilled	0	0	0	0	0	0
Total	144	128	145	136	9	6%

Note: The total number of employees includes the position of Manager: Corporate Services, who was appointed on a fixed term contract, while the organisation is in a process of filling the position on a permanent basis.

Employment changes

This section provides information on changes to employment over the financial year. The table summarises appointments and service terminations.

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at the end of the period
Top management	3	1	0	4
Senior management	8	0	0	9
Professionally qualified	21	3	1	23
Skilled	86	4	1	89
Semi-skilled	10	3	1	12
Unskilled	0	0	0	0
Total	128	11	3	136

Reasons for staff leaving

The table below reflects the number of employees who left the organisation and the reasons thereof:

Reason	Number	% staff leaving
Death	1	33.33%
Resignation	1	33.33%
Dismissal	0	0
Retirement	1	33.34%
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	3	100%

Labour relations: Misconduct and disciplinary action

During the period under review, one employee was placed on precautionary suspension with full pay, pending an outcome of the investigation into allegations of misconduct.

There is still a pending labour court case regarding the former ETQA Manager, who is challenging his dismissal. The matter is still with the Labour Court.

Employment workforce profile in terms of occupational levels

MALE	African	Coloured	Indian	White
Levels	Current	Current	Current	Current
Top management	1	0	0	0
Senior management	4	0	0	0
Professionally qualified	11	0	2	1
Skilled	25	0	2	0
Semi-skilled	1	0	0	0
Unskilled	0	0	0	0
Total	42	0	4	1

Employment workforce profile in terms of occupational levels

FEMALE	African	Coloured	Indian	White
Levels	Current	Current	Current	Current
Top management	3	0	0	0
Senior management	5	0	0	0
Professionally qualified	7	0	1	1
Skilled	50	7	1	3
Semi-skilled	10	1	0	0
Unskilled	0	0	0	0
TOTAL	75	8	2	4

Employment workforce profile in terms of occupational levels

DISABLED STAFF	Male	Female
Levels	Current	Current
Top management	0	0
Senior management	0	0
Professionally qualified	0	0
Skilled	0	3
Semi-skilled	0	0
Unskilled	0	0
TOTAL	0	3

Equity Target and Employment Equity Status

MALE								
	African		Coloured		Indian		White	
Levels	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	0	0	0
Professionally qualified	11	1	0	0	2	0	1	0
Skilled	25	0	0	0	2	0	0	0
Semi-skilled	1	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	42	2	0	0	4	0	1	0

FEMALE								
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top management	3	0	0	0	0	0	0	0
Senior management	5	1	0	0	0	0	0	0
Professionally qualified	7	1	0	0	1	0	1	0
Skilled	50	1	7	0	1	0	3	0
Semi-skilled	10	0	1	1	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	75	3	8	1	2	0	4	0

DISABLED STAFF				
	Male		Female	
Levels	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professionally qualified	0	1	0	1
Skilled	0	0	3	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	1	3	1

Note: The zero targets reflects that the equity targets have been met.

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To ensure that the ETDP SETA has a capable human capital for improved service delivery, the organisation placed more focus on staff development."

PART

E



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PUBLIC FINANCE MANAGEMENT ACT (PFMA) COMPLIANCE REPORT

17

Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses

Irregular expenditure

a) Reconciliation of Irregular expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	2 734	1 753
Add: Irregular expenditure confirmed	987	981
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	3 721	2 734

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	0
Irregular expenditure for the current year	987	981
Total	987	981

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	987	981
Irregular expenditure under investigation	0	0
Total	987	981

c) Details of current and previous year irregular expenditure condoned

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) Details of current and previous year irregular expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure recovered	0	0
Total	0	0

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

g) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Though material findings raised on consequence management were raised as investigations on irregular expenditure were finalised after year end, measures to cancel the contracts that were identified as irregular were implemented.

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Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	625	625
Add: Fruitless and wasteful expenditure confirmed	283	0
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Closing balance	908	625

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	0	0
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	0	0
Fruitless and wasteful expenditure for the current year	283	0
Total	283	0

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	283	625
Fruitless and wasteful expenditure under investigation	0	0
Total	283	625

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	0
Total	0	0

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Though material findings raised on consequence management were raised as investigations on fruitless expenditure were finalised after year end, measures to recover funds from responsible staff members were implemented.

f) Details of current and previous year material losses through criminal conduct

No material losses suffered by the SETA through criminal conduct.

g) Details of other material losses

No other material losses suffered.

h) Other material losses recovered

No losses recovered as at the reporting period.

i) Other material losses written off

No losses written off as at the reporting period.

19

Information on Supply Chain Management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Value of contract
Extension of lease of office space for the ETDP SETA Head Office. (01 July 2022 – 30 June 2024)	Gandhi Square Holdings (Pty) Ltd	Single Sourcing	R 21 087 847.12
Extension of contract for two (2) months. (01 April and 31 May 2022)	SoluGrowth (Pty) Ltd	Single Sourcing	R 447 411.40
ESS and Premier HR Reconfiguration	Payroll Proff	Single sourcing	R17 595.00
IT security specialised services	Cyber stack	Single sourcing	R258 980.00
Legal services	Vakalisa Attorneys & Mamatela Attorneys	R1 000 000 threshold to be exceeded	Rate based contracts

Contract variations and expansions

There were no contract variations and expansions during the year.

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Information on late & / or non-payment of suppliers

Nature	Number of invoices	Amount R'000	Comments
Number of invoices received	4771	594 398	N/A
Number of invoices paid within 30 days	4310	566 085	N/A
Number of invoices not paid within 30 days	461	28 313	Late payments were due to deliverables disputes with service providers which were subsequently paid after clearing the disputes
Number of invoices that are not paid with dispute	0	0	N/A



PART

F



ANNUAL FINANCIAL STATEMENTS

Report of the auditor-general

to Parliament on the Education, Training and Development Practices Sector Education and Training Authority

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Education, Training and Development Practices Sector Education and Training Authority set out on pages 161 - 213, 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 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, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Education, Training and Development Practices Sector Education and Training Authority as at 31 March 2023, and financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for qualified opinion

Project Accruals

3. The project accruals (discretionary) were not recognised in accordance with GRAP 1, Presentation of financial statements. Adequate records of project expenditure not yet paid at year-end were not maintained. I was unable to determine the full extent of the misstatement on project accruals, as well as the related discretionary grants and commitments, as it was impractical to do so. Consequently, I was unable to determine whether any adjustments relating to project accruals (discretionary) of R194 948 000 disclosed in note 14, discretionary grants and project expenditure of R569 941 000 disclosed in note 6 and commitments of R1 198 450 000 disclosed in note 19 to the financial statements were necessary.
4. Additionally, there was an impact on the surplus for the period and on the accumulated surplus in the financial statements.
6. 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Restatement of corresponding figures

Context for opinion

5. 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.
9. As disclosed in note 26 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2023.

Other matters

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

National Treasury Instruction Note No. 4 of 2022-23: PFMA

Compliance and Reporting Framework

11. 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 28 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 ETDP SETA. 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

12. There are current deliberations with the National Treasury regarding the appropriate approval process for the retained surplus of R1 092 627 000 as disclosed in note 21.1 of the financial statements, the outcomes of which might affect how the entity sources the approval for these funds and whether utilisation of the funds in the current form will not constitute irregular expenditure.

Responsibilities of the accounting authority for the financial statements

13. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and 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.

14. 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

15. 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.
16. 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

17. 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.
18. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures 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 3: Learning programmes and projects	48- 57	To implement projects and programmes identified in the financial year in order to raise the skills and education levels of the unemployed and employed beneficiaries in sector to reduce unemployment and enhance occupational mobility.
Programme 4: Quality assurance	58- 62	To ensure quality provisioning of occupationally directed programmes for occupations in high demand.

19. 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.

20. 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.

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

22. I did not identify any material findings on the reported performance information of programme 3 - learning programmes and projects and programme 4 - quality assurance.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

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

25. The public entity plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
Programme 3: Learning programme and projects Targets achieved: 83% Budget spent: 26%		
Number of unemployed graduates completed Internships programmes	1 227	591
Number of unemployed learners enrolled in entrepreneurial and digital skills programmes	1 000	150
Number of bursaries awarded to students (Renewals)	1 944	220
Number of CBOs/ NGOs/ NPOs supported with training interventions.	10	9

26. Reasons for the underachievement of targets are included in the annual performance report on pages 48 - 57.

Material misstatements

27. 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, and programme 4: quality assurance. Management subsequently corrected all the misstatement, and I did not include any material findings in this report.

Report on compliance with legislation

28. 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.
29. 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.

30. 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 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.

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

Annual financial statements, performance and annual report

32. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA.

33. Material misstatements of repairs and maintenance expenditure, commitments, project accrual and creditors, related parties and discretionary grants identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Consequence management

34. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1) (e)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

35. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information in the annual report

36. The accounting authority is responsible for the other information included in the annual 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.

37. 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.

38. 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.
39. 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.
42. The recurring control deficiencies indicate that management did not exercise sufficient oversight over the reporting processes for financial, performance and compliance matters. The internal controls that were designed to address these deficiencies were not implemented effectively, leading to repeat findings. This exposes the public entity to the risk of material misstatements and non-compliance with relevant standards and regulations.
43. Management's inability to conduct thorough reviews of the financial statements and performance listings led to non-compliance with the applicable financial and performance reporting frameworks. This lack of oversight has significantly compromised the reliability and credibility of both the financial statements and performance reports. It is crucial for management to enhance their review processes and ensure strict adherence to the reporting frameworks to restore trust and confidence in the entity's financial and performance disclosures.

Internal control deficiencies

40. 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.
41. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this 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 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
Treasury regulations	Treasury reg 16A6.1 Treasury reg 16A3.2 (fairness) Treasury reg 16A3.2(a) and (b) Treasury reg R16A6.3 (a), (b) (c) & (e) Treasury reg 16A6.4 Treasury reg 16A6.5 Treasury reg 16A6.6 Treasury reg. 16A.7.1 Treasury reg. 16A.7.3 Treasury reg. 16A.7.6 Treasury reg. 16A.7.7 Treasury reg 16A8.3 Treasury reg.16A8.4 Treasury reg 16A9.1(b)(ii), (d), (e)

Legislation	Sections or regulations
Treasury regulations	Treasury reg 16A9.1(d), (e) & (f) Treasury reg 16A9.2(a)(ii) Treasury reg. 8.2.1 Treasury reg. 8.2.2 Treasury reg. 29.1.1(a) & (c) Treasury reg. 29.3.1 Treasury reg. 30.1.1 Treasury reg. 30.1.3(a), (b) & (d) Treasury reg. 30.1.3(b) Treasury reg. 30.1.3(d) Treasury reg. 30.2.1 Treasury reg. 31.1.2(c) Treasury reg. 31.2.1 Treasury reg. 31.3.3

Legislation	Sections or regulations
Treasury regulations	Treasury reg. 33.1.1 Treasury reg. 33.1.3
PFMA Instruction Note no.3 of 2021/22	Par.4.1 Par.4.2(b) Par. 4.3 Par. 4.4 and Par. 4.4(c), (d)
PFMA SCM Instruction Note 03 of 2021/2	Definition par 4.1. par. 4.2 (b) par. 4.3 and 4.4 par. 4.4 (c) par. 4.4.(d) par. 7.2
SCM Instruction Note 02 of 2021/22	Par.3.2.1 Par.3.2.4 Par. 3.3.1 par 4.1.
SCM Instruction Note 3 of 2016	Note 3
SCM Instruction 3 of 2016	Note 6

Legislation	Sections or regulations
National Treasury Instruction 01 of 2021/2022	Par. 4.1
Treasury Instruction note 11 of 2020/21	Par. 3.1 Par 3.4 (b) Par. 3.9
National Treasury Instruction No. 5 of 2020/21	Par. 1 Par. 2 Par. 4.8 Par. 4.9 Par. 5.3
National Treasury Instruction 07 of 2017/18	Par. 4.3
National Treasury Instruction 4A of 2016/17	par 6
National Treasury Instruction Note 4 of 2015/16	Par. 3.4
Practice Note 7 of 2009/10	Par 4.1.2
Practice Note 5 of 2009/10	Par.3.3

Legislation	Sections or regulations
PFMA	PFMA 35(4) PFMA 38(1)(b) PFMA 44 PFMA 45(b) PFMA 51(1)(b)(ii) PFMA 51(1)(e)(iii) PFMA 52(b) PFMA 54(2)(c), (d) PFMA 57(b) PFMA 55(1)(a), (b) PFMA 55(1)(c)(i)
PPPFA	definition ""acceptable tender"" section 2(1)(a) and (b) Par. 2(1)(f)
Preferential Procurement Regulations 2011	Reg. 9(1), 9(5)
Preferential Procurement Regulations 2017	under functionality Reg. 4(1), 4(2) Reg. 5(1), 5(3), 5(6), 5(7) Reg. 6(8), Reg. 7(8) Reg. 8(2), 8(5) Reg. 9(1) Reg. 10(1) Reg. 11(1)

Legislation	Sections or regulations
Preferential Procurement Regulations 2022	Reg. 4(4)
CIBD Act	Section 18(1)
CIBD Regulations	Reg. 17 Reg. 25(7A)
SBD	SBD 6.2 issued in 2015/16
Sita Act	Section 7(3)
Public Service Regulation	Reg. 18(1), (2)
PRECCA	Section 34(1)
Grants regulations	GNR.990 2(1) GNR.990 3(3) & (4) GNR.990 4(3), (8) GNR.990 6(9)(iii)





Annual Financial Statements

for the year ended 31 March 2023

Index

The reports and statements set out below comprise the annual financial statements presented to the Accounting Authority:

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The Annual Financial Statements set out on page 161 - 213 which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2023 and were signed on its behalf by:

Duncan Hindle
Accounting Authority Chairperson

Mrs Sesi Nombulelo Nxesi
Chief Executive Officer

Statement of Financial Position as at 31 March 2023

R'000	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	9	4 684	6 565
Intangible assets	10	349	384
		5 033	6 949
Current Assets			
Cash and cash equivalents	11	1 644 777	1 380 283
Consumables		139	168
Receivables from non-exchange transactions	12	343	517
Receivables from exchange transactions	13	8 586	2 443
		1 653 845	1 383 411
Total Assets		1 658 878	1 390 360
Liabilities			
Current Liabilities			
Payable from non-exchange transactions	14	292 025	261 141
Payables from exchange transactions	15	10 031	10 671
Accrued employee entitlements	16	15 312	11 440
Provision for exempt employers	17	7 707	7 364
Total Liabilities		325 075	290 616
Assets		1 658 878	1 390 360
Less : Liabilities		(325 075)	(290 616)
Net Assets		1 333 803	1 099 744
Administration reserve	19	5 033	6 949
Employer grant reserve *	19	269	94
Discretionary grant reserve **	19	1 328 501	1 092 701
Total Net Assets		1 333 803	1 099 744

*Refer to the Statement of Changes in Net Assets for the detailed calculation.

Statement of Financial Performance

R'000	Note(s)	2023	2022 Restated*
Revenue			
Revenue from non-exchange transactions	4	1 055 495	1 003 750
Revenue from non-exchange transaction: Penalties and Interest	4.1	9 494	10 473
Interest income from exchange transactions	5	89 126	45 403
Other income from exchange transactions		226	204
Gain on disposal of assets		43	-
Total revenue		1 154 384	1 059 830
Expenses			
Consultancy fees		(15 914)	(6 675)
Repairs and maintenance		(284)	(424)
(Loss) on disposal of assets		(39)	(101)
QCTO expenditure		(4 050)	(2 686)
Mandatory and discretionary grants	6	(709 677)	(612 871)
General administration expenses	7	(57 947)	(50 791)
Employee costs	8	(117 725)	(104 931)
Depreciation	9	(3 195)	(3 320)
Amortisation	10	(235)	(253)
IT Maintenance and licences		(11 259)	(12 313)
Total expenditure		(920 325)	(794 365)
Surplus for the year		234 059	265 465

Statement of Changes in Net Assets

R'000	Administration reserves	Employer grant reserves	Discretionary grant reserves	Unappropriated surplus	Total net assets
Balance at 31 March 2021	10 214	21 201	802 864	-	834 279
Changes in net assets					
Net surplus per statement of financial performance	-	-	-	265 465	265 465
Allocation of unappropriated surplus	24 851	31 587	209 027	(265 465)	-
Excess reserves transferred to discretionary reserves	(28 116)	(21 201)	49 317	-	-
Opening balance as previously reported	6 949	31 587	1 061 208	-	1 099 744
Prior year adjustments (refer prior year error- note 26.3)	-	(31 493)	31 493	-	-
Balance at 31 March 2022 (Restated*)	6 949	94	1 092 701	-	1 099 744
Changes in net assets					
Net surplus per statement of financial performance	-	-	-	234 059	234 059
Allocation of unappropriated surplus *	3 323	29 789	200 947	(234 059)	-
Excess reserves transferred to discretionary reserves	(5 239)	(29 614)	34 853	-	-
Balance at 31 March 2023	5 033	269	1 328 501	-	1 333 803
* Refer to note 3	3	3	3		

Cash Flow Statement

R'000	Note(s)	2023	2022
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		1 060 433	1 014 223
Investment income		88 013	48 364
Other cash receipts from stakeholders		-	957
		<u>1 148 446</u>	<u>1 063 544</u>
Payments			
Compensation of employees		(113 573)	(103 825)
Grants and project payments		(682 512)	(658 390)
Payments to suppliers*		(86 355)	(70 369)
		<u>(882 440)</u>	<u>(832 584)</u>
Total receipts		1 148 446	1 063 544
Total payments		(882 440)	(832 584)
Net cash flows from operating activities	18	<u>266 006</u>	<u>230 960</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(1 388)	(408)
Proceeds from insurance claims		106	-
Purchase of intangible assets	10	(226)	-
Net cash utilised in investing activities		<u>(1 508)</u>	<u>(408)</u>
Net increase in cash and cash equivalents		264 498	230 552
Cash and cash equivalents at the beginning of the year		1 380 283	1 149 731
Cash and cash equivalents at the end of the year	11	<u>1 644 781</u>	<u>1 380 283</u>

*Refer to note 26.2

Statement of Comparison of Budget and Actual Amounts

R'000	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Statement of Financial Performance					
Revenue					
*see note 29					
Other income	-	-	-	226	226
Investment income	45 234	-	45 234	89 126	43 892
Gains on disposal of assets	-	-	-	43	43
Penalties and interest	14 358	-	14 358	9 494	(4 864)
Skills development levy income	1 036 908	-	1 036 908	1 055 495	18 587
Total revenue	1 096 500	-	1 096 500	1 154 384	57 884
Expenditure					
Employee costs	(121 619)	-	(121 619)	(117 725)	3 894
Mandatory and discretionary grants	(854 111)	(1 092 627)	(1 946 738)	(709 677)	1 237 061
Repairs and maintenance	(839)	-	(839)	(284)	555
Depreciation	(6 353)	-	(6 353)	(3 195)	3 158
Consultancy fees	(17 880)	-	(17 880)	(15 914)	1 966
IT Maintenance and licences	(15 916)	-	(15 916)	(11 259)	4 657
QCTO expense	(3 652)	-	(3 652)	(4 050)	(398)
Loss on disposal of assets	-	-	-	(39)	(39)
General Expenses	(74 713)	-	(74 713)	(57 947)	16 766
Amortisation	(1 417)	-	(1 417)	(235)	1 182
Total expenditure	(1 096 500)	(1 092 627)	(2 189 127)	(920 325)	1 268 802
Operating surplus /(deficit)	-	(1 092 627)	(1 092 627)	234 059	
Approved surplus funds	-	1 092 627	1 092 627	-	

Before the start of the financial year, the Executive Authority approved a budget of R 1.096b for the period 1 April 2022 to 31 March 2023.

Furthermore approval for the utilisation of surplus of R1.092b and the revised budget of R2.189b was granted in March 2023.

The surplus funds have been used to increase discretionary grants budget of R854m as approved at the beginning of the financial year.

Accounting Policies

1. Presentation of Annual Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations of such standards as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999), Skills Development Act and the SETA Grants Regulations.

The financial statements have been prepared on accrual basis of accounting and are in accordance with the historical cost conversion as the basis of measurement unless specified otherwise.

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

1.1 Presentation currency

These financial statements are presented in South African Rands, which is the functional currency of the ETDP SETA. The amounts in the annual financial statement are rounded off to the nearest one thousand rands.

1.2 Offsetting

Assets, liabilities, income and expenses were not offset except where offsetting is either required or permitted by the standards of GRAP.

1.3 Comparative figures

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

1.4 Going concern assumption

These Annual Financial Statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.5 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the ETDP SETA, usually in accordance with a binding arrangement. Non-exchange revenue is recognised in accordance with GRAP 23 using the 'assets and liabilities' approach. When the ETDP SETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that the ETDP SETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Accounting Policies *(continued)***1.5.1 Skills development levy income**

Skills development levy (SDL) transfers are recognised when it is probable that future economic benefits will flow to the ETDP SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education, Science and Technology either makes an allocation or payment, whichever comes first, to the ETDP SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), as amended.

The accounting policy for the recognition of Skills Development Levy income is based on section 3(1) and 3(4) of the Skills Development Levies Act No. 9 of 1999, as amended. Registered member companies of the ETDP SETA pay skills development levy of 1% of the total payroll cost to SARS which collects the levies on behalf of the DHET. Companies with an annual payroll cost less than R500 000 are exempted in accordance with Section 4(b) of the SDLA (1999) as amended, effective 1 August 2005.

80% of skills development levies is paid over to the ETDP SETA while 20% is paid to the National Skills Fund. SDL transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when DHET makes an allocation to the entity as required by section 8 of the SDLA, 1999 as amended.

The allocations are made as follows:

- Discretionary grants 49.5%
- Mandatory grants 20%
- Administration 10%
- QCTO 0.5%

ETDP SETA acknowledges that Grants regulations 2012 were set aside by the Labour Appeal Court during October 2019. To date, no further communication has been received regarding gazetting of the draft regulations by DHET. As a result, the ETDP SETA has implemented the 2012 Regulations for the reporting period. Further details are contained in Note 21.2.

Revenue is adjusted for transfers between the SETAs due to employers changing SETAs. Such adjustments are separately disclosed as Inter-SETA transfers. The amount of Inter-SETA adjustment is calculated according to the most recent standard operating procedure issued by DHET.

In terms of the DPSA circular, circular HRD 1 of 2013, all departments are required to set aside a minimum of 1% of the total department's annual personnel budget for training and development of personnel and potential employees.

Thirty percent (30%) of this amount is appropriated to the SETA with which the department is affiliated.

Accounting Policies *(continued)*

For departments belonging to more than one SETA, 30% levy is apportioned proportionally. ETDP SETA receives contributions in this regard from the Department of Education across the 9 provinces and the DHET.

- Discretionary 2/3 of total allocation
- Administration 1/3

Revenue is adjusted for inter SETA transfers due to employers changing SETAs. Such adjustments are separately disclosed as inter SETA transfers. The amount of the inter SETA adjustment is calculated according to the Standard Operating Procedure issued in October 2006 by the Department of Labour.

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

Employers who have annual payrolls below R500 000 have been exempted from further payment of skills development levies. In cases where payments have been made by these employers in error, a provision has been made for the refund of the levies covering a period of 5 years (Prior year: 5 years).

1.5.2 Interest and penalties

Interest and penalties are levied by SARS in terms of the Skills Development Levies Act, 1999 (Act No.9 of 1999) as amended and are recognised on an accrual basis.

Interest and penalties are recognised at the earlier of the allocation by the Department of Higher Education and Training to the ETDP SETA or when cash is received.

1.6 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

1.6.1 Interest income

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

1.7 Grant and project expenditure

A registered organisation may recover a maximum of 20% of its total levy payment as a Mandatory Grant (excluding penalties and interest) by complying with the criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Levies Act No. 9 of 1999.

Accounting Policies *(continued)*

Grants and project expenditure are measured at the amounts incurred. These amounts represent the fair value of the transactions.

1.7.1 Mandatory grants

Mandatory grants and payables

Mandatory grant expenditure is recognised when the submission by a member organisation of a Workplace Skills Plan (WSP) and the Annual Training Report (ATR) within the agreed cut off period has been approved by the ETDP SETA for payment. In the case where a WSP/ATR has been approved and transfers from the DHET have been received but actual payment has not been made, an accrual is made for the amounts payable.

These grants are measured at the amounts paid / payable which represent the fair value of the transaction. The amount payable is 20% of the levies paid to SARS by the member organisation and remitted to ETDP SETA by the DHET.

Employer receivables

Employer receivables emanate from SARS levy overpayments which in turn result to an overpayment of mandatory grants to qualifying employers. An allowance for impairment is raised for an amount recognised as a receivable in the prior year should an employer not submit a Workplace Skills Plans Reports (WSPR) in the succeeding year.

Should the employer not submit the WSPR for three (3) consecutive years, the debt is then written off.

The ETDP SETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the ETDP SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

1.7.2 Discretionary grants and projects expenditure/ payables

Discretionary grants expenditure relates to amounts paid/ payable to the ETDP SETA constituencies for training and skills development programmes. The project expenditure is recognised when the training or the skills development programme has been delivered in accordance with the contract between the ETDP SETA and the Constituency or training provider.

These grants are measured at the amounts paid or payable which represent the fair value of the transaction. Discretionary grant expenditure/liability is recognised as expenses in the period in which they are incurred i.e in which the conditions are met.

Accounting Policies *(continued)*

Project expenditure comprises of:

- costs that relate directly to the specific project;
- costs that are attributable to the project 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 project.

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

1.8 Quality Council for Trade and Occupation (QCTO)

QCTO expenditure is in line with Section 2(4) of the Grants Regulations issued in terms of Government Gazette 35940, therefore the expenditure of 0.5% will be in line with the amount determined by the Minister of Higher Education and Training.

1.9 Property, plant and equipment

Property, plant and equipment is initially recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the ETDP SETA
- the cost or fair value of the item can be measured reliably.

The cost of an item of property and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Property and equipment is initially recognised at cost and subsequently at cost less any subsequent accumulated depreciation and adjusted for any impairments.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

Accounting Policies *(continued)*

Item	Depreciation method	Depreciation rates
Audio-visual equipment	Straight line	20%
Office Furniture and fixtures	Straight line	15%
Motor vehicles	Straight line	20%
Office equipment	Straight line	20%
Computer Equipment	Straight line	33%
Leasehold improvements	Straight line	15%
Kitchen equipment	Straight line	15%
Minor assets	Straight line	100%

Each part of an item of Property, plant and equipment is depreciated separately. Depreciation commences when the items of Property, plant and equipment are available for use and ceases at the earlier of the date that asset is classified as held for sale or included in a disposal group classified as held for sale and the date that the asset is derecognised.

Gains and losses on disposal of Property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the operating surplus/deficit.

Costs relating to repairs and maintenance are recognised in surplus/deficit as incurred.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

Accounting Policies *(continued)***1.10 Intangible assets**

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service 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 carried at cost less any accumulated amortisation and adjusted for any impairment losses. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Intangible assets are amortised on the straight-line basis over their expected useful lives to their estimated residual value.

Item	Amortisation method	Average useful life
Computer software and licences	Straight line	33%

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.11 Leasing**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. This liability is not discounted.

Accounting Policies *(continued)***1.12 Employee benefits**

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

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 as a result of services rendered by employees up to the reporting date.

Liabilities for bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employee renders the related services are recognised as they accrue to the employee.

Leave liability

Liabilities for annual leave are recognised as they accrue to employees. The entity recognises the leave obligation during the vesting period based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

The ETDP SETA calculates the value of leave not taken at year-end based on the guaranteed package or basic salary. The value of leave is recognised in the statement of financial position as a short-term employee benefit.

Pension plan: Defined contribution plans

The entity operates a defined contribution plan, the assets of which are held in separate trustee-administered funds. The plan is generally funded by payments from the entity and employees and is managed by external fund managers determined by the members of the fund.

The rules of the defined contribution plan determine the following in respect of contributions:

Contribution by employee = 7.5% of retirement funding income

Contribution by employer = 7.5% of retirement funding income

1.13 Provisions and contingencies

Provisions are recognised when the ETDP SETA 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 present value of the expenditure expected to be required to settle the obligation.

ETDP SETA recognises a provision for the repayment of levies contributed by companies exempted from contributing skills development levy but who continue to do so. 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.

Accounting Policies *(continued)*

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is

- a. a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- b. a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments are disclosed in a note to the financial statements if both the following criteria are met:

- Contracts should be non-cancellable or cancellable at significant cost; and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts are excluded.

Contingent assets and contingent liabilities are disclosed in note 21.

1.14 Financial instruments

Financial instruments are recognised when the ETDP SETA becomes party to the contractual provisions of the instrument. Financial instruments carried in the statement of financial position include cash and bank balances, trade and other receivables and trade and other payables. These instruments are carried at their amortised cost.

1.14.1 Financial assets

The ETDP SETA classifies its financial assets into one of the categories discussed below:

Accounting Policies *(continued)*

Receivables from exchange and non-exchange

ETDP SETA classifies receivables from exchange and non-exchange transactions as financial assets at amortised costs and measures these using the effective interest method. These financial assets are not quoted in an active market and have fixed or determinable payments as defined in the standards of Generally Recognised Accounting Practice. Interest income is recognised by applying the effective interest rate.

Effective interest method

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

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash

flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, with the exception of receivables from non-exchange transactions where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit for the year.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash on hand and deposits held at call. They are initially recognised at fair value, and are subsequently carried at amortised cost using the effective interest method.

Accounting Policies *(continued)***1.14.2 Financial liabilities**

All financial liabilities of the entity are classified as financial liabilities at amortised cost. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

Payables from exchange and non exchange

The entity has payables from exchange and non exchange as a class of financial liabilities as reflected on the face of the statement of financial position and to the notes thereto.

Other financial liabilities

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

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

The effective interest

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

1.15 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Where such a situation exists, the nature and type of transactions and relationships between parties are disclosed in the notes to the Financial Statements unless those transactions occur within:

- a. 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 entity to have adopted if dealing with that individual entity or person in the same circumstances; and
- b. terms and conditions within the normal operating parameters established by that reporting entity's legal mandate.

Key management is defined as individuals with the authority and responsibility for planning, directing and controlling the activities of the ETPD SETA. All individuals from the executive management are regarded as key management according to the IFRS definition.

Accounting Policies *(continued)*

Close family members of key management personnel are considered to be those family members who may be expected to influence, or be influenced by, key management individuals in their dealings with the ETDP SETA. Other related party transactions are also disclosed in terms of the requirements of IFRS. Qualitative and quantitative materiality is considered in the disclosure of these transactions.

1.16 Contributions by the Departments of Education

The Provincial and National Departments of Education contribute 30% of their annual training budgets to the ETDP SETA, as per a Cabinet decision. The 30% receipt is utilised for Administration (one third) and Discretionary Projects (two thirds).

Contributions by the Departments of Education are recognised as revenue when and in the period they are actually received.

1.17 Accounting by principals and agents**Identification**

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the principal's benefit.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When ETDP SETA is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

Whether ETDP SETA is a principal or an agent requires the SETA to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Recognition

The ETDP SETA, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of GRAP 109.

Accounting Policies *(continued)*

The ETDP SETA, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of GRAP 109.

The ETDP SETA recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.18 Irregular, fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred.

The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Irregular expenditure as defined in Section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

- a. The PFMA; or
- b. the State Tender Board Act, 1968 (Act No 86 of 1968), or any regulations made in terms of the Act; or
- c. any provincial legislation providing for procurement procedures in that provincial government.

Irregular, fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of irregular, fruitless and wasteful expenditure incurred and confirmed in that current financial year unless it is impractical to determine, in which case reasons must be provided in the annual report.

1.19 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

Accounting Policies *(continued)*

The approved budget covers the fiscal period from 2022/04/01 to 2023/03/31.

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.

1.20 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.21 Reserves

Net assets are classified based on the restrictions placed on the distribution of monies received in accordance with the SETA Grant Regulations as follows:

- Administration reserve
- Mandatory reserve
- Discretionary reserve

Employer levy payments are set aside in terms of the SDA (1998) and the SETA Grant Regulations for the purpose of:

- Administration costs of the SETA 10.5%
- Employer grant fund levy 20.0%
- Discretionary grants and projects 49.5%

Government department levy payments are set aside for the purpose of:

- Administration costs of the SETA 33.3%
- Discretionary grants and projects 66.7%

Accounting Policies *(continued)*

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 administration reserve equal to the book value of depreciable assets. A contingent liability is disclosed for newly registered member companies, participating after the legislative cut-off date.

1.22 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make 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. Significant judgements include:

Fair value estimation

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for ETDP SETA's similar financial instruments.

Impairment testing

The ETDP SETA reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Impairment of trade receivables

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

Useful lives of property, plant and equipment and other assets.

The SETA assesses at each reporting date whether there is any indication that the SETA's expectations about the residual value and useful life of an asset have changed since the preceding reporting date.

If any such indication exists, the SETA revises the expected useful life accordingly. The change is accounted for as a change in an accounting estimate.

Provisions

Provisions are best estimates of the expenditure required to settle the obligation raised by management using the available information at the time of preparing the annual financial statements.

Notes to the Financial Statements

R'000	2023	2022
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction GRAP 104 (as revised): Financial Instruments	01 April 2023	Unlikely there will be a material impact
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
GRAP : Improvements to the standards of GRAP	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

Notes to the Financial Statements

3. Allocation of net surplus for the year to reserves

	Administration reserves	Employer grant reserves	Discretionary grant reserves	2022/23	2021/22
Admin levy income from levy payers	84 750	-	-	84 750	79 120
Levy income from levy payers	-	169 525	422 031	591 556	550 866
QCTO	4 237	-	-	4 237	3 956
Levy from departments	124 984	-	249 968	374 952	369 808
Penalties and interest	-	-	9 494	9 494	10 473
Interest income	-	-	89 126	89 126	45 403
Other Income	-	-	226	226	204
Gains on the disposal of assets	-	-	43	43	-
Total revenue	213 971	169 525	770 888	1 154 384	1 059 830
Administrative expenses	206 598	-	-	206 598	178 808
QCTO expense	4 050	-	-	4 050	2 686
Employer grants and project expenses	-	139 736	569 941	709 677	612 871
Total expenses	210 648	139 736	569 941	920 325	794 365
Net surplus/ (deficit) per statement of financial performance	3 323	29 789	200 947	234 059	265 465

Notes to the Financial Statements

R'000	2023	2022
4. Revenue from Non-exchange transactions		
Levy income: Administration	213 971	206 345
Levies received from levy payers	88 987	83 076
Government levies received	124 984	123 269
Levy income: Employer grants	169 525	158 116
Levies received from levy payers	169 525	158 116
Levy income: Discretionary grants	671 999	639 289
Levies received from levy payers	422 031	392 750
Government levies received	249 968	246 539
	1 055 495	1 003 750
4.1 Revenue from non-exchange transactions: Interest and Penalties		
Interest	5 785	4 954
Penalties	3 709	5 519
	9 494	10 473
5. Interest income from exchange transactions		
Accrued interest	1 565	452
Bank deposits	87 561	44 951
	89 126	45 403
6. Mandatory and Discretionary Grants		
Mandatory grants	139 736	126 529
Discretionary grants	569 941	486 342
	709 677	612 871

Notes to the Financial Statements

R'000	2023	2022
7. General administration expenses		
Building and related costs		
Operating rentals-buildings	17 191	17 829
Security and cleaning	1 935	1 650
Water and electricity	3 420	2 650
Other administration cost		
Meeting and board fees	3 215	3 428
Remuneration of audit committee members	356	315
Auditors remuneration	4 762	3 829
Board training	147	179
Staff training and development	858	2 378
Recruitment	379	1 630
Stationery and consumables	982	803
Advertising, marketing, promotions and communication	5 250	2 589
Legal fees	644	72
Travel and subsistence allowance	5 946	2 532
Courier fees	232	229
Hire of equipment	5 863	6 118
Insurance	762	709
Bank charges	592	356
Workshops and AGM	824	944
Staff relocation	904	821
Printing and postage	291	550
Refreshments and catering	401	299
Telephone and cellular phone	230	144
Interest	244	-
Other expenses	2 519	737
Total per Statement of Financial Performance	57 947	50 791

Notes to the Financial Statements

R'000	2023	2022
8. Employee costs		
Salaries and wages		
Basic	96 517	89 855
Performance Bonus	3 739	3 155
Medical aid- company contributions	3 055	2 776
UIF	582	585
Leave pay provision charge	3 354	(814)
Defined contribution-employees	5 239	4 687
Defined company contributions	5 239	4 687
	117 725	104 931
Total employee cost		
Average number of employees 134 (2022:128)	117 725	104 931

Notes to the Financial Statements

R'000

9. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	6 288	(5 199)	1 089	6 288	(4 749)	1 539
Motor vehicles	1 001	(831)	170	1 001	(661)	340
Office equipment	1 564	(1 048)	516	1 512	(795)	717
Computer equipment	11 905	(10 090)	1 815	11 353	(8 570)	2 783
Leasehold improvements	1 810	(1 149)	661	1 303	(794)	509
Audio and visual equipment	1 710	(1 344)	366	1 710	(1 054)	656
Kitchen equipment	161	(94)	67	101	(80)	21
Minor assets	231	(231)	-	231	(231)	-
Total	24 670	(19 986)	4 684	23 499	(16 934)	6 565

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Re-assessment of useful lives adjustment	Total
Furniture and fixtures	1 539	-	-	(510)	(2)	62	1 089
Motor vehicles	340	-	-	(200)	-	30	170
Office equipment	717	52	-	(266)	(2)	15	516
Computer equipment	2 783	769	(75)	(2 056)	(1)	395	1 815
Leasehold improvements	509	507	-	(361)	-	6	661
Audio and visual equipment	656	-	-	(299)	(1)	10	366
Kitchen equipment	21	60	-	(15)	-	-	67
	6 565	1 388	(75)	(3 707)	(6)	518	4 684

Notes to the Financial Statements

R'000

9. Property, plant and equipment *(continued)*

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Additions by re-instatement	Disposals	Depreciation	Impairment loss	Re-assessment of useful lives adjustment	Total
Furniture and fixtures	1 778	270	3	(16)	(496)	(22)	26	1 539
Motor vehicles	540	-	-	-	(200)	-	-	340
Office equipment	894	78	-	(2)	(259)	(2)	8	717
Computer equipment	4 704	58	1	(41)	(2 277)	(26)	364	2 783
Leasehold improvements	656	-	-	(10)	(141)	-	4	509
Audio and visual equipment	947	-	1	(2)	(300)	-	10	656
Kitchen equipment	28	2	-	-	(9)	(1)	1	21
	9 547	408	5	(71)	(3 682)	(51)	413	6 565

Pledged as security

The ETDp SETA has no assets pledged as security.

Notes to the Financial Statements

R'000	2023	2022
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10. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1 612	(1 263)	349	3 429	(3 045)	384

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Re-assessment of useful lives adjustment	Total
Computer software	384	226	(26)	(329)	94	349

Reconciliation of intangible assets - 2022

	Opening balance	Disposals	Amortisation	Re-assessment of useful lives adjustment	Total
Computer software	667	(30)	(396)	143	384

Notes to the Financial Statements

R'000	2023	2022
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11. Cash and cash equivalents**Cash and cash equivalents consist of:**

Cash on hand	50	42
Bank balances	353 151	164 122
Short-term deposits	1 291 576	1 216 119
	1 644 777	1 380 283

The security of cash and cash equivalents is ensured by only banking with the Reserve Bank of South Africa and the Standard Bank. The carrying value, at which cash and cash equivalents are disclosed, approximates their fair values.

As required in National Treasury regulation 31.2.1, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 6.04% (Prior year 4%).

12. Receivables from non-exchange transactions

Employer receivables	343	697
Less: allowance for impairment	-	(180)
	343	517

Receivables from non-exchange transactions

R343 (2022: R697) was recognised as a receivable relating to grant overpayments to levy-paying employers in prior periods, as a result of levy income reversals done after grants had been paid. An amount of R0 (2022: R180) was provided for as debt impairment relating to over payment of grants as the SETA may not recover amounts owing by the levy payers who have since stopped submitting their WSPs.

Notes to the Financial Statements

R'000	2023	2022
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13. Receivables from exchange transactions

Deposits	463	463
Interest receivable	1 565	452
Sundry receivables	3 421	2 303
Allowance for impairment	(1 032)	(1 032)
Prepayments	4 158	235
Staff debtors	11	22
	8 586	2 443

Sundry debtors are mainly made up of the ACSA debt and the employee accident invoices.

The prepayments relate to prepaid licences.

14. Payables from non exchange transactions

Skills development grants payable	61 048	48 338
Project creditors	36 029	19 792
Project accruals	194 948	193 011
	292 025	261 141

15. Payables from exchange transactions

Trade payables	3 048	2 495
Accruals	2 918	4 480
Payroll creditors	3 517	3 238
Liability resulting from straight line valuation of leases	548	458
	10 031	10 671

Notes to the Financial Statements

R'000	2023	2022
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16. Accrued employee entitlement

	Employee leave	Employee bonus	2023	2022
Opening carrying amount	6 573	4 867	11 440	12 587
Amounts utilised during the year	(120)	(3 776)	(3 896)	(4 111)
Charged to income statement during the year	3 354	4 414	7 768	2 964
Closing carrying amount	9 807	5 505	15 312	11 440

The liability for leave accumulated at year end is accrued for at the daily rate per employee.

The employee bonus column comprises of bonus provision and the 13th cheque.

17. Provision for exempt employers

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Levies refundable provision	7 364	1 330	(987)	7 707

Reconciliation of provisions for exempt employers - 2022

	Opening Balance	Additions	Utilised during the year	Total
Levies refundable provision	7 002	1 348	(986)	7 364

Notes to the Financial Statements

R'000	2023	2022
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17. Provision for exempt employers *(continued)*

The 2023 amount R7.7m (2022: R7.4m) relates to levies incorrectly contributed by exempt employers. The employers are exempt from contributing SDL due to legislation changes which came into effect from 1 August 2005.

In terms of the Skills Development Circular No. 09/2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190(4) of the Tax Administration Act. In terms of section 4(7) of the SETA Grant Regulations, all unclaimed mandatory grants should be transferred to the discretionary funds because the employer cannot claim it back after the expiry date.

18. Cash (used in) generated from operations

Surplus	234 059	265 465
Adjustments for:		
Depreciation	3 195	3 320
Amortisation	235	253
Loss/(profit) on disposal	(4)	101
Increase/(Decrease) in provisions	4 215	(785)
Changes in working capital:		
Consumables	29	(134)
Receivables from exchange transactions	(6 142)	3 972
Receivables from non-exchange transactions	175	(228)
Payables from exchange transactions	641	4 876
Payable from non-exchange	29 603	(45 880)
	266 006	230 960

Notes to the Financial Statements

R'000	2023	2022
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19. Commitments

19.1.1 Discretionary grants commitments

Of the balance of R1.3b available in the Discretionary grants reserves at the end of the year, the commitments detailed below of R1.2b have been made for discretionary grants projects and skills priorities. Expenses that relate to these commitments are included in discretionary grant expenses in the Statement of Financial Performance.

Discretionary grant commitments 2022/23

	Opening balance	Adjustments	New contracts	Total expenditure	Closing Balance
Program 3.1	90 367	(17 364)	-	(36 785)	36 218
Program 3.2	2 338	(673)	-	(635)	1 030
Surplus funds	132 322	(132 322)	-	-	-
TVET	79	(72)	-	(7)	-
DBE Partnership	45 797	(149)	-	(8 078)	37 570
Reallocation of funds	36 197	(36 197)	-	-	-
NSDP Outcome 2: Linking education and the workplace	209 715	(5 954)	299 270	(250 779)	252 252
NSDP Outcome 3: Improving the level of skills in the South African workforce	253 063	146 260	438 178	(251 636)	585 865
NSDP Outcome 5: Support the growth of the public college system	20 136	(5 196)	13 690	(14 860)	13 770
NSDP Outcome 6: Skills development support for entrepreneurship and cooperative development	5 848	(3 317)	5 902	(3 126)	5 307

Notes to the Financial Statements

R'000	2023	2022
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19. Reserves (continued)

Discretionary grant reserves 2022/23

	Opening balance	Adjustments	New contracts	Total expenditure	Closing Balance
NSDP Outcome 8: Support for career development services	1 945	(651)	9 662	(4 034)	6 922
Approved-not contracted	93 286	(56 936)	223 166	-	259 516
	891 093	(112 571)	989 868	(569 940)	1 198 450

19.1.2 Administrative Commitments

2022/23	Opening Balance	Adjustments	New Contracts	Total Expenditure	Closing balance
Administrative commitments	24 399	-	25 014	(20 806)	28 607
Total	24 399	-	25 014	(20 806)	28 607

2021/22	Opening Balance	Adjustments	New Contracts	Total Expenditure	Closing Balance
Administrative commitments	2 323	592	38 967	(17 483)	24 399
Total	2 323	592	38 967	(17 483)	24 399

19.2 Administration reserve

Reserves retained to cover the carrying values of property plant and equipment/intangible assets which will be depreciated in future years

5 033	6 949
5 033	6 949

Notes to the Financial Statements

R'000	2023	2022
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19.3 Employer grant reserves

PART F: ETD P S E T A A N N U A L F I N A N C I A L S T A T E M E N T S F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 2 3

The reserve is retained to cover the first time employer registrations and the future mandatory grants pay-out. The surplus remaining in the reserve will be swept to discretionary reserves every year on the 1 August.

269	94
269	94

20. Operating lease commitments**20.1 Operating Leases - Buildings**

Not later than one year	15 682	16 996
Later than one year and not later than five years	3 650	18 487
	19 332	35 483

Notes to the Financial Statements

R'000	2023	2022
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20.1 Operating Leases - Buildings *(continued)*

Offices	Services	Commencement date	Termination date	Option to renew	Escalation % p.a.
Bloemfontein	Rental	1 January 2021	31 December 2023	Yes	8%
Cape Town	Rental	1 January 2021	31 December 2023	No	6%
CBD, Johannesburg	Rental	01 September 2017	30 June 2024	Yes	8%
Durban	Rental	1 January 2021	31 December 2023	Yes	8%
East London	Rental	1 January 2021	31 December 2023	Yes	8%
Kimberley	Rental	1 January 2021	31 December 2023	Yes	
Nelspruit	Rental	1 January 2021	31 December 2023	Yes	5%
Polokwane	Rental	1 January 2021	31 December 2023	Yes	5%
Potchefstroom	Rental	1 January 2021	31 December 2023	Yes	5%

20.2 Operating Leases - Photocopiers

Not later than one year	686	686
Later than one year and not later than five years	57	743
	743	1 429

Photocopiers	Services	Commencement date	Termination date	Option to renew	Escalation % p.a.
Konica Minolta	Rental	1 May 2021	30 April 2024	No	

Operating lease payments represent rentals payable by the SETA for certain of its office properties as well as photocopies. No contingent rent is payable. The operating lease expenses are smoothed on a straight line basis over the lease term. Any over or under payment, as a result of the smoothing is recognised in the statement of position under the payables from exchange transactions note 15, until the time that payments in the future reverses the smoothing to zero by the end of the lease period.

Notes to the Financial Statements

R'000	2023	2022
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21. Contingencies

21.1 Retention of surpluses

In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C may not retain cash surpluses that were realised in the previous financial year without obtaining the prior written approval of National Treasury. During September 2020, National Treasury Issued Instruction No.12 of 2020/21 which gave a revised definition of a surplus. According to this instruction, a surplus is based on cash and cash equivalents, plus receivables less current liabilities at the end of the financial year.

Even though the ETDP SETA has a surplus of R1 328 631 000, an amount of R1 198 449 000 has been committed.

The surplus for the period is as follows:

Cash and Cash Equivalents	1 644 777	1 380 283
Plus: Net Receivables	8 929	2 960
Less: Current Liabilities	(325 075)	(290 616)
	1 328 631	1 092 627

Notes to the Financial Statements

R'000	2023	2022
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21. Contingencies *(continued)*

21.2 Mandatory grant- 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 others matters, led to litigation begun by BUSA, at the Labour Court. The Labour Court declared the Regulation to be invalid and consequently set aside, with suspension of the order until March 2016.

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

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 current financial year which is also aligned to the approved Annual Performance Plan.

Pending the final agreement between the Minister and the employers (through BUSA) on the approved rate, there is therefore a possible liability or asset 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 liability. 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.

The minister has subsequently issued draft SETA Grant Regulations for comment, whereas mandatory grant has been maintained at 20%. To date no further communication has been received regarding gazetting these regulations.

21.3 Litigations and claims

21.3.1 The SETA is involved in a dispute with an employee regarding the performance bonus pay. The matter was still pending at the reporting date and the financial exposure could not be determined.

21.3.2 The SETA is involved in a dispute with a former employee regarding termination of contract. The matter is at the Labour Court and at the time of reporting it had not been finalised to determine the financial obligation.

21.3.3 The SETA suspended one of its employees for violation of policies and insubordination. The employee has escalated the matter to the CCMA and the Labour Court. At the reporting date, these matters had not been concluded and the financial exposure could not be determined.

21.4 First time employer registration

First time employers who wish to apply for mandatory grants with the Skills Development Levy are allowed to do so within six months of registration. At reporting date, it is estimated that, as a result, additional mandatory grant expenditure of R270 000 (2022: R94 000) will be payable. The amount is contingent on the number of submissions received and approved.

22. Related parties

ETDP SETA as a schedule 3A public entity is related to all entities in national government spheres. However as per GRAP 20, the below disclosure only takes into account transactions and balances undertaken on more or less favourable terms and conditions (not at arm's length) and those that are outside the normal operating parameters established by the SETA's legal mandate.

The Related parties for the SETA are:

22.1 Entities under common control

22.2 Key Management personnel

22.3 Employers/Organisations relating to the Accounting Authority members

22.4 Accounting Authority members

22.5 Relatives of key management personnel and accounting authority members (No transactions)

22.1 Entities under common control

ETDP SETA is a Schedule 3A Public Entity under the Department of Higher Education and Training (DHET). Entities under the common control of DHET are then considered to be related parties to the ETDP SETA. These entities are the 20 Sector Education and Training Authorities (SETAs), Quality Council For Trades & Occupations (QCTO), National Skills Fund (NSF), the 26 Public Universities, Technical and Vocational Education and Training (TVET) Colleges, Community Education and Training (CET) colleges, National Student Financial Aid Scheme (NSFAS) and National Skills Authority (NSA).

The related party transactions pertain to the SETA funded learning programmes and these are consistent with normal grant allocation and funding processes (terms and conditions) as directed by the SETA policies. These will include any transaction occurred during the period under review and included in the Statement of Financial Performance, any outstanding balances at the reporting date included in the Statement of Financial Position as well as balances on active contracts for learning programmes at the end of the reporting date.

Notes to the Financial Statements

R'000

22. Related parties (continued)

Key management personnel

2023

Name	Basic salary	Performance bonus	Medical aid	Pension	Other benefits received	Total
Ms. NS Nxesi (CEO)	2 256	90	-	158	254	2 758
Ms. NT Sibisi (CRO)	1 678	-	35	158	8	1 879
Mr. T Makofane (COO)	1 592	-	33	150	14	1 789
Ms N Mafahla (CFO)	1 647	-	96	158	-	1 901
	7 173	90	164	624	276	8 327

2022

Name	Basic salary	Performance bonus	Medical aid	Pension	Other benefits received	Total
Ms. NS Nxesi (CEO)	2 273	67	-	234	225	2 799
Mr. M Dondolo (CRO)	611	50	34	50	-	745
Mr. T Makofane (COO)	1 576	-	30	144	-	1 750
Ms. N Dick (CFO)	214	-	3	12	-	229
Mr. S Mda (CFO)	855	-	-	-	-	855
Ms. N Mashilo (CFO)	814	-	51	77	-	942
	6 343	117	118	517	225	7 320

Notes to the Financial Statements

R'000

22. Related parties *(continued)***22.3 Employers/Organisations relating to the Accounting Authority members *****2023**

Employer/ Organisation	AA Member	Levies Received 'R'000	Mandatory grants 'R'000	Discretionary grants 'R'000
DBE	Ms S Geyer	513	-	-
DBE	Ms Futshane	-	-	-
USAF	Dr. Singh	-	-	-
APPETD	Ms L Ingram	-	-	-
NAPTOSA	Mr Ntantala	302	66	40
	-	815	66	40

2022

Employer/ Organisation	AA Member	Levies Received 'R'000	Mandatory grants 'R'000	Discretionary grants 'R'000	Other expenses 'R'000
DBE	Ms Futshane	459	-	-	-
USAF	Dr. Singh	-	-	-	2 692
APPETD	Ms L Ingram	-	-	-	1 382
NAPTOSA	Mr Ntantala	86	27	9	-
	-	545	27	9	4 074

* Refer to note 26.5-prior period error

Notes to the Financial Statements

R'000

22. Related parties *(continued)*

Remuneration of Accounting Authority Members 2023

Name	Fees for services rendered as members of accounting authority	Other expenses paid	Total
D Hindle- Chairperson	160	170	330
M Mthembu	169	4	173
F Solomon	100	2	102
V Singh	114	6	120
L Ingram	51	1	52
VA Monyela	-	-	-
N Mboniswa	55	-	55
S Geyer	-	-	-
N Ntantala	92	2	94
DM Peo	158	5	163
P Chiloane	67	9	76
T Futshane	-	-	-
T Mathebula	73	3	76
LM Motshwane	235	6	241
H Ntlatleng	-	4	4
	1 274	212	1 489

Notes to the Financial Statements

R'000

22. Related parties (continued)

Remuneration of Accounting Authority Members

2022

Name	Fees for services rendered as members of accounting authority	Other expenses paid	Total
D Hindle - Chairperson	166	163	329
M Mthembu	134	-	134
F Solomon	65	-	65
V Singh	69	-	69
L Ingram	69	-	69
N Mboniswa	86	-	86
N Ntantala	69	-	69
P Chiloane	69	-	69
DM Peo	69	-	69
VA Monyela	-	-	-
T Mathebula	69	-	69
LM Motshwane	121	-	121
S Geyer	-	-	-
T Futshane	-	-	-
	986	163	1 152

Notes to the Financial Statements

R'000	2023	2022
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23. Risk management

Financial risk management

Liquidity risk

This risk is managed via proper working capital management, expenditure management, actual versus forecast cash flows and the cash management policy. Adequate reserves in support of existing commitments and liquid resources are maintained. The table below provides an analysis of ETDP SETA's liabilities into their maturity groupings as per the Statement of Financial Position. These amounts are not discounted as they are as per contracts.

At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	236 943	-	-	-
At 31 March 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	219 778	-	-	-

Credit risk

Financial assets which potentially subject ETDP SETA to the risk of non-performance by counter parties and thereby to concentration of credit risk, consist mainly of cash and cash equivalents, and accounts receivable. Except for the global economic meltdown which may impact on the income received from the levy paying organisations no events occurred during the year that may impact on the accounts receivable. The ETDP SETA management limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury Regulation 31.2. The ETDP SETA's exposure is continuously monitored by a Finance Committee convened in accordance with the PFMA. Credit risk with respect to levy paying employers is limited due to the nature of the income received. The ETDP SETA does not have any material exposure to any individual or counter- party. The ETDP SETA's concentration of credit risk is limited to the Education, Training and Development industry in which the ETDP SETA operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt where applicable.

Notes to the Financial Statements

R'000	2023	2022
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23. Risk management *(continued)*

Market risk

Interest rate risk

Interest rate risk- For the year ended 31 March 2023	Amount	Effective interest rate % pa	Non-interest bearing	Total
Financial Assets				
Cash and cash equivalents	1 644 777	6 %	-	1 644 777
Receivables	1 565	6 %	3 884	5 449
Subtotal	1 646 342	6 %	3 884	1 650 226
Financial Liabilities	(3 048)	6 %	(233 895)	(236 943)
	1 643 294	6 %	(230 011)	1 413 283
 Interest rate risk - For the year ended 31 March 2022	 Amount	 Effective interest rate % pa	 Non-interest bearing	 Total
Financial Assets				
Cash and cash equivalents	1 380 283	4 %	-	1 380 283
Receivables * (see note 26,4)	452	4 %	2 766	3 218
Subtotal	1 380 735	4 %	2 766	1 383 501
 Financial Liabilities * (see note 26,4)	 (2 495)	 4 %	 (217 283)	 (219 778)
	1 378 240	4 %	(214 517)	1 163 723

Notes to the Financial Statements

R'000	2023	2022
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23. Risk management *(continued)***Credit risk - For the year ended 31 March 2023**

	Gross	Impairment	Total
Receivables			
Not past due 0-30 days	3 377	-	3 377
Past due 31-90	2 072	-	2 072
Past due-91-120	1 032	(1 032)	-
Total financial assets	6 481	(1 032)	5 449

Credit risk - For the year ended 31 March 2022

	Gross	Impairment	Total
Financial Assets			
Not past due 0-30 days	1 961	-	1 961
Past due 31-90	1 257	-	1 257
Past due-91-120	1 220	(1 220)	-
Total financial assets	4 438	(1 220)	3 218

Reconciliation of debt provision

Closing balance	1 220	1 220
Provision of Debt write off	(188)	-
	1 032	1 220

24. Going concern

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

Notes to the Financial Statements

R'000	2023	2022
25. Principal- Agent relationship		
Management Fees	4 000	-

The ETDP SETA has entered into a Memorandum of Agreement with Universities South Africa (USAF) to assist the ETDP SETA with two of its APP targets namely New bursary and Bursary renewals. In this arrangement, the ETDP SETA is a principal whereas USAF is an agent. Below are the responsibilities of each party from the date of inception of the arrangement which have to date not changed:

ETDP SETA shall:

- Facilitate communication between the Parties;
- Support and fund the identified Skills Development Project;
- Process all payments as per USAf instruction(s);
- Facilitate the establishment of the Project Steering Committee (if applicable); and
- Report on the partnership projects to the Department of Higher Education and Training (DHET)

The USAf shall:

- Identify the unemployed students from 26 public universities who qualify for bursaries;
- Monitor the implementation and management of the project;
- Report to the ETDP SETA regularly as and when required concerning the progress on the project; 6.2.4 Request in writing any deviation or change of implementation plan to the ETDP SETA;
- Report to the ETDP SETA on projects activities and progress.

There are no significant risks identified from the arrangement.

Notes to the Financial Statements

R'000	2023	2022
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26. Prior-period error**26.1 Operating lease commitments**

In the 2021/22 financial year, the operating leases commitments note (Note 20) did not include the leases for photocopying machines. The future lease commitments on the leases were R1 428 000. This has been subsequently corrected.

26.2 Presentation of the cashflow

In the 2021/22 financial statements there was a printing error in the Cash Flow Statement where the "payment to suppliers" line item did not print (2022- R70 369 000; 2021- R66 439 000). This has been subsequently corrected.

26.3 The Employer grant reserve balance in the Statement of Changes in Net Assets for the 2021/22 financial year was incorrectly reported as R31 587m instead of R94 000. The Discretionary grant reserves was also under reported by R31 493m.

The effect of the error in the "Excess reserves transferred to Discretionary grant reserves" line item of the Statement of Changes in Net Assets is as follows:

Prior year adjustment	Employer grant reserves	Discretionary grant reserves
As reported in 2022	31 587	1 061 208
Correcting entries	(31 493)	31 493
	94	1 092 701

Notes to the Financial Statements

R'000	2023	2022
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26. Prior-period error (continued)

26.4 In the 2021/22 financial year the financial instrument note was misstated by including items that do not meet the definition of financial instruments and consideration of interest and non interest bearing instruments. Below is the impact of the correction.

Prior year adjustment	Financial assets	Non- interest bearing	Financial liabilities	Non-interest bearing
As reported in 2022	2 960	517	(219 778)	(7 364)
Correction	(2 508)	2 249	217 283	(209 919)
Revised amounts	452	2 766	(2 495)	(217 283)

26.5 In the 2021/22 financial year, the disclosure for employers / organisations relating to the accounting authority members was not included on the financial statements. This has been subsequently included in the current year with comparative figures. Refer to note 22.3.

26.6 In the 2021/22 financial year, IT Maintenance and licences was included in the repairs and maintenance line item, this has been subsequently corrected and IT Maintenance and licences disclosed in the face of the statement of financial performance. Below is the effect of the adjustment.

Prior year adjustment	Repairs and maintenance	IT Maintenance and licences
As reported in 2022	12 736	-
Correction	(12 313)	12 313
Revised amounts	423	12 313

Notes to the Financial Statements

R'000	2023	2022
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27. Events after the reporting date

The ETDP SETA does not have any adjusting or significant non-adjusting events after the reporting date.

28. Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure	987	981
Fruitless and wasteful expenditure	283	-
Closing balance	1 270	981

The National Treasury Instruction note 4 of 2022/23 has been applied for the current year. Refer to the Annual Report for the reconciling notes.

29. Budget differences

The material differences explained below are based on the SETA's materiality benchmark of R5.5 m

Material differences between budget and actual amounts

Levy Income

The ETDP SETA received 1.8% of levies above budget. This was due to an increase in skills development levies received in the current year. The budget was determined using the prior year actual revenue figures as a base.

Notes to the Financial Statements

R'000	2023	2022
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29. Budget differences *(continued)***Interest income**

Interest income earned for the year is 97% above budget. This is due to high cash balances in the Reserve Bank and increases in interest rates.

Employee cost

Employee costs for the year are 3.3% below budget. This is due to delays in appointments

Mandatory and discretionary grants

Mandatory grants expenditure is 8.5% above budget. This is due to increase in SDL levies.

Expenditure on discretionary grants is 21% below budget (excluding the effect of approved surplus funds). This is due to delayed implementation of projects.

General administration expenses

Administration expenditure is 24% below budget which is linked to slow implementation of projects.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are also faint, light gray diagonal lines or bands running from the top-left towards the bottom-right, creating a subtle background pattern. The overall appearance is that of a clean, unused piece of stationery or a template for writing.



Annual Report

2022/23

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