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 **Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 1936**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 23/06/2017**

**(INTERNAL QUESTION PAPER 23 OF 2017)**

**Ms H Bucwa (DA) to ask the Minister of Higher Education and Training:**

(1) In how many cases at each Sector Education and Training Authority (SETA) did grant recipients not deliver training services in return for their grant in the (a) 2014-15, (b) 2015-16 and (c) 2016-17 financial years;

(2) whether actions have been taken against the specified recipients of grants who did not deliver; if not, why not; if so, what are the relevant details;

(3) whether any of the specified recipients received any further grants despite not delivering training; if so, why;

(4) what plans has his department put in place to ensure that grant recipients deliver on their promise to provide training?

**NW2148E**

**REPLY:**

According to the information received from the Sector Education and Training Authorities (SETAs), cases in which grant recipients did not deliver training services in return for their grants were reported from the following six SETAs:

**Energy and Water SETA (EWSETA)**

1. (a) There was one case in which the grant recipient did not deliver training services in return for their grant received.

 (b) None.

 (c) None.

1. A forensic investigation was commissioned and is still in progress.
2. The grant recipient did not receive any further grants.
3. EWSETA ensures that projects are granted to accredited service providers, who have a database of learners to be trained. Such providers must also ensure that workplaces for the placement of learners are available.

**Insurance SETA (INSETA)**

1. (a) None.

 (b) There were 3 cases in which grant recipients did not deliver training services in return for their grants received.

 (c) None.

1. INSETA reported one matter to the Hawks for investigation but since the latter has stopped pursuing the matter, a criminal case will be opened with the SAPS Commercial Crimes Unit. On the second matter, INSETA issued a letter of demand and settlement has been agreed upon with the grant recipient. On the third matter involving internships, INSETA has opened a case with SAPS and the matter is under investigation.
2. The grant recipients did not receive any further grants.
3. ISETA will conduct an evaluation of worksites for grant applicants before offering any grants.

**Manufacturing, Engineering and Related Services SETA (MERSETA)**

1. (a) There were 77 cases in which grant recipients did not deliver training services in return for their grants received.

 (b) There were 232 cases in which grant recipients did not deliver training services in return for their grants received.

 (c) There were 438 cases in which grant recipients did not deliver training services in return for their grant received.

1. MERSETA uses its Memoranda of Understanding (MOU) to address non-delivery issues. Since the SETA signs the MOU with training providers, wherein it is stated that payments will be done in tranches on the achievement of agreed deliverables. The MOU also states that the SETA reserves the right to withhold any payment or seek refunds of monies paid related to any tranche where learning programmes have not been delivered as agreed.
2. MERSETA adheres to its Grant Policy in the allocating of grants and deals with each case based on its merit. Some grant recipients default in implementing certain training programmes while they successfully implement others. In cases where the grant recipient fails to deliver, the SETA offsets payments on subsequent funding. However, in the absence of any possible subsequent funding, such grant recipients are issued with invoices to repay the grant allocation.
3. MERSETA has seven regional and three satellite offices, staffed with Client Liaison Officers and Quality Assurers who monitor the quality of training implemented.

**Mining Qualifications Authority (MQA)**

1. (a) There was one case in which the grant recipient did not deliver training services in return for their grant received.
2. There was one case in which the grant recipient did not deliver training services in return for their grant received.
3. None.
4. The contract was cancelled and part of the money was recovered. Legal action is in progress to recover the remaining money.
5. The grant recipients did not receive any further grants.
6. MQA has established a committee that reviews applications and conducts due diligence assessments prior to the signing of contracts. Furthermore, the SETA has established a Risk, Monitoring and Evaluation unit that does the physical verification of the learners and training after contracts have been signed and before payments are made.

**Safety and Security SETA (SASSETA)**

1. (a) There were 11 cases in which grant recipients did not deliver training services in return for their grants received.

 (b) None.

 (c) None.

1. The affected learners were transferred to other training providers.
2. The grant recipients did not receive any further grants.
3. SASSETA has revised its Discretionary Grant Policy and Grant Standard Operating Procedures. Before a grant is awarded, SASSETA conducts due diligence on prospective recipients and reviews the recipients past track record.

**Transport Education and Training Authority (TETA)**

1. (a) There were 18 cases in which grant recipients did not deliver training services in return for their grants received.

 (b) There were 13 cases in which grant recipients did not deliver training services in return for their grants received.

 (c) There were 17 cases in which grant recipients did not deliver training services in return for their grants received.

1. Contracts for affected recipients were cancelled and funds were reallocated to other performing training providers.
2. TETA has established that some recipients had capacity challenges and some had valid reasons for the delays. Recipients with capacity challenges were subjected to a capacity building intervention and those with valid reasons for delays were reconsidered, thus affording them an opportunity to implement training programmes in the following financial year.
3. TETA has introduced more stringent due diligence procedures to ensure that all applicants have capacity to implement awarded projects. TETA also checks the track record of the applicant’s performance in implementing past awarded projects.

SETAs have put various plans and measures in place to ensure that grant recipients deliver on their training commitments, such as amongst others:

* The Service Level Agreement entered with training providers in which the latter is obliged to deliver on the promise to provide training;
* Training providers must submit proof that training has taken place before the grant is paid.
* Training providers are paid based on the submission of a report and deliverables having been achieved; and
* Implementation of project management and monitoring systems.

COMPILER/CONTACT PERSONS: Mr M Ngubane

EXT: 5896

DIRECTOR – GENERAL

STATUS:

DATE:

QUESTION 1936 APPROVED/NOT APPROVED/AMENDED

Dr BE NZIMANDE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

STATUS:

DATE: