labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA

Health and Welfare Sector
Education and Training Authority
HWSETA

PRESENTATION TO DEPARTMENT OF LABOUR OVERSIGHT COMMITTEE 10 NOVEMBER 2009

DELEGATION

1. Chairperson – unable to be present, recovering from major surgery.

1. Vice chair – Ms. Nomsa Dhlamini, also member of Exco and Chair of the Corporate Services standing Committee.

2. Board member – Mr. Ezra Mfingwana, also member of Exco and Chair of the Finance standing Committee. Represents Board on our Audit Committee.

3. Board member – Ms. Florence Africa.

4. Chief Executive Officer – Mr. Corrie Smit.

5. Chief Financial Officer – Ms. Elaine Brass.

6. Executive Manager RIME – Mr. Sikhumbuzo Gcabashe.

SECTOR

Health and Welfare Sector Education and Training Authority
HWSETA

Number of employers by size of companies:

	Community Services	Complementary Health Services	Doctors and Specialists	Hospitals and Clinics	Research and Development	Total
Large	1437	1280	2929	223	132	6001
Medium	343	157	540	91	18	1149
Small	3209	1662	14963	635	230	20699
Total	4989	3099	18432	949	380	27849

SECTOR

Health and Welfare Sector Education and Training Authority
HWSETA

Distribution of employers by province:

Province	Number of Employers	% Share
Eastern Cape	2 242	8.02
Free State	761	2.72
Gauteng	10 281	36.8
KZN	4 185	15
Limpopo	691	2.47
Mpumalanga	1 236	4.42
North West	711	2.54
Northern Cape	415	1.49
Western Cape	1 309	4.68
National	6 113	21.9
Total	27 944	100

SECTOR

Health and Welfare Sector Education and Training Authority
HWSETA

Number of NPOs, Focus area and Provincial spread:

Province	Sector						Total	
	Health		Social Dev		Both			
	N	%	N	%	N	%	N	%
Eastern Cape	8	12.69	51	80.95	4	6.34	63	4.99
Free State	5	7.04	59	83.09	6	8.45	71	5.63
Gauteng	44	13.33	251	76.06	34	10.30	330	26.16
KwaZulu-Natal	21	7.31	218	75.95	44	15.33	287	22.75
Limpopo	21	14.28	107	72.78	17	11.56	147	11.65
Mpumalanga	9	11.25	64	80.0	5	6.25	80	6.34
North-West	12	17.64	52	76.47	3	4.41	68	5.39
Northern Cape	12	14.81	57	70.37	9	11.11	81	6.42
Western Cape	13	12.74	82	79.61	6	5.82	103	8.16
More than 1 province	0	0	0	0	2	100	2	0.15
National	5	16.12	18	58.06	7	22.58	31	2.45
Total	150	11.89	959	76.05	137	10.86	1263	100

SECTOR

Health and Welfare Sector Education and Training Authority HWSETA

NPO employees by employment status and gender:

Employment status	Male		Female		Total	
	N	%	N	%	N	%
Full time	4326	29.85	10166	70.14	14492	57.30
Part time	850	30.07	1976	69.92	2826	11.17
Casual	140	46.66	160	53.33	300	1.18
Volunteers	1866	24.81	5653	75.18	7519	29.73
Interns	19	22.35	66	77.64	85	0.33
National	12	18.18	54	81.81	66	0.26
Total	7213	28.59	18123	71.40	25288	100

MANAGEMENT

- Chief Executive Officer – accounting officer.

- Chief Financial Officer – focusing on financial management and reporting, internal control, grant disbursements, internal audit, external audit, risk monitoring, audit committee.

- Executive Manager - Skills Planning. Focusing on workplace skills plans, learning programmes and administration of discretionary projects.

- Executive Manager – ETQA. Focusing on qualification design, provider accreditation, learner achievements audits, registration of assessors and moderators, learning programme evaluation, accreditation compliance audits.

MANAGEMENT

- Executive Manager – RIME. Focusing on sector research, scarce and critical skills information and the monitoring and evaluation of the impact HWSETA projects and grants have on the sector.

- Executive Manager - Corporate Services. Focusing on HR and IR, marketing and communications, IT, facilities management.

- Legal Advisor – legal matters, governance compliance.

- Board secretariat – focusing on Board and 5 board standing committees, minutes of meetings, meeting arrangements, travel and accommodation.

- Total staff complement = 65

NATIONAL SKILLS DEVELOPMENT STRATEGY (NSDS)

- Rated by DoL as **"exceeding expectations"**

- 14 of the 19 Indicators at "4" and "5" scores

- Difficulties with
  Indicator 2.1 and 2.2 - support to large, medium and small organisations
  Indicator 2.7 – ABET completions
  Indicator 5.2 - Provider institutions accredited to deliver new venture creation

- Will easily exceed 16 of the 19 five year targets set in NSDS II

ACHIEVEMENTS OF SDP IN RELATION TO NSDS

NSDS INDICATOR	2008-2009 Targets	2008-2009 Achievements
1.1	Annual update of SSP	Sign off and submitted
1.2	Annual Guide on Critical Skills to be updated	Guide updated and distributed nationally
1.2	54 Sector Specialists/SDFs to be trained	415 SDFs trained nationally
2.1	140 large firms to receive grants	63 achieved
2.1	275 medium firms to receive grants	71 achieved
2.2	1670 small firms receive grants	344 achieved
2.5	10 BEE firms and 10 BEE Co-ops to be supported	15 BEE firms and 14 BEE Co-ops were supported
2.7	2000 learners to enter ABET	2049 entered ABET

ACHIEVEMENTS OF SDP IN RELATION TO NSDS

NSDS INDICATOR	2008-2009 Targets	2008-2009 Achievements
2.8	1762 workers to enter learning programmes	2660 workers entered learnerships and skills programmes
3.2	50 NLPEs, NGOs, CBOs & Co-ops supported	70 were supported across the board
4.1	1762 unemployed people to enter learning programmes	3219 unemployed people entered learnerships, skills programmes, internships and bursaries.
4.2	250 learners to be assisted to gain Workplace Experience	399 learners were assisted
4.3	250 young persons trained and mentored to form New Ventures	447 young persons were trained on a skills programme in NVC and mentored by seda to sustain their businesses.

SKILLS DEVELOPMENT PLACEMENT STRATEGY

- Avoid training for training sake
- There must be an employer – will not award contracts directly to training providers
- Focus on scarce skills needs
- Employers requested to meet national equity targets
- MoU with employers must detail exit strategy
- 90% of time – learners employed by host employers.

TRAINING LAY-OFF SCHEME

- President announced scheme in May 2009.
- Social partners deliberated and issued draft guideline on 25 August 2009.
- Also in August 2009, HWSETA Board approved R16 million for this initiative.
- Stakeholders informed at annual conference, to date nil enquiries received.
- Health Sector – skills needed, unlikely to retrench employees.
- Social Development Sector – large NPO component and economic down turn affects them most.
  Many small employers with a small staff compliment may be affected.
- Final implementation guide in place and published
- Operational from 01 October 2009.

SECTOR SKILLS PLAN (SSP)

- 2005-2010 Sector Skills Plan done in 2004-2005.
- Based on NSDSII and now in its final year.
- Annual updates based on research conducted to profile the Health and Social Development Sectors.
- Chapter 4 defines Scarce and Critical Skills for:

Medical specialties	Nursing specialties
Optometrists	Dentists
Pharmacy	Hearing assistance
Veterinary services	Medical Aids
Laboratories	Public and private welfare services
Social work	Ancillary Health care
Traditional Healers	Faith based occupations

SKILLS DEVELOPMENT PLANNING

We experienced a good turnaround this year with the following achievements being highlights of the year:

- R63 million was paid out in discretionary grants.
- R195 million was approved and committed – beneficiaries of this funding total 34 094 learners.
- A Special Funding window worth R38m focusing on addressing the needs of people with disabilities was advertised and all funds were awarded.

SKILLS DEVELOPMENT PLANNING

The Mega Expression of Interest was launched in an effort to disburse discretionary funding and reduce our Discretionary Grant Reserves:

- 1 150 scarce skills bursary opportunities provided for university students
- 445 internship opportunities approved
- 551 new work experience grants approved
- 2 049 ABET learners were funded in levels 1-4 of ABET

SKILLS DEVELOPMENT PLANNING

R35 million was approved by the Board to fund Government's Industrial Policy Action Plan:

Project one - Early Childhood Development learnership

Project two - Support programme for post Grade 12 students to upgrade their Mathematics and Science symbols through an FET College Programme

Project three - Bursaries awarded to 800 students at FET college

Project four - Linking up 450 unemployed graduates with employment opportunities through a incentive grant for employers

Project five - Co-operation and alignment of programmes between HWSETA and FET colleges

RIME

- Evaluation of the impact of the Ancillary Health Qualification was completed. The findings indicate that there is a large and growing volunteer population in the sector.

- Compliance monitoring of 50 training providers was conducted and reported on. More than 90% of providers were found to be in full compliance with quality standards as set by the HWSETA and SAQA.

- Impact monitoring of the RPL project funded by the HWSETA had interesting findings which will be used by the HWSETA to base future similar projects. The provincial spread of the project and its benefits indicate a need to expand it to areas where it is most beneficial .

RIME

- Board evaluation questionnaire was administered to HWSETA Board members and the reported recommendations were adopted by the Board.

- Terms of reference and approval of the tender for a comprehensive audit of accredited training providers was concluded by the division and this project is currently running smoothly.

- Research into the profile of the Health and Social Development sector project was conducted and findings enable the HWSETA management and Board to make informed decisions on resource allocations.

- Workplace skills plan and grant analysis was conducted and showed a trend that more employers are investing in training and that regions such as Gauteng and KwaZulu-Natal have a large concentration of employers and employees in the sector.

ETQA

ETQA success:

- Accredited by SAQA as an ETQA to quality assure 20 Registered Qualifications in NQF Level 1 – 4.

- We received 256 applications for learning programme evaluation

  104 received Full Accreditation
  22 received Provisional Accreditation
  130 received No approval

- Accredited 66 Training Providers against Full Qualifications and Unit Standards

ETQA

RPL Project for Home Care Based Workers was completed for 1 856 learners:

Gauteng	–	771
Northern Cape	–	220
Kwazulu-Natal	–	865

14 794 verification of learners achievements done across all qualifications.

9 584 learner achievements verified against Unit Standard Based learning

5 210 Learner achievements verified against Full Qualification

Conducted 106 employer site validation before Learnership implementation could take place.

ETQA

2 884 Certificates were awarded to learners for full qualifications. (Unit Standard Based certificates were awarded at Provider Level using our Logo and SAQA Logo).

Conducted capacity building of 141 training providers over 7 provinces for the Provider Electronic Data Upload System (PEDUS).

Recognition and support of Institutes of Sectoral Occupational Excellence (ISOE) – R1.1 million

1 Kwazulu-Natal
1 Western Cape
1 Limpopo

ETQA

Support of training providers to be accredited for the NVC qualification –R498 000

Registered assessors and moderators across various qualifications/Unit Standards

289 Assessors
88 Moderators

Conducted Provider Capacity Building Support Workshop for 94 Providers across the Provinces

CORPORATE SERVICES

At the end of the reporting period 87% of the 65 positions were occupied.

These occupied positions were filled with 84% black, 59% female and 3% persons with disabilities.

Training interventions took place, whereby staff attended Microsoft Word, Microsoft Excel, QMS ISO, Telephone Etiquette, Financial Reporting, Minute Writing and Report Writing Skills Training.

Bursaries for NDHRM, B-Tech Administration, ND Commercial Practice and Bachelor Administration was also awarded to staff.

CORPORATE SERVICES

Performance assessments were once again done for the period under review as stated in the Performance Management Policy.

Advertorials and advertisements focusing on health and social development issues were placed in numerous newspapers / magazines and annuals.

A total of 29,825 people were reached through exhibitions, which included the Laphumilanga Career Exhibition, Ormonde Conference, HASA Conference, Inkanyezi Careers Exhibition, Nursing Education Congress, Pan African Health Congress and the SADC Conference.

The HWSETA also participated in events and special days, which included Take a Girl Child to Work, Casual Day, Stakeholder Outreach Meetings, HIV and Aids Day, Re-establishment Workshops and Certification Ceremonies.

CORPORATE SERVICES

The development of an IT strategy commenced with the assistance of an external service provider.

The IT strategy also looked at the deployment of the IT infrastructure, Wide Area Network, Local Area Network and the Remote Access needs for the HWSETA.

VPN clients, 3G connections and a new monitoring and assisting remote system was installed.

AUDIT COMMITTEE

- Independent Chair
- 3 external independent members
- 2 Board members
- Chief Executive Officer
- Chief Financial Officer
- Internal Auditors
- Auditor-General of South Africa
- Also monitoring Risk Management Committee
- Receives both internal and external audit reports
- Monitor and pronounce on state of internal controls
- Advise on both accounting and audit practices and changes

ANNUAL FINANCIAL STATEMENTS

- Audit Committee Report :
- Direct reporting to the Board – 2 Board members on the committee.
- 5 meetings held.
- Commented:

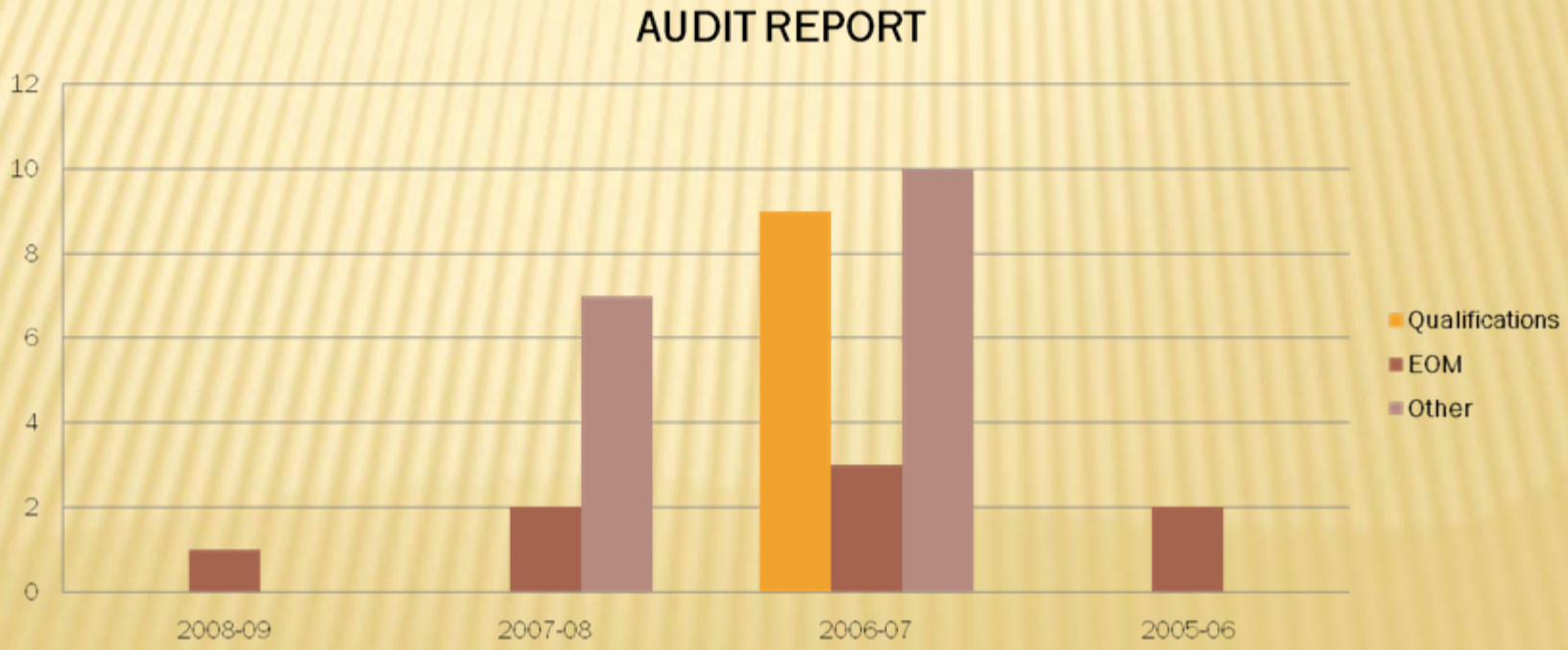
  System of internal control is effective, efficient and transparent.
  Effective internal audit function in place.
  Risk management system in place.

- Addressed Auditor-General recommendations from 2007-08

ANNUAL FINANCIAL STATEMENTS

Unqualified opinion on the Financial Statements for 2008-09, consistent with the previous year

Significant improvement on Governance and compliance from 2007-08 year.



ANNUAL FINANCIAL STATEMENTS

Brief overview:

Prepared on the basis approved by the National Treasury and in accordance with the PFMA – GRAP and SAGAAP.

Surplus from operations – R48 million (2007-08 – R36 million)

Spending on administration within allowed limits of revenue collected for Administration of the HWSETA

Compliance with the PFMA. Good financial controls. No material adjustments to the financial statements.

Committed 82% of Discretionary reserves.

Investments within policy and TR requirements. No borrowings.

ANNUAL FINANCIAL STATEMENTS

Brief overview continued…

No prior year adjustments. No events after balance sheet.

Irregular expenditure of R795 000 relating to a contract entered into in 2007-08. Continued with contract after investigation and consideration of alternatives.

Approval for roll-over of surplus funds by the National Treasury Guarantee for leased buildings – R953 845.

Letter of demand by a consulting firm – R823 267.

Finance leases for equipment and operating leases for lease of buildings – correctly accounted for

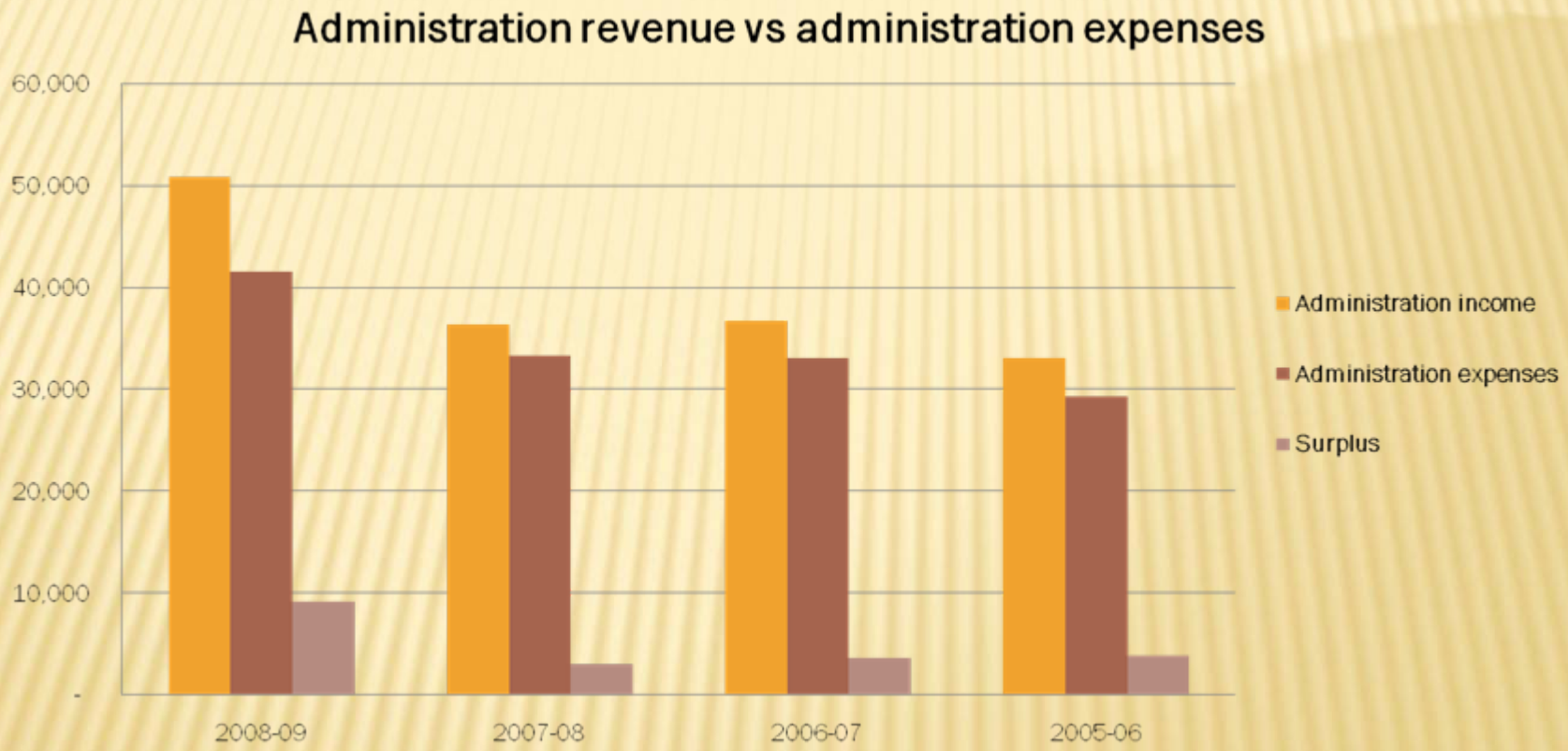
SKILLS DEVELOPMENT LEVY INCOME

ANNUAL FINANCIAL STATEMENTS

Health and Welfare Sector Education and Training Authority
HWSETA

Stat. of Fin. Performance- pg 58	2008-09 R'000	2007-08 R'000	%	Comment
SDL Revenue	160 618	130 363	23%	Contribution of SASSA for first time, Inflation
Government Levies	30 756	20 307	51%	Increased support by the public sector
Interest income	22 488	16 785	34%	Utilised for Discretionary funding
Employer grant & project exp	125 142	98 939	26%	Increased spending on discretionary funding -38%
Administration exp	41 574	33 311	25%	Focus on site validations, workshops, and forums for outreach.
Surplus	48 314	36 191	33%	Mandatory grants –R38.9m & Admin. R9.3m

ADMINISTRATION OF THE HWSETA



ADMINISTRATION EXPENSES

Staff salaries increased by 9% across the board, plus notch adjustments and performance bonuses where earned, equating to R2.4 million increase.

Travel and subsistence, workshops, advertising, marketing, promotions and communication increased by R3.3 million to focus on outreach, capacity building.

Internal audit fees increased by R493 000 relating to increase diligence in accordance with the PFMA.

ADMINISTRATION EXPENSES

To be able to deal with the Turnaround strategy the Board had to meet more than planned, and remuneration to the accounting authority increased toR841 000 to ensure improved governance and consistent leadership due to change in senior positions.

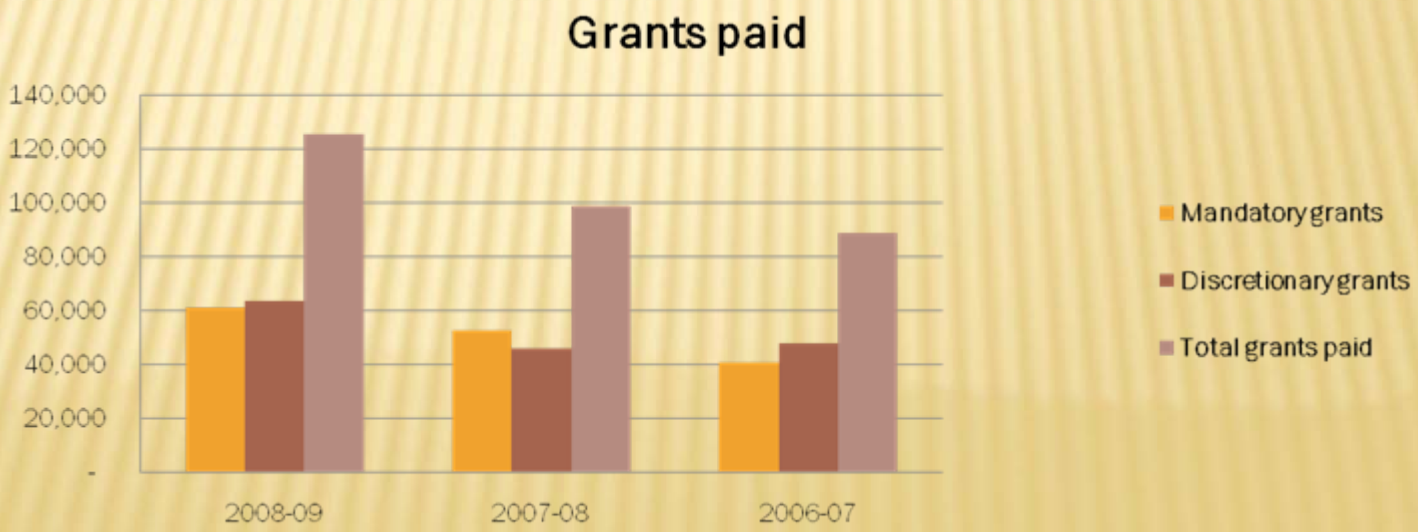
Increase in staff development – R638 000.

Increased presence in Provinces.

Recruitment of Executives to ensure leadership stability going into 2009-2010

Despite these increases, surplus on administration of the HWSETA of R9.4 million was transferred to discretionary funding in 2009-2010 – page 69, note 2

INCOME AND GRANTS



GRANTS

% payout of Mandatory grants – 61% (2007-08 – 64%)

Surplus of mandatory grants not paid out R38.9 million used for discretionary funding in 2009-2010 – (page 69, note 2)

Discretionary Grant Funding increased by 38% with commitments of R236 million at 31 March 2009

COMMITMENTS

STATEMENT OF FINANCIAL POSITION

Health and Welfare Sector Education and Training Authority
HWSETA

Cash reserves of R313 million, of which R236 million has been committed for discretionary funding.

Discretionary reserves of R289 million at 31 March 2009 of which 82% has been committed at year end –

- R194.8 million committed to various projects and funding of the NSDS11.
- Further R35 million put aside for IPAP support.
- Other commitments of R5.9 million for ETQA and RIME projects approved to be carried out in 2009-2010.

THANK YOU – ANY QUESTIONS ?