

## OVERVIEW OF PSETA PERFORMANCE PERFORMANCE AGAINST NSDS II (SLA) TARGETS

NSDS Success Indicators	Sector 2005-2010 Target	Pseta Target 2008-09	Performance as at end March 2009	Variance Explained
<b>1. Prioritising and Communicating Critical Skills for Sustainable Growth, Development and Equity</b>				
1.1 Skills development supports national and sectoral growth, development and equity priorities	Target the same for each year from 2005-2010 as described under annual target	Update Sector Skills Plan (SSP) with qualitative content through identification of skills gaps and developments	SSP Update was developed, signed off and submitted to Department of Labour by closing date of 31 August 2008	Met target

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<b>1. Prioritising and Communicating Critical Skills for Sustainable Growth, Development and Equity</b>				
1.2 Information on critical skills widely available to learners and impact researched, measured and communicated w.r.t rising entry, completion and placement of learners		Annual guide for critical skills needs developed and available to learners and 200 skills development facilitators and sector specialists trained in its use	<ul style="list-style-type: none"> <li>❖ 340 skills development facilitators trained on updated Scarce and Critical Skills lists which form part of Sector Career Guide</li> <li>❖ Capacity building workshops held for 340 skills development facilitators</li> </ul>	Exceeded target by 140

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### 2. Promoting and accelerating quality training for all in the workplace

2.3 At least 80% of Government departments to spend at least 1% of human resource budgets on training		29 national and 85 provincial Government departments respectively to spend at least 1% of human resource budgets on training and service delivery measured and reported	<ul style="list-style-type: none"> <li>❖ Encouraged 90 Government departments to spend 1% of HR budget on training and skills development</li> <li>❖ 99 WSPs (64% return rate) received by 30 June 2008</li> </ul>	Exceeded target by 5%
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### 2. Promoting and accelerating quality training for all in the workplace

2.7 By March 2010 70% of public sector workers achieved at least ABET Level 4		2 500 workers registered and 1 250 completed ABET Level 4	<ul style="list-style-type: none"> <li>❖ 1 991 workers registered on ABET Level 1-4</li> <li>❖ 306 workers completed ABET Level 1-4</li> </ul>	Variance respectively of 509 and 994 due to challenges: <ul style="list-style-type: none"> <li>a) Pseta provides support only to implement programmes</li> <li>b) Lack of reporting</li> <li>c) Lack of Pseta MIS to manage data</li> </ul>
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NSDS Success Indicators	Sector 2005-2010 Target	Pseta Target 2008-09	Performance as at end March 2009	Variance Explained
2. Promoting and accelerating quality training for all in the workplace				
2.8 Assist workers to enter and complete programmes leading to basic entry, intermediate and high-level scarce skills	At least 125 000 workers entered and 50% completed learnerships and apprenticeship programmes and measure impact of assistance	Assisted 2 500 workers to enter learning programmes and 1 250 workers to have completed learning programmes	❖2 833 workers entered programmes ❖1 216 workers completed programmes	Exceeded enrolment targets, variance of 209 against completions due to challenges a) and b) indicated in 2.7 above

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NSDS Success Indicators	Sector 2005-2010 Target	Pseta Target 2008-09	Performance as at end March 2009	Variance Explained
4. Assisting designated groups, including new entrants to participate in accredited work-integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment				
4.1 Increase number of unemployed students entering and completing learnerships and apprenticeships for basic entry, intermediate and high-level scarce skills	At least 125 000 unemployed assisted to enter learnerships, internships, and skills programmes and at least 50% to have successfully completed programmes	At least 2 775 unemployed workers enrolled and 2 135 successfully completed learning programmes for basic entry, intermediate and high-level scarce skills	❖1 102 unemployed workers enrolled and 671 completed learnerships, apprenticeships	Variance of 1 673 and 1 464 respectively, due to challenges indicated in 2.7 above and to be addressed on forthcoming financial year

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NSDS Success Indicators	Sector 2005-2010 Target	Pseta Target 2008-09	Performance as at end March 2009	Variance Explained
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4. Assisting designated groups, including new entrants to participate in accredited work-integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment

4.2 Assist learners in critical skills programmes covered by sector agreements with FET and HET institutions to gain work experience locally or abroad	Assist 100% of learners in critical skills programme to gain work experience and at least 70% to find placements or self-employment	200 learners assisted to gain workplace experience and 70% to find placement in employment or self-employment	❖279 learners assisted with grants to gain workplace experience	Variance of 721 due to failure of some government departments to submit internship contracts as required, to be addressed in the forthcoming financial year
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5. Improving the quality and relevance of the provision of skills development

5.1 Establish Institutions of Sectoral or Occupational Excellence (ISOE) through public private partnerships (PPPs)	By 2010, recognise and support five ISOEs in public institutions and through PPPs. Wide geographic spread to attain critical skills	Support two ISOEs nationally through PPPs	❖Four ISOEs identified	Exceeded the target by 2
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### 5. Improving the quality and relevance of the provision of skills development

5.3	Improved SETA service delivery and NQF Implementation as required by SAQA	Four provider institutions accredited to manage service delivery for each province	Identify four provider institutions in each province	<ul style="list-style-type: none"> <li>❖ Accredited Western Cape Administration Academy, KZN Provincial Public Service Training Academy and Palama</li> <li>❖ Working with the North-West, Eastern Cape (through University of Fort Hare), Northern Cape (through the National Institute of Higher Education) and Free State Provinces to establish and accredit provincial academies</li> </ul>	Variance of 1 to be addressed through increased liaison with provinces to establish and accredit academies
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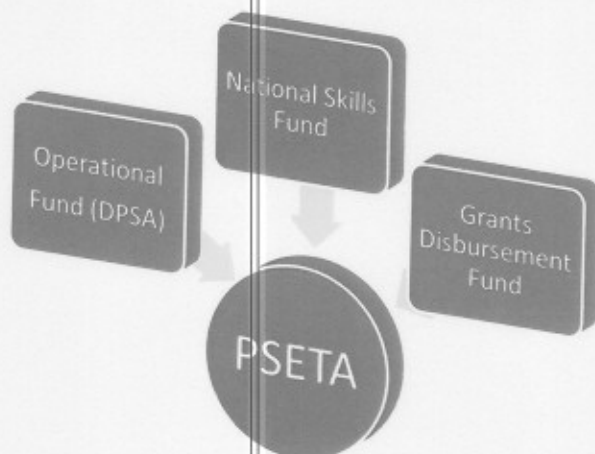
## OVERVIEW OF PSETA PERFORMANCE 2008/09 SUMMARY OF ACHIEVEMENTS AGAINST SLA TARGETS

INDICATOR	TARGET	ACHIEVEMENT
1.2 SDFs trained	200	340
2.3 Personnel Budget	84	90
2.7 ABET Entry	2 500	1 991
2.7 ABET Completions	1 250	306
2.8 Workers Entry	2 500	2 833
2.8 Workers Completions	1 425	1 216
4.1 Unemployed Entry	2 775	1 102
4.1 Unemployed Completions	2 135	671
4.2 Experiential Entry	1 000	279
5.3 ISOE	2	4

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## AUDIT AND FINANCIAL REPORT OPERATIONAL CONTEXT



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## AUDIT AND FINANCIAL REPORT OPERATIONAL CONTEXT

- PSETA has been operating in a turbulent environment characterized by the following
  - ❖ High staff turnover in key positions
  - ❖ Absence of a CFO function
  - ❖ Absence of appropriate recording and accounting system
  - ❖ Absence of proper supporting documents for prior periods
  - ❖ No time to address previous audit issues
  - ❖ The 2005 fraud
  - ❖ Incomplete fraud investigations
  - ❖ The difficult and unclear relationship between DPSA and PSETA

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## AUDIT AND FINANCIAL REPORT OPERATIONAL CONTEXT

- ❖ Insurmountable task of bringing financial sanity without the relevant support structures e.g. CFO function
- ❖ Absence of key Governance structures
- ❖ Absence of an active Internal Audit and risk management function
- ❖ Incorrect template used in prior periods

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## AUDIT AND FINANCIAL REPORT 2008/09 AUDIT

- Disclaimer
- Reasons for disclaimer:
  - ❖ Evidence for opening and comparative figures
  - ❖ NSF liability not shown
  - ❖ Verification of Related parties completeness
  - ❖ Verification of Cash balances accuracy
  - ❖ Incorrect classification of NSF paid operational expenses
  - ❖ Insufficient evidence to support R323 000 expenses
  - ❖ Supporting documents for bank reconciliation balance of R36 000
  - ❖ Incomplete AFS disclosures

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## AUDIT AND FINANCIAL REPORT

### 2008/09 AUDIT

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## AUDIT AND FINANCIAL REPORT

### 2008/09 AUDIT

- Emphasis of matters
  - ❖ Fruitless and wasteful expenditure on audit fees of R73 000
  - ❖ Restatement of comparative figures
- Other matters
  - ❖ Non compliance to legislation and Treasury regulations
  - ❖ No learnerships and/or programs
  - ❖ Internal and operational control deficiencies
  - ❖ Governance structures
  - ❖ Performance information supporting documents deficiencies

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PUBLIC SECTOR EDUCATION AND TRAINING AUTHORITY  
ANNUAL FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009  
CONSOLIDATED STATEMENTS

STATEMENT OF FINANCIAL POSITION

		31-Mar-09	31-Mar-08
<b>ASSETS</b>			
<b>Non-current assets</b>			
National Skills Fund	6	15,490,410	15,490,410
<b>Current assets</b>			
Cash and Bank	5	16,495,193	15,367,292
Interest Receivable		13,686,471	15,315,026
Other Receivables	7	38,892	52,966
Operational Fund	15	11,115	-
		2,756,719	-
<b>TOTAL ASSETS</b>		<b>31,865,603</b>	<b>30,858,402</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	243,406	1,880,130
Mandatory Grants Payable	9	217,789	1,829,893
		25,617	50,237
<b>TOTAL LIABILITIES</b>		<b>243,406</b>	<b>1,880,130</b>
<b>CAPITAL AND RESERVES</b>			
Accumulated Surplus		31,742,196	28,978,272
Surplus for the year		28,978,272	26,883,446
		2,763,923	2,094,824
<b>CAPITAL, RESERVES AND LIABILITIES</b>		<b>31,865,603</b>	<b>30,858,402</b>

PUBLIC SECTOR EDUCATION AND TRAINING AUTHORITY  
ANNUAL FINANCIAL STATEMENT  
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CONSOLIDATED STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

		31-Mar-09	31-Mar-08
<b>REVENUE</b>			
<b>Non exchange revenue</b>			
National Skills Income	2	2,052,446.00	1,674,928.00
Levies Received		-	-
		2,052,446	1,674,928
<b>Exchange revenue</b>			
Finance Income	4	725,936	430,334
		725,936	430,334
<b>TOTAL REVENUE</b>		<b>2,778,382</b>	<b>2,105,262</b>
<b>EXPENDITURE</b>			
<b>Expenses</b>			
Administrative expense - exchange expense	3	14,459	10,438
		14,459	10,438
<b>SURPLUS FOR THE YEAR</b>		<b>2,763,923</b>	<b>2,094,824</b>

PUBLIC SECTOR EDUCATION AND TRAINING AUTHORITY  
ANNUAL FINANCIAL STATEMENT  
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CASH FLOW STATEMENT

	31-Mar-09	31-Mar-08
Notes		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	2,052,446	1,674,928
Cash paid to suppliers and employees	-1,651,183	-10,438
<b>Cash generated from / (utilised in) operations</b>	<b>401,263</b>	<b>1,664,490</b>
Interest received	739,010	430,334
<b>Net cash inflows / outflows from operating activities</b>	<b>1,140,273</b>	<b>2,094,824</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan to Operational Fund	-2,766,830	-
<b>Net cash inflows / outflows from financing activities</b>	<b>-2,766,830.00</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>-1,626,557</b>	<b>2,094,824</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>15,315,025</b>	<b>13,220,201</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>13,688,468</b>	<b>15,315,025</b>

PUBLIC SECTOR EDUCATION AND TRAINING AUTHORITY  
ANNUAL FINANCIAL STATEMENT  
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CONSOLIDATED STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS

	31/03/2009	31/03/2008
Opening Balance	28,978,272	27,994,415
Adjustment to Opening Balance	-	-1,110,967
Restated Opening Balance	28,978,272	26,883,448
Surplus for the year	2,763,923	2,094,824
<b>Balance as at 31 March 2009</b>	<b>31,742,196</b>	<b>28,978,272</b>

## CORRECTIVE INTERVENTIONS

### ➤ Board Interventions

- ❖ Capacitating Board structures
  - ❖ Establishment of key board committees
  - ❖ Appointment of qualified personnel into board committees
  - ❖ Empowering of board committees
  - ❖ Appointment of a Board Secretariat to enhance compliance and improve board processes
- ❖ Appointment of new CEO effective 1 July 2009
- ❖ Finalization of the fraud and forensic investigation

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## CORRECTIVE INTERVENTIONS

### ➤ Operational Interventions

- ❖ Retained the services of a Chartered Accounting firm
- ❖ Financial records reconstruction to clear the opening balance and comparative figures issues from 2000
- ❖ Outsourcing the Internal Audit function
- ❖ Appointing a permanent CFO function
- ❖ Acquisition of an Automated Accounting System
- ❖ An improved records management and archiving system
- ❖ Developed and approved Financial and Human Resources Policies and Procedures
- ❖ Appointment of a Procurement Specialist

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