

THETA BUSINESS PERFORMANCE

FOR THE PERIOD 2009/10

INTRODUCTION OF THETA TEAM

THETA board Chairperson – Mr Caleb Mabaso

THETA CEO – Mr Mike Tsotetsi

Skills Development Manager – Mr Muzi Mwandla

ETQA Manager – Mr Ebrahim Boomgaard

Accountant – Ms Thobela Nightingale

Presentation Structure

- THETA Mandate
- THETA Objectives in relation to employers
- Strategic Business Objectives
- Financial Performance FY 2010
- Performance Information FY 2010
- Significant Highlights

THETA Mandate

THETA is the Tourism, Hospitality and Sport Education & Training Authority.

Its scope of coverage, as determined by the Minister in terms of section 9(2) of the Act, including: the trade unions, employer organisations and relevant government departments in the Sector.

The general objectives of the THETA are:

- ▶ to facilitate, coordinate and monitor the implementation of the NSDS in the sector;
- ▶ to identify skills shortages in the Sector;
- ▶ to improve the employment prospects of persons previously disadvantaged by unfair discrimination;

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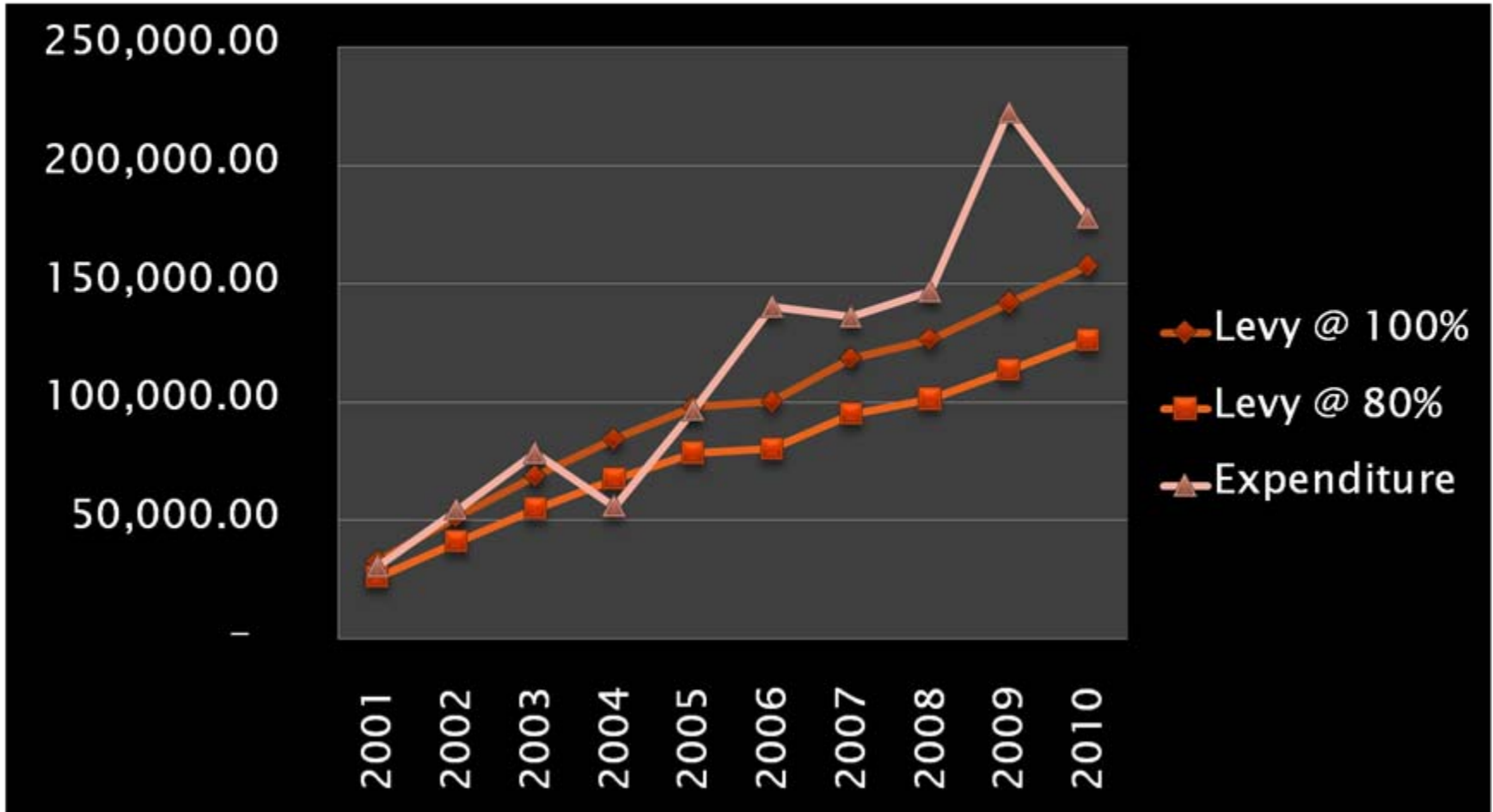
- ▶ to promote the development of skills for self-employment;
- ▶ to promote effective communication and participation between bodies involved in skills development both inside and outside the Sector; and
- ▶ to quality assure education and training in its sector;

Strategic Business Objectives

- To achieve and exceed the SLA targets
- Retain effective administration within 12,5% of levy income
- To continue above average levels of service delivery to our stakeholders

Financial Performance

Income and Expenditure



Remarks

Unqualified – Clean audit report

Expenditure rate: 99%

Cash on hand very low!

Sector Challenge



Performance Information FY 2010

SERVICE LEVEL AGREEMENT 2009/2010

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
1.1 Skills development supports national and sectoral growth, development and equity priorities	An updated and signed Sector Skills Plan sent to Department of Labour by 31 August 2009	100%	100%

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
1.2 Information on critical and scarce skills widely available to learners. Impact of information dissemination researched, measured and communicated in terms of entry, completion and placement of learners	634	715	113%

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
2.1a By March 2010 at least 80% of large firms and 60% of medium firms employment equity targets supported by skills development. Impact on overall equity profile assessed	168	193	115%



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Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
2.1 By March 2010 at least 60% of medium firms employment equity targets supported by skills development. Impact on overall equity profile assessed	256	287	112%

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
2.2 By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured	1072	598	56%

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
2.5 Annually increasing number of small black economic empowerment (BEE) firms and BEE Cooperatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE Cooperatives within the sector from the second year onwards. Impact of support measured	200	452	226%
BEE Companies BEE Co-operatives	30	50	167%



Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
2.7 By March 2010 at least 700 000 workers have achieved at least ABET level 4			
Entered	3000	492	16%
Completion	1270	1305	103%

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
2.8 By March 2010 at least 125 000 workers assisted to enter and at least 50% successfully complete learning programmes including learnerships and apprenticeships leading to basic entry, intermediate and high levels scarce skills. Impact on assistance measured			
Entered	1175	683	546%
Completed	588	3211	

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
3.2 By March 2010, at least 2000 non-levy paying enterprises, non-governmental organizations (NGO's) community-based organizations (CBO's) and community-based cooperatives supported by skills development. Impact of support on sustainability measured with a target of 75% success rate	95	154	154%

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
4.1 By March 2010, at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including Learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance and measured			
Entered	450	436	98%
Completed	225	1962	872%

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
4.2 100% of learners in critical skills programmes covered by sector agreements from further education and training (FET) and higher education and training (HET) institutions assisted to gain work experience locally and abroad, of whom at least	2000	141	7%

Success Indicator	2009/2010 Target	PERF	%age
4.2 To gain experience 70% find placement after completion	1400	0	0%

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
4.3 100% of learners in critical skills programmes covered by sector agreements from further education and training (FET) and higher education and training (HET) institutions assisted to gain work experience locally and abroad, of whom at least	161	0	0
NVC Entered			
70% find placement in employment or self employment	113	0	0

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
<p>5.1 By March 2010 each SETA recognizes and supports at least five institutes of sectoral excellence, spread as widely as possible geographically, whose excellence is measured in the number of learners placed in the sector and employer satisfaction rating of their training</p> <p>ISOE Recognized</p>	3	7	223%

Performance Against Targets

Success Indicator	2009/2010 Target	PERF	%age
5.2 By March 2010 each province has at least three provider institutions accredited to manage the delivery of the NVC Learnerships. The proportion of new ventures still operating after six months will be used as a measure of centre's success			
NVC Providers	1	2	200%

Performance Against Targets

5.3 By March 2010 there are measureable improvements in the quality of the services delivered by skills development institutions responsible for the implementation of NQF in support of the NSDS

5 out of 5
SAQA Audit
Target 1
Achievement 1

Significant Highlights

Met or exceeded the targets

Unqualified 'clean' audit report for 5 years

Strong Focus

- Learnership
- Graduate Development

World Cup

- Training Volunteers

NSDS - In progress with consultations

Proposed New Seta Landscaping

- Board Response

Performance Scorecard

Percentage Score	0% – 60%	61% – 80%	81% – 100%	101% – 120%	> 120%
Rating	1	2	3	4	5
Performance Description	Performance is poor	Performance is below requirements	Performance meet requirements	Performance is above requirements	Performance is excellent

4 out of 5



Theta Proposed Landscape

- ▶ Theta to remain as a single entity
- ▶ Should DoHET resolve to dissolve MAPPP-SETA Theta will be more than willing to embrace the Arts and Culture sectors

If truth be told “A Big Thank You”

- ▶ To the stakeholders in all our sectors
 - challenge of meeting and exceeding skills mandate
- ▶ Board
 - strategic guidance and leadership
 - Chairperson and deputy chairperson
- ▶ Management Team and staff
 - going up to the test every year

Financial Review FY 2010

Financial Year Ending 31 March 2010

Presentation Structure

1. Economic climate
2. Sector analysis
3. Investment
4. Audit Report
5. Annual Financial Statements
6. FY 2010/2011

Economic Climate

1. Interest Rates average 7% – declining returns
2. Inflation rate (6– 10%; mainly admin expense)
3. Minimal Exchange Rate Risk (Local operations)
4. Business Cycle (Slow recovery from recent recession)
5. Low wages (Tourism sector has the lowest salary scales)

Sector Analysis WSP & DHET Levy Info – Company Size

Description	Employees	Number
Small Companies	< 50	20 546
Medium Companies	50 – 150	
Large Companies	> 150	
Small Companies	284	96.05%
Medium Companies	560	2.61%
Large Companies		1.32%

Investments

1. Investment Policy
2. Approved Banks by National Treasury
3. Funds are split amongst three banks approved by National Treasury
4. Liquidity risk is monitored closely
5. Optimize interest earned via investment strategy

Audit Report

1. Unqualified – consecutive 5 years
2. Emphasis of matters 2 reported
3. Paced up audit procedures on performance information
4. Auditor General will express an opinion in FY2011 AFS with regard to Performance information
5. Stakeholders should expect AG to do audit at local sites.
6. Currently only major projects sites are visited

Annual Financial Statements

1. Report of the Audit Committee
2. Report of the Accounting Authority
3. Statement of Financial Performance
4. Statement of Financial Position
5. Statement of Changes in Net Assets
6. Cash Flow Statement

Preparation of AFS

1. Adherence to GRAP
2. Implemented 9 new GRAP Statements – little if no impact on AFS
3. Guided by Accounting Policies
4. No Changes in the accounting

Skills Development Levy

Levy Income	2009/10	2008/9
Administration	10%	10%
WSP/ATR	50%	50%
Discretionary Grants	20%	20%
TOTAL	80%	80%

Annual Financial Statements for year ended 31 March 2010

▶ Statement of Financial Performance

1. SDL Income = 96%
2. Penalties & Interest Income = 1 %
3. NSF Project – Scarce = 1%
4. Interest Income – Interest Rate = 1%
5. Other Income – = 1%

Statement of Financial Position

- ▶ Assets acquired
- ▶ Disposal
- ▶ Depreciation change
- ▶ Administration change

Cash Flow Statement For the Year Ended 31 March 2010

1. Cash generated from operating activities = R 158 086
2. Cash paid to Stakeholders = R1 82 890
3. Investment Income = R1 147
4. Cash and cash equivalent = R13 753
5. **Net decrease in cash = R 22 880**

Financial Ratios

Ratio	FY 2009/10	FY 2008/9
Deficit	11%	42%
Employer Grant		
Discretionary Grant		
Administration		
Liquidity	66%	127%
Discretionary Revenues		

FY 2010/2011

Reporting:

- No new GRAP Standards
- Performance
 - AG – to express opinion on Performance information
 - AG – to conduct site visit
 - AG – to participate in all SCM Supply Chain Management
 - Specification, Evaluation and Bid Adjudication Committees
- Legislative
 - SARS submissions of the electronic EMP 201

FY 2010/2011

- ▶ Electronic Climate
 - Decline internet transfers
 - Stability of Levy income
 - Inflation

- ▶ Budget
R 82m Planned for DG

- ▶ 85% – 90% Mandatory Grant Compliance

Questions