

EDUCATION, TRAINING & DEVELOPMENT PRACTICES
SECTOR EDUCATION & TRAINING AUTHORITY

2020 / 21



Annual

R E P O R T



higher education
& training
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



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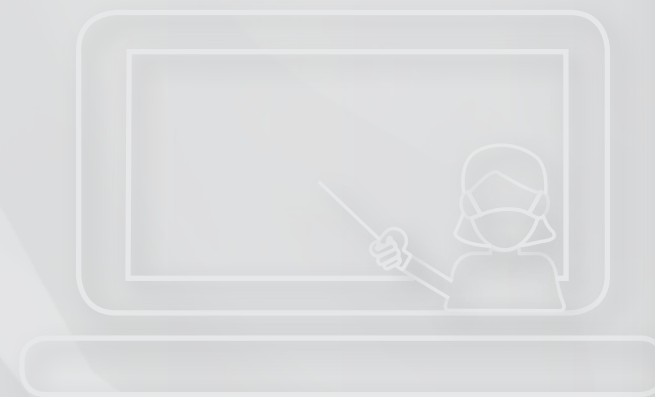
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PART A

General Information



1

General Information

Name:

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

Physical Address:

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ETDP SETA House
2-6 New Street
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0001

Addresses of the nine provincial offices are presented on the last page of the report.



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External Auditors:

The Auditor-General of South Africa Limited (AGSA)
4 Daventry 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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Abbreviations & Acronyms

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	Annual Training Report
BIG	Business Innovation Group
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
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
EWP	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
HR	Human Resources
IA	Internal Audit

ICT	Information and Communication Technology
KZN	KwaZulu-Natal
LP	Limpopo Province
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MSc	Master of Science
MTSF	Medium-Term Strategic Framework
NPD	National Development Plan
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
NSF	National Skills Fund
OHASA	Occupational Health and Safety Act
PDoE	Provincial Departments of Education
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
QCTO	Quality Council for Trades and Occupations
RMC	Risk Management Committee
RPL	Recognition of Prior Learning

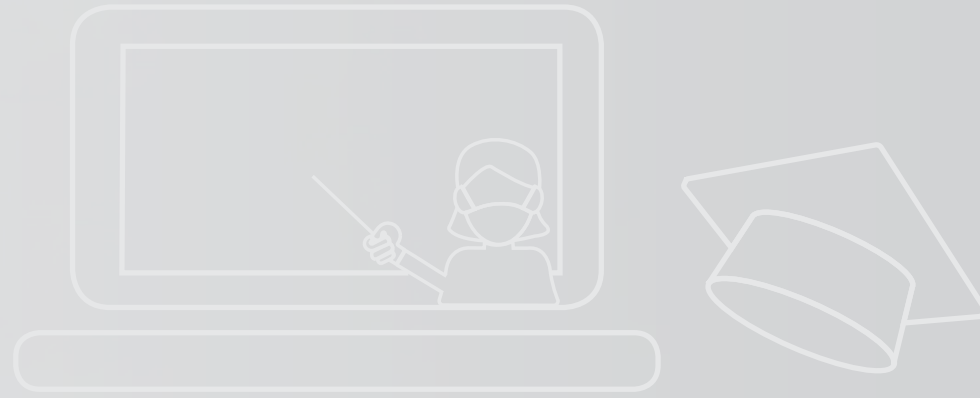
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SACE	South African Council for Educators
SADTU	South African Democratic Teachers Union
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SDA	Skills Development Act
SDI	Skills Development Intervention
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMT	School Management Team
SOP	Standard Operating Procedures
SP	Strategic Plan
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training
USAf	Universities South Africa
WITS	University of Witwatersrand, Johannesburg
WPE	Workplace Experience
WSP	Workplace Skills Plan
WSPRs	Workplace Skills Plans Reports

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Skilling the Nation



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Foreword by the Chairperson

3.1. Introduction

The members of the Accounting Authority (AA) were appointed by the Minister of Higher Education, Science and Innovation for the period 1 April 2020 to 31 March 2025. I can confirm that in the first year of its term of office, the Accounting Authority has performed its functions as prescribed in the Standard Constitution for the Sector Education and Training Authorities, the Public Finance Management Act (PFMA) and the Skills Development Act (SDA) to the best of its abilities.

Mr Duncan Hindle
Accounting Authority Chairperson

It is with great sadness that we must preface this report with a recognition that many of the SETA staff and family have been badly affected by the Covid-19 pandemic. The ETDP SETA lost an employee in 2021. Many other colleagues were seriously ill and others affected by the loss of family and friends, during the course of the year. The emotional trauma of dealing with these issues is an additional burden that is carried, and our condolences and sympathies go to all those who were infected or affected by the pandemic in the sector and the country at large.

3.2. High level overview of the Strategy and Performance

A Strategic Plan was developed with a focus on the organisational mandate, as reflected in the National Skills Development Plan (NSDP 2030), the Medium-Term Strategic Framework 2019-2024, the National Development Plan (NDP) Vision 2030 and the ETD Sector Skills Plan (SSP) (2020-2025). The Strategic Plan is a five-year plan, implemented on an annual basis through targets set in the Annual Performance Plan (APP).

The outbreak of the Covid-19 pandemic posed a severe threat to the timeous implementation of the plans and the achievement of the targets. An initial total shutdown impacted heavily on the ETD sector, since most of its work requires human interaction, one way or the other. The closure of training institutions at all levels jeopardised the opportunities for students to complete programmes and workplace experience as scheduled. A mid-year review of the APP was therefore required, with new targets and budgets, as the organisation took stock of the extraordinary circumstances and how to manage best.

Our condolences and sympathy go to all of those who were infected and affected by the pandemic in the sector and the country at large.

Detailed reports on the performance of each programme are included in Part B: Performance Information of this report. In summary, for the year under review, and based on the revised APP as approved by the Minister of Higher Education, Science and Technology, and tabled in Parliament, 94% of the targets were achieved, compared with 86% in the previous year, an extraordinary accomplishment under very difficult conditions.

Two targets were regrettably under-achieved, namely:

- A total of 222 unemployed students who were awarded bursaries could not complete their studies
- Inability to implement projects against two MOUs signed with the public TVET colleges during the period under review. The ETDP SETA awards bursaries to students to support their studies financially. Completions of the studies are critical and key to the National Skills Development principles of access, success and progression. However, due to many challenges, the target could not be met as planned. These challenges include, the 2020/21 Covid-19 related challenges, failure rate of students in their studies and high drop-outs. The second target that could not be met was attributed to the delays in the enrolment of TVET College Lecturers in furthering their studies.

The ETDP SETA concluded a Service Level Agreement (SLA) with the Director General for Higher Education and Training. A report on the SLA objectives and targets is also provided in Part B: Performance information, with a performance achievement of 93%.



A Digital Transformation Strategy has been approved and will be pursued in the next period.

3.3. Strategic Focus over the Medium- to-Long-Term Period

In the previous Annual Report, we had reflected on a new feature of the landscape, known then as the Novel Coronavirus (Covid-19) Pandemic. We hoped then that it would be a passing phenomenon and that we would soon return to “normality”. This has not happened and we continue to make good use of online and blended platforms for many work-related activities.

In the same report, we noted the developments around the Fourth Industrial Revolution (4IR), and how this required a shift in the skills required and how skills development is conducted for a changing world of work. These two inter-related contexts have propelled the organisation to become more streamlined, more agile and more innovative in dealing with its operations. A Digital Transformation Strategy has been approved and will be pursued in the next period. Likewise, training providers have found ways to ensure the continuation of learning and the education and training system has probably made more advances in the past year than it would have over the next decade.

The pandemic will continue to pose threats and new models for continuity and sustainability are being developed by the SETA and by training providers. However, the negative impact of the pandemic on the economy poses a severe external threat to the organisation as levy income is reduced. However, it also calls upon this SETA to become even more relevant, even more effective, and even more expansive in our reach to those who need training and development most of all.

Our potential contribution towards a national recovery effort will be realised through the following strategic priorities:

- Conducting research and skills planning to address current and future skills requirements for a changing world of work;
- Supporting teaching and learning systems to transform to the digital era and capacitate educators, lecturers and practitioners across the sector to acquire the digital skills and competences in line with the Fourth Industrial Revolution;
- Supporting Early Childhood Development;
- Supporting Constituent organisations and their employees to acquire digital skills and competencies;
- Increasing access to post-school education and training opportunities for employability and promoting self-employment through Cooperatives and Entrepreneurship development;
- Supporting students to attain academic qualifications, especially in scarce skill areas;
- Supporting Employment Service Centres; and
- Establishing Centres of Excellence in Work Integrated Learning policies and practices in TVET Colleges.

3.4. Strategic Relationships

The ETDP SETA continuously reviews its relations with strategic partners to ensure that the intended outcomes are achieved. Our partnerships contributed immensely to the achievement of our targets, as we had to find new ways of professionally delivering our services to our constituencies at national and provincial levels.

3.5. Challenges faced by the AA

The ETDP SETA was negatively impacted by the four-month skills levy holiday as the organisation had to revise the Annual Performance Plan and reduce the targets and budget to cater for the financial shortfall. The commitment of employers who contributed under the challenging circumstances is highly appreciated. The SETA relies on the contributions made by public and private employers and I wish to acknowledge the payments made by them in support of education and training.

The commitment of employers who contributed under the challenging circumstances is **highly appreciated.**

There were a few challenges caused by the outbreak of Covid-19, however the AA managed these challenges by establishing a Task Team which was constituted by members of AA EXCO and Senior Management. The Task Team regularly reviewed the changes on the National Risk Adjusted Strategy, changes in lockdown levels and the impact of the levels on the operations of the organisation. The organisation developed its Risk Adjusted Strategy which was linked to that of the Department of Higher Education and Training to ensure business continuity and provision of service delivery.

3.6. Acknowledgements and Appreciation

I would like to thank all members of the Accounting Authority for their ongoing support and advice during the year under review.

The contribution of members of the Committees and Chambers is also appreciated for their consideration and advice on specific matters or sub-sectors. The burden of representing such a large constituency is felt by them and exercised responsibly.

On behalf of the Accounting Authority let me also thank the entire ETDP SETA team for their dedication and commitment over the past year. Colleagues, family members and friends have passed on during the year, however, the CEO, management and staff continued their work as best as they could to ensure that the ETDP SETA achieves its targets.



It is also befitting to extend our gratitude and appreciation to the Executive Authority, the Minister of Higher Education, Science and Innovation, Honourable Dr B. Nzimande, MP, Honourable Deputy Minister, Mr. B. Manamela, MP and the management and staff of the Department of Higher Education and Training for the leadership and role played in ensuring that the ETDP SETA achieves its mandate.

The Department of Basic Education and the provincial Departments of Education contribute significantly to the ETDP SETA revenue and as a strategic partner in the implementation of the programmes of the ETDP SETA. The support provided is invaluable.

On behalf of the Accounting Authority let me also thank our levy contributors, constituencies and stakeholders in the sector for their contributions and support.

Mr Duncan Hindle

Accounting Authority Chairperson

24 August 2021

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Chief Executive Officer's Overview

4.1. General Financial Overview of the Organisation

The ETDP SETA continues to maintain and improve sound financial management discipline to ensure the continued transparent, economical, and efficient utilisation of its resources. Adherence to the Public Finance Management Act, the National Treasury Regulations and the Skills Development Act remain a priority.

Mrs Nombulelo Sesi Nxesi
Chief Executive Officer

The ETDP SETA was funded by these main three sources for the 2020/21 financial year:

Revenue items	2020/21	2019/20	2018/19
	R'000	R'000	R'000
Levies received from employers	415 074	579 842	525 688
Department Contributions	318 942	403 730	417 732
Investment income	43 398	89 834	86 824
TOTAL	777 414	1 073 406	1 030 244

The ETDP SETA was fortunate to receive its projected revenue for the financial year and was able to continue to deliver on the legislative mandate. Revenue from employers decreased by 28% from the previous financial year. The decrease was mainly due to the four-month levy holiday which was announced by the President of the Republic of South Africa, on 23 April 2020. The announcement was made in order to alleviate some of the challenges posed by the outbreak of Covid-19 to the levy paying organisations and contributors.

The Provincial Departments of Education (PDoE) continued to provide much needed financial support to the ETDP SETA in the form of contributions, in line with the Department of Public Service and Administration (DPSA) Circular No. HRD 1 of 2013. However, few departments of education did not meet their obligations of payment as expected.

Government’s drive towards fiscal sustainability to reduce the main budget baseline over the next three years has seen some of the provincial departmental budgets being reduced, which has ultimately led to some provinces not being able to make their full contributions for this financial year, thus reducing departmental contributions received by 21% from the previous financial year. This trend is likely to continue in the medium-term.

The total investment income earned was decreased by 52% when compared to the previous financial year.

4.2. Spending Trends

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

Expenditure type	2020/21	2019/20	2018/19
	R'000	R'000	R'000
Mandatory grants	79 275	114 240	104 214
Discretionary grants	763 078	903 505	559 726
Administration	168 917	178 837	170 232
Quality Council for Trades and Occupations (QCTO) transfers	3 665	3 505	3 152

Mandatory grants expenditure was decreased by 31%, this was caused by the four-month levy holiday.

Discretionary grant spending decreased slightly from the previous financial year. The 12.2% decrease is attributed to the number of projects that have been finalised for completion during the year.

The administrative budget was not fully spent during the financial year. There were savings realised in administration projects initiated during the year, as well as some projects which have not been finalised as at the close of the financial year. ETDP SETA continues to apply strict cost-containment measures and has managed the administration expenditure budget within the legislated threshold of 10.5% as per the Grant Regulations. Travelling and accommodation budgets were not utilised as our meetings and stakeholder engagements took place in virtual platforms however, additional funds were required for the provision of data to enable staff to work effectively from home.

4.3. Capacity Constraints and Challenges Facing the Organisation

The following were key capacity constraints and challenges:

- The decrease in the revenue led to a temporary freezing of some of the vacancies;
- Staff vacancies that could not be filled timeously;
- Limitation in digital tools of trade during lockdown, resulting in some staff not being equipped to work from home. The organisation remains paper driven with some key tasks being executed manually due to lack of automation;
- Late implementation of the Annual Performance Plan;
- Immediate shutdown of Skills Development activities due to the Covid-19 outbreak - this resulted in challenges with the implementation of programmes and the procurement of goods and services for service delivery. The delays in procurement affected the acquisition of new offices including tools of the trade, such as laptops, printers and photocopier machines;

- Following the announcement of the four-month skills levy holiday, the ETDP SETA did not receive any revenue for a period of four months from most levy payers. The ETDP SETA revised the APP and the budget for the 2020/21 financial year, which resulted in a budget cut of about R370m in the year under review; and
- There were several weaknesses in the organisation's internal controls which were identified by the Auditors. Management has subsequently addressed these deficiencies in the internal controls.

4.4. Strategies to Address Challenges Experienced

4.4.1. Staff Capacity and Vacancies

The organisation is in the process of filling all vacancies and to digitise most of the business processes. Training and Development of staff members has also been prioritised in order to equip members with the necessary digital skills.

4.4.2. Supply Chain Management (SCM)

There were delays and changes in the implementation of the annual performance plans due to Covid-19 which resulted in most programmes being achieved in the last quarter of the financial year.

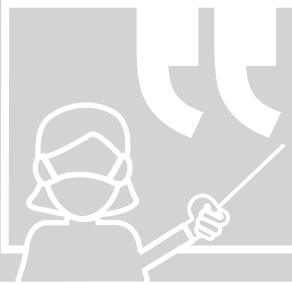
The delays necessitated some amendments to the procurement plan which was submitted to National Treasury. Some of the projects were implemented through the strategic partnerships developed during the course of the year in order to meet the organisational objectives.

An irregular expenditure of R2.86 million was incurred in the current year. The breakdown of the irregular expenditure is reflected in the Annual Financial Statements.

The Covid-19 outbreak exacerbated the challenges experienced, the organisation however, continues to ensure that the risk mitigation strategies are adjusted and internal control effectiveness is complied with. It is worth noting that despite the irregular expenditure, there is no fruitless and wasteful expenditure.

4.4.3. ICT

In order to address the ICT challenges, there is a need to accelerate implementation of the Digital Transformation Strategy. The ETDP SETA has successfully developed its Digital Transformation Strategy (DTS) 2020-2025 in line with the organisational five-year strategic plan. The main objective of the strategy is to increase organisational efficacy through digitisation of the control environment to reduce duplication and increase Segregation of Duties (SoDs). Furthermore, an implementation plan was developed which outlines key ICT projects which seek to address issues of automation, business continuity, infrastructure revamp, effective collaboration as well as ICT security. These projects and the filling of vacant ICT posts will be prioritised in the next financial year.



The ETDP SETA revised the APP and the budget for the 2020/21 financial year, which resulted in a **budget cut of about R370m in the year under review.**

4.4.4. Timeous Execution of APP and Performance Information Reporting

More attention has been given to ensuring that performance information reporting is accurate and the supporting documents as evidence of training and development are provided as per the standard operation procedures for reporting. In the previous audit material misstatements were identified which were subsequently corrected after the submission for auditing.

In order to address the challenges of late implementation of the APP, management developed an implementation strategy for the 2021/22 financial year. The strategy is aimed at ensuring implementation as early as in the first quarter with a clear process of monitoring of the targets per quarter. The plan is designed in such a manner that will champion the implementation strategy with different teams across the organisation who will implement the plan whilst other teams of staff members and management will focus on the end year reporting. The approach will ensure concurrency of the activities.

There have been quite a number of improvements in the automation of some of the business strategies and enhancement of the reporting systems. There is currently some alignment on the performance information pertaining to the individual identity numbers with the systems used by the Department of Home Affairs. The alignment will in future help us in accurate reporting based on the identity numbers.

4.4.5. Previous Audit Report Findings and how these were addressed

The ETDP SETA has received an unqualified audit outcome with findings. The previous audit findings were addressed in line with the audit implementation plan. There were 17 audit findings that were raised by the auditors in the performance information and annual financial statements. Management developed an audit implementation plan with timelines on when those findings will be closed. However, some findings were not closed on time due to interdependencies but were eventually closed. The implementation of the audit plan was reported at the quarterly meeting to the Audit Committee to exercise oversight on the closure of the findings and improvements in the control environment as recommendations were implemented.

A prior year adjustment was made because of discretionary grant accruals that were understated by R75 million as at 31 March 2020, which decreased the discretionary reserves and increased the Accounts payable for prior year. This also affected the current year reserves as they also decreased by the same amount. The reason for the prior period error is due to the impact of Covid 19 and the nationwide lockdown. As a result, the ETDP SETA systems were not adequate to monitor and track all invoices and work that was done before the 31st of March 2020. The process of accruing for all invoices was not adequate to ensure completeness hence we have a prior period error. To reduce the probability of a recurrence in future, the ETDP SETA embarked on a process to ensure that all invoices of work done before the 31st of March 2021 are submitted to finance in order for them to be accrued. This is a process that will be closely monitored by the CFO.

4.5. Discontinued Activities/Activities to be discontinued

Whilst the scope and mandate of the SETA remained unchanged, some of the projects were not implemented due to the reduction in the SETA revenue. A revised Annual Performance Plan was developed and approved.

4.6. New or Proposed Activities

There were no new proposed activities.

4.7. Request for Rollover of Funds

The National Treasury approved the utilisation of R1.1 billion surplus funds from the 2019/20 financial year on the strength of the business case submitted.

4.8. Supply Chain Management (SCM) Processes and Systems

The supply chain and procurement of the organisation strives to balance organisational performance and legislative provisions. The supply chain activities are centralised to strengthen internal controls and ensure uniformity in the provisioning of goods and services.

An approved supply chain management policy and procedure is in place. The National Treasury legislative provisions are adhered to at all times to ensure compliance.

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The institutionalisation of 4IR through the introduction of digital systems for training and development will be at an accelerated pace without compromising quality and standards.

Reports from quality assurers have confirmed compliance in the transactions of goods, services and works that were concluded in the current financial year.

All bids which were advertised and awarded did not have any litigations and were compliant with the legislation.

4.9. Concluded Unsolicited Bids for 2020/21

The organisation did not receive any unsolicited bid proposals in the 2020/21 financial year.

4.10. Future Plans to Address Financial Challenges

The uncertainty of future revenue collection by the ETDP SETA remains a challenge at this stage. Implementation of skills development programmes will be in line with the changing world. The institutionalisation of 4IR through the introduction of digital systems for training and development will be at an accelerated pace without compromising quality and standards. This is in alignment with the Digital Transformation Strategy of the ETDP SETA, which seeks to modernise and improve organisational efficacy (efficiency and effectiveness). The digital systems will further improve the organisation's financial management practices and the accuracy of reporting information.

4.11. Events After the Reporting Date

A request for the condonation of the irregular expenditure was made to the National Treasury (NT) as the SETA has benefited from the occupation of the offices before this unfortunate occurrence of non-compliance by the landlords on the delays in the submission of the tax clearance certificates. The response from NT is expected after the reporting date.

The Chief Financial Officer (CFO) resigned with effect from 30 April 2021, a month prior to the submission of the draft annual report and the financial statements for the 2020/21 financial year. Additional capacity was sought to ensure that the annual financial statements were produced for submission to National Treasury by 31 March 2021.

4.12. Economic Viability

The ETDP SETA remains solvent and liquid with healthy cash reserves. As we approach the third wave of Covid-19, we are cautiously optimistic that the vaccine programme rollout will be smooth and efficient to reduce the impact on our people and the economy. The ETDP SETA will take guidance from the DHET on the next steps as we navigate our way out of this crisis. The ETDP SETA has a deficit of R237 million due to the four-month skills levy holiday whilst the 2019/20 financial year commitments came through. We remain cautiously optimistic that 2021/22 will be a better year as the vaccine programme ramps up, opening up space for economic recovery.

We remain cautiously optimistic that 2021/22 will be a better year
as the vaccine programme ramps up, opening up space for economic recovery.



4.13. Acknowledgements

I wish to extend my gratitude and appreciation to the management and staff of the ETDP SETA for their commitment and continued dedication in fulfilling the mandate of the organisation. I cherish the tremendous strides which this organisation has accomplished in the past decade and will continue to push forward the agenda of skilling the nation.

I offer my appreciation to the AA for their leadership, support and commitment in carrying out their oversight responsibility. This journey would not have been meaningful without you by our side.

I am thankful for the commitment and recognition by the Ministry of Higher Education, Science, and Innovation of the role that the ETDP SETA plays in contributing to skills development in the country. A word of gratitude also goes to the Portfolio Committee on Higher Education, Science and Technology and all our stakeholders. Thank you once more.

Mrs Sesi Nombulelo Nxesi

A handwritten signature in black ink, appearing to be 'S. Nxesi'.

Chief Executive Officer
24 August 2021

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Statement of Responsibility and Confirmation of Accuracy of the Annual Report

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

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements (AFS) audited by the Auditor-General.

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 AFS (Part E) 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 the preparation of the AFS and the judgements made in this information.

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 AFS.

The Auditor-General of South Africa (AGSA) is engaged to express an independent opinion on the AFS.

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 2021.

Mrs Sesi Nombulelo Nxesi



Chief Executive Officer

24 August 2021

Mr Duncan Hindle



Accounting Authority Chairperson

24 August 2021

6

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 Labour, the Department 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 with regard to 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 commits to the following values:

- 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.

7

Legislative and Other Mandates

The ETDP SETA derives its mandate from the Skills Development (Act 97 of 1998).

The following are some of the key legislative mandates which guide SETAs in the execution of their mandates:

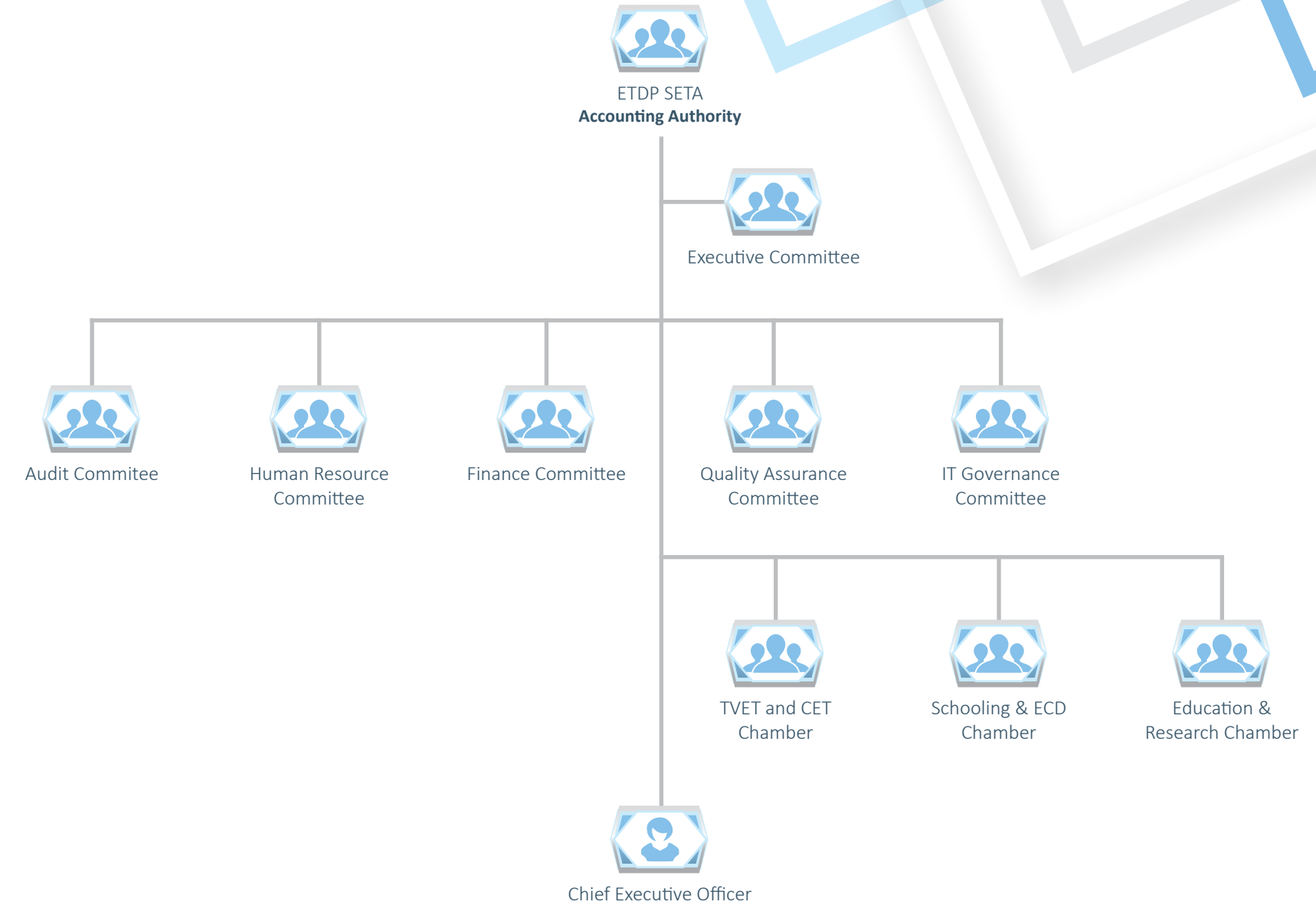
- Constitution of the Republic of South Africa (Act 108 of 1996);
- Skills Development Levies Act (Act No. 9 of 1999);
- Public Finance Management (Act No. 1 of 1999) as amended;
- Promotion of Administrative Justice Act (Act No. 3 OF 2000);
- National Qualifications Framework Act 67 of 2008;
- Labour 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 4 of 2013); and
- Disaster Management Act (Act, No. 5 of 2002).

Over and above the above legislative mandates, the ETDP SETA is guided by The SETA Standard Constitution of 2011 and Organisational policies.

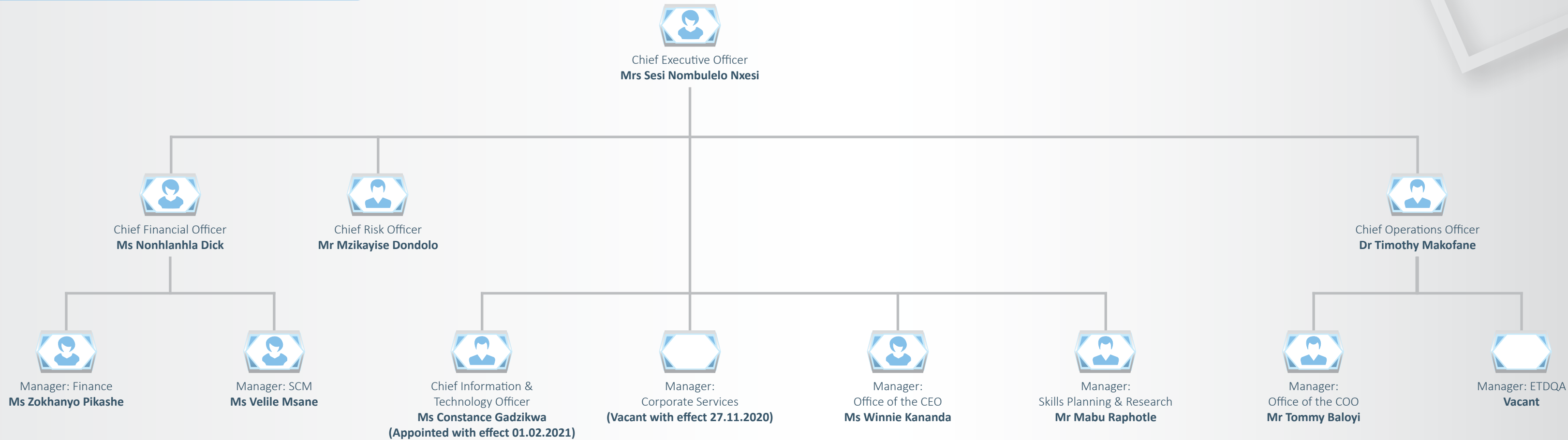
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Organisational Structure

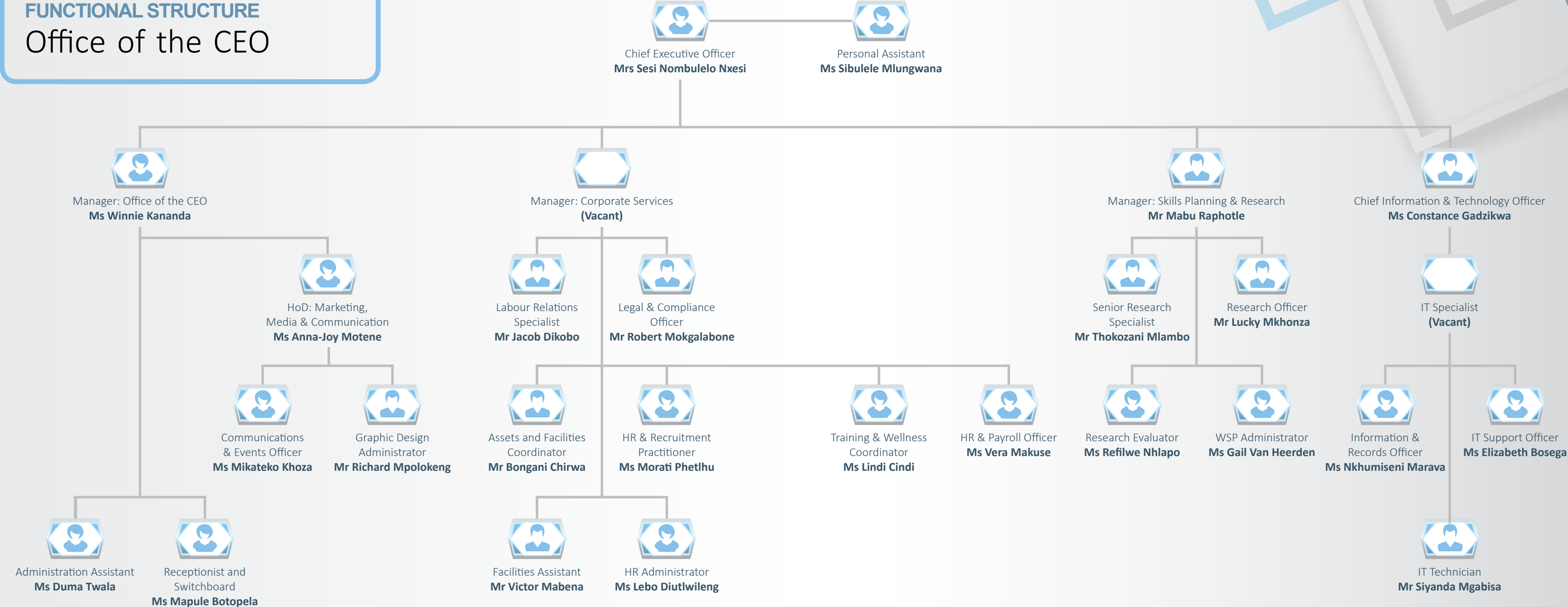
Governance Structure



HIGH LEVEL Management Structure

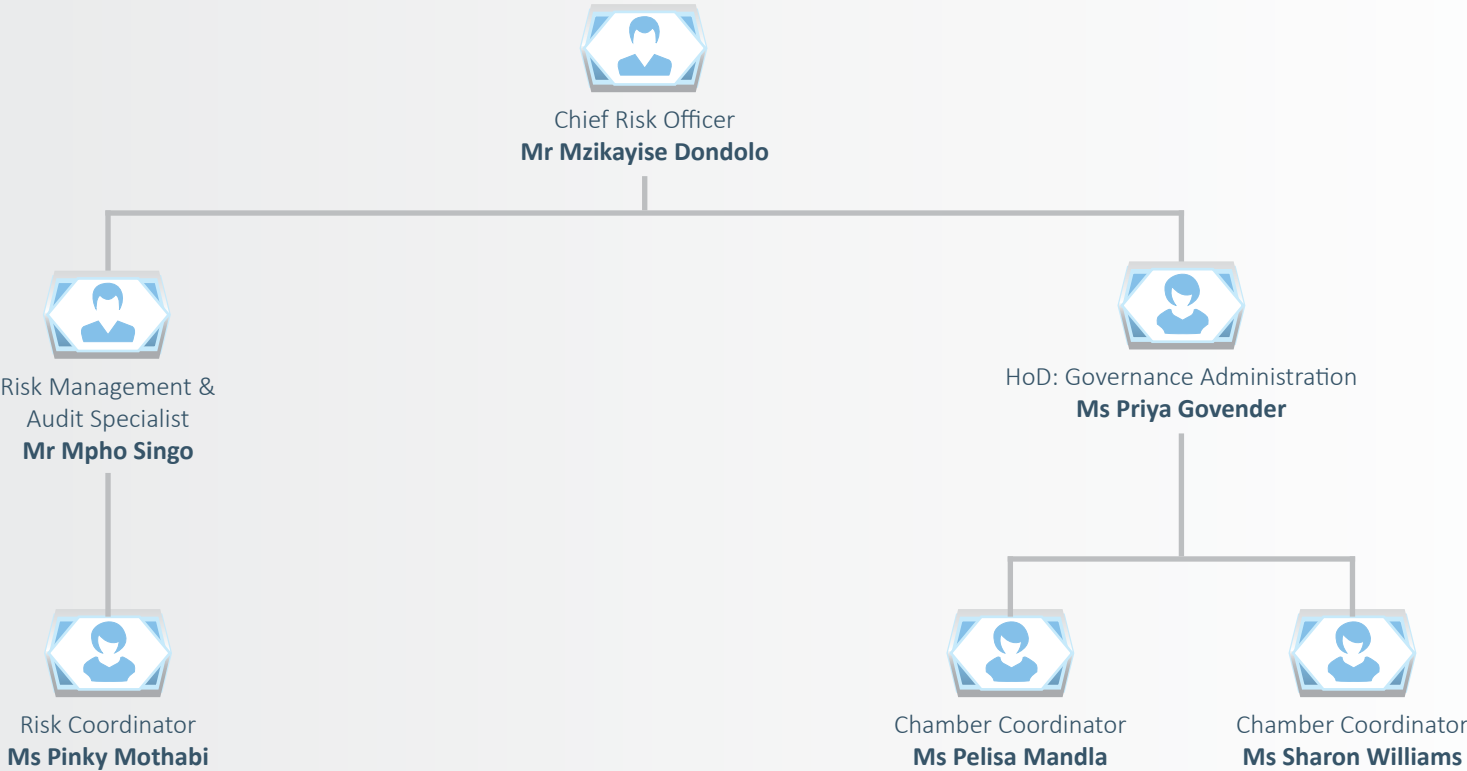


FUNCTIONAL STRUCTURE Office of the CEO



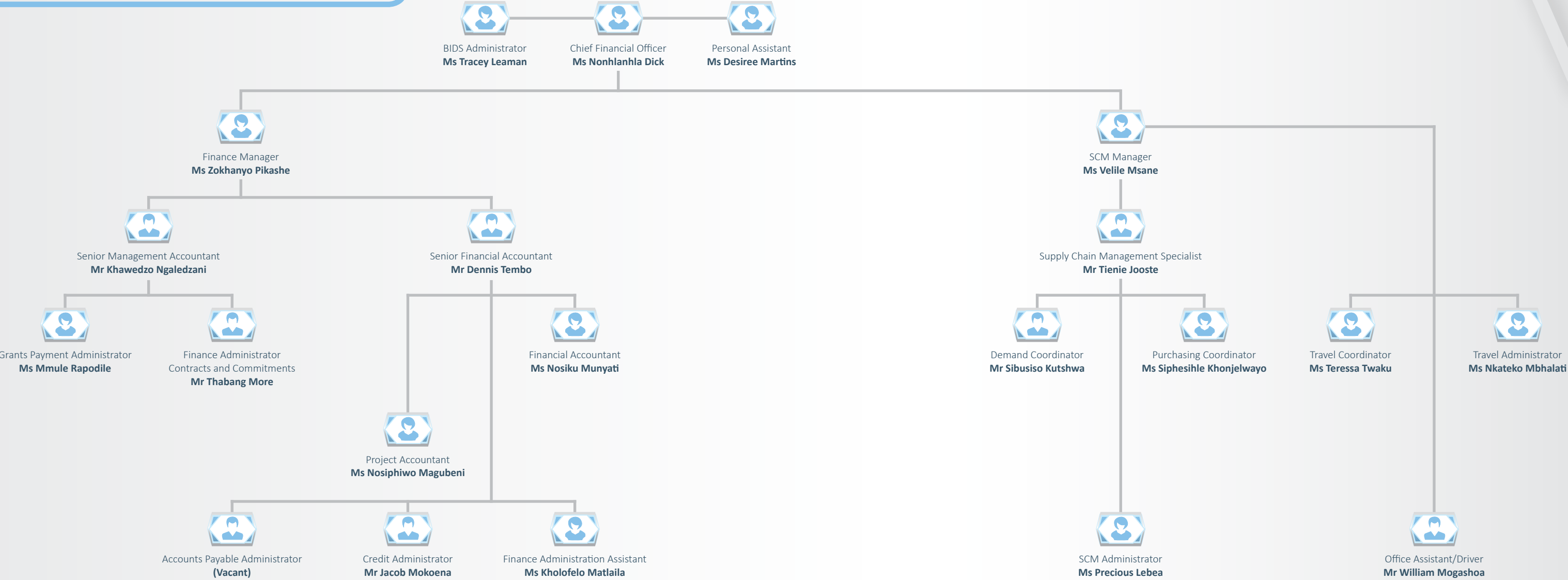
FUNCTIONAL STRUCTURE

Governance, Risk & Compliance Business Unit



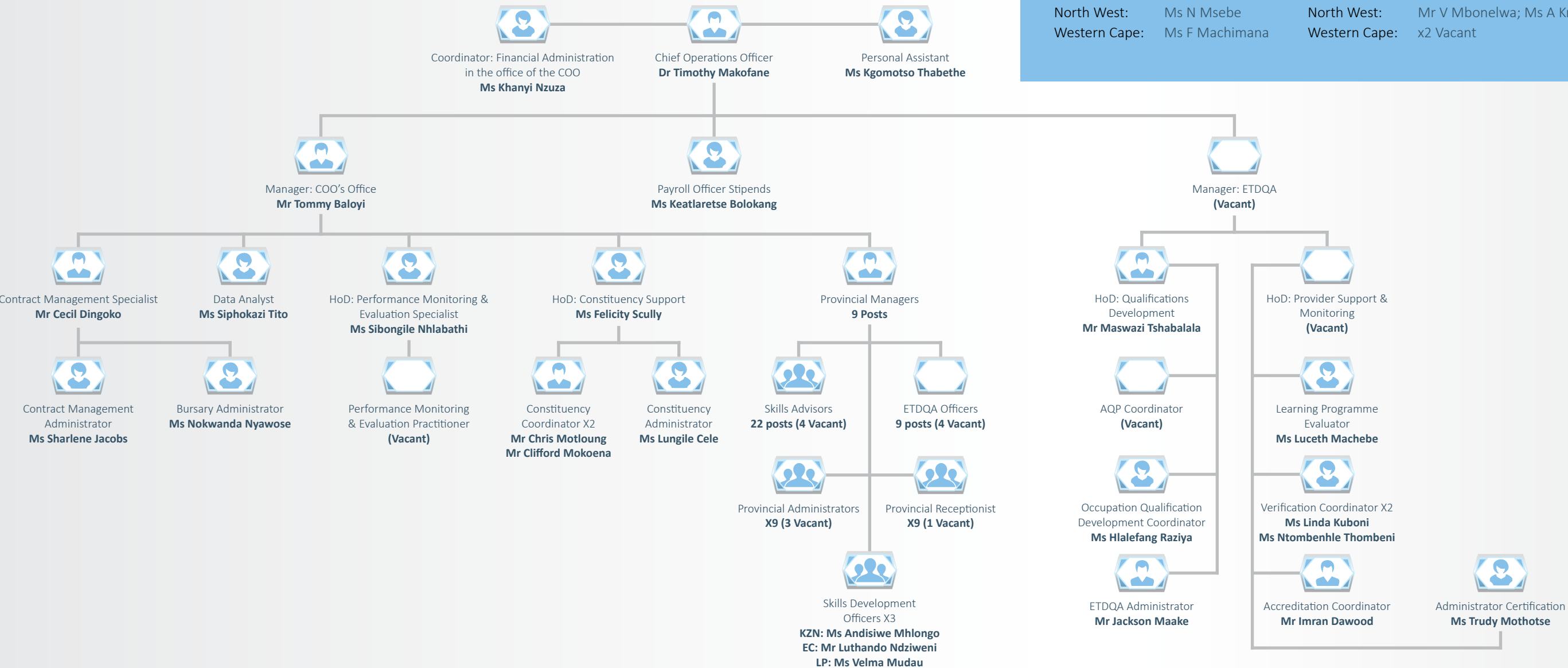
FUNCTIONAL STRUCTURE

Finance & Supply Chain Management



FUNCTIONAL STRUCTURE

Operations/Skills Development Implementation



Provincial Managers

Eastern Cape: Ms J Socutshana
Free State: x1 Vacant
Gauteng: Mr G Francis
KwaZulu-Natal: Mr K Mabotha
Limpopo: Mr I Mphaphuli
Mpumalanga: Ms N Mxenge
Northern Cape: Mr R Kistiah
North West: Ms N Msebe
Western Cape: Ms F Machimana

Skills Advisors

Eastern Cape: Mr C Mona; Mr S Mokoena; Mr Z Twala
Free State: Ms S Masia Pos; Ms P Ramphisa
Gauteng: Mr V Naidoo; Ms F Mchunu; x1 Vacant
KwaZulu-Natal: Ms B Msomi; Ms G Le Grange; Mr Xolisa Nxumalo
Limpopo: Mr M Thema; Mr C Sithole; Ms F Madzivha
Mpumalanga: Ms N Speelman; Mr D Netshikweta
Northern Cape: Mr D Gulston; x1 Vacant
North West: Mr V Mbonelwa; Ms A Kromhout
Western Cape: x2 Vacant

Skills Development Officers

Eastern Cape: Mr L Ndziweni
KwaZulu-Natal: Ms A Mhlongo
Limpopo: Ms V Mudau

ETDQA Officers

Eastern Cape: Ms N Mtsewu
Free State: x1 Vacant
Gauteng: Mr N Mnguni
KwaZulu-Natal: Ms S Rambehary
Limpopo: x1 Vacant
Mpumalanga: x1 Vacant
Northern Cape: x1 Vacant
North West: Mr T Namola
Western Cape: Ms J M Hendricks

Provincial Administrators

Eastern Cape: Ms A Kama
Free State: Ms E Khetsha
Gauteng: x1 Vacant
KwaZulu-Natal: x1 Vacant
Limpopo: Ms T Malongete
Mpumalanga: x1 Vacant
Northern Cape: Ms J Skennette
North West: Ms T Chabalala
Western Cape: Ms D Boltman

Provincial Receptionists

Eastern Cape: Ms T Mata
Free State: Ms M Molelle
Gauteng: Ms T Ngubane
KwaZulu-Natal: x1 Vacant
Limpopo: Ms V Mokgolo
Mpumalanga: Ms S Maringa
Northern Cape: Ms B van der Sandt
North West: Ms F Hlomendlini
Western Cape: Ms D Nonkonyana

PART B

Performance Information



9

Auditor-General's Report: Predetermined Objectives

The AGSA performed the necessary audit procedures on programme three (learning programmes and projects) performance information to provide reasonable assurance in the form of an audit conclusion.

The AGSA did not raise any material findings on the usefulness and reliability of the reported performance information. Material misstatements were identified in the annual performance report submitted for auditing. Management subsequently corrected the misstatements.

Based on the above correction, an opinion was issued by the AGSA that, the reported performance information for the Learning programme and projects is useful and reliable, in accordance with the applicable criteria as developed from the performance management.

The AGSA has however recommended that Management should review reported information and the portfolio of evidence that supports reported performance information to ensure that the report is complete and accurate. This recommendation will be applied in the continuous drive to improve the audit opinion.

The full AGSA report is included in pages 108 - 113 of the annual report.

10

Situational Analysis

10.1. Service Delivery Environment

The service delivery environment was significantly affected by the outbreak of the Covid-19 pandemic in the first two quarters of the 2020/21 financial year. On the 27th March 2020, the country went into lockdown alert level 5 protocols, as legislated in the regulations contained in the Disaster Management Act. This resulted in the complete shutdown of economic activities which included workplace activities, education, training and development.

Employees had to work from home with available resources to execute their service delivery responsibilities. In September 2020, training and development activities were phased in, after alert level 2 protocols were announced. It is only in the third quarter of the 2020/21 financial year, that education, training, learning and teaching resumed on a larger scale, under strict Covid-19 restrictions. Institutions of learning and Skills Development Providers struggled to cope with the new approach to teaching, learning and training. The online platforms gave rise to new challenges such as access to data and tools of trade.

There was an extension of the academic year not only for the Grade 12 learners, but also for TVET Colleges and Universities, which would have had an impact on completions due to be reported in the fourth quarter. The extension of the academic year resulted in the SETA extending training provider Service Level Agreements (SLAs) as a resulting with less expenditure incurred, raising the amount of funds in the commitment register.

The ETDP SETA had to put in place recovery plan with the workload distributed among SMT members to ensure that the allocated targets were met.

10.2. Organisational Environment

The pandemic ushered in the new mode of delivery across the ETD sector. Hybrid mode of learning was ushered in among service providers who were accredited to work online. Payments to service providers had to be authorised electronically. Though there was no sufficient time to prepare for the new mode of payment and other related services, the ETDP SETA had to ensure the automation of its business process was fast-tracked to meet the demands of its stakeholders. Reliance on ICT increased and this also accelerated the need for extra budget on data and distribution of assistive devices such as laptops and dongles to members worked from home. New projects were pushed in the pipeline and new digital tools acquired. Even under these difficult times, the organisation successfully continued to service its stakeholders through Virtual engagements. The organisational digital strategy gradually found expression in improvement of organisational effectiveness and delivery of the mandate.

The four months Skills Levy payment holiday had to be extended to levy payers in an effort to bring about relief on the effect of the pandemic. This relief necessitated the readjustment of the APP with the view to revise the number of targets and some of the programmes being discontinued for the SETA to spend within the budget.

10.3. Key Policy Developments and Legislative Changes

The Regulations which emanated from the Disaster Management Act compelled organisations and institutions of teaching and learning to develop workplace policies that would prevent any further spread of the virus and enhance health and safety measures to protect the employees.

The ETDP SETA developed the Covid-19 policy which was approved by the Accounting Authority and the guidelines to assist and direct employees during the period of the the Covid-19 pandemic.

10.4. Progress towards Achievement of Strategic Institutional Impacts and Outcomes

10.4.1. Programme 1 Outcomes

Outcome	Outcome Indicator	Baseline (2015-2020)	Five-Year Target (2020-2025)	Progress (2020-2021)
Improved control environment for effective service delivery	Number of risk assessments conducted	-	5	One risk assessment was conducted to improve the organisation’s control environment
Capable human capital to achieve set targets and outcomes	Number of staff in filled positions capacitated	133	139	Eighty-two employees were trained in relevant programmes to assist the organisation to achieve its performance objectives
Resources allocated to address high, intermediate and elementary skills levels	Percentage of discretionary grant budget allocated at developing high, intermediate and elementary skills	85%	90%	92% of the budget was allocated for discretionary grant programmes

10.4.2. Programme 2 Outcome

Outcome 1	Outcome Indicator	Baseline (2015- 2020)	Five-Year Target (2020-2025)	Progress (2020-2021)
Increased production of Occupations in High Demand (OIHD)	Number of Occupations in High Demand in the ETD Sector identified and reported	20	30	Of the 30 OIHD, the unit has already identified 15 which marks 50% progress in this area
	Number of research reports, through empirical research, conducted and used for skills planning	7	15	Three research projects on the 4IR and WIL as well as on Hard-To-Fill-Vacancies in the ETD sector have been conducted and reported. The achievement is 20% against the five-year target
	Number of evaluation studies conducted	4	5	The recommendations of the evaluation study in 2020 informed the App programmes. Achievement is at 20% against the five-year target
	Number of WSPs and ATRs received, processed and approved	1 062	1 100	The 1 100 target is not accumulative. The highest achievement of 1 167 was recorded in 2020/2021

10.4.3. Programme 3 Outcomes

Outcome 1	Outcome Indicator	Baseline (2015- 2020)	Five-Year Target (2020-2025)	Progress (2020-2021)
Expanded access and success of the Post-school education and training (PSET)	Percentage increase in workplace based learning opportunities (Internships, WPE and RPL) for unemployed beneficiaries in the ETD sector	29 403	10% (32 340)	3 592 (11%) has been achieved thus far against the five-year target of 32 343
Outcome 2	Outcome Indicator	Baseline (2015 – 2020)	Five-Year Target (2020-2025)	Progress (2020-2021)
Improved employability of youth through training	Percentage increase in skills development opportunities (Learnerships, skills programmes and bursaries) for youth beneficiaries in the ETD sector	29 403	10% (32 340)	1 285 (4%) has been achieved thus far against the five-year target of 32 343
	Number of career development events increased by 50%	76	114	No target set for 2021/22 due to Covid-19 restrictions and protocol as the implementation of this target requires crowd gathering
	The Sector Employment Advisory Service (ESEAS) established and maintained	-	One Sector Employment Advisory Service (ESEAS) conceptualised, established and maintained over five years	Research and conceptualisation of the ESEAS is currently underway and set for establishment in 2022/23

Outcome 3	Outcome Indicator	Baseline (2015 – 2020)	Five-Year Target (2020-2025)	Progress (2020-2021)
Quality of teaching and learning	Number of National Department of Basic Education (DBE) projects implemented	9	11	Eight DBE special projects were implemented with eight Provincial Department of Education
	Percentage of projects implemented monitored	50%	70%	There was an overachievement of 91%
Outcome 4	Outcome Indicator	Baseline (2015-2020)	Five-Year Target (2020-2025)	Progress (2020-2021)
Improved skills level of the ETD constituencies through training	Increased number of ETD constituencies who acquired skills required to perform their duties	14	14	There was an achievement of seven (50%)
	Number of lecturers, managers, practitioners, and council members trained in specialised fields and expose lecturers to workplaces	4 039	4 440	An achievement of 786 (18%) was reported
	Number of small emerging providers and co-operatives supported	18	20	No target was set for 2020/21. However, through its skills planning and research, the organisation identified emergent cooperatives and their skills needs
	Number of incubation centres opened through partnership with TVET and Universities and small business development agencies		Ten emerging providers Nine incubation centres (one per province)	
	Number of trade unions identified and supported through skills development	5	25	Seven (27%) trade unions were supported. This five-year target is non-cumulative

Outcome 5	Outcome Indicator	Baseline (2015-2020)	Five-Year Target (2020-2025)	Progress (2020-2021)
Improved quality of PSET provisioning	Number of occupational qualifications that promote occupations in high demand are developed	08	15	- Target removed as the amended APP/re-tabled APP
	Work integrated Learning sites for occupations in high demand are approved	-	45	- Target removed as the amended APP/re-tabled APP
	External Integrated Summative Assessments (EISA) for occupational qualifications are administered through Assessment Centres	-	12 500	Ninety-one candidates sat for EISA

11

Institutional Programme Performance Information

11.1. Programme 1: Administration

Purpose

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

Sub-programmes

The programme has the following sub-programmes:

- Governance (Audit and Risk): The purpose of this sub-programme is to ensure good corporate governance and strengthen the internal controls;
- Human resources: The purpose of this sub-programme is to ensure recruitment of capable human capital; and continuous development thereof to enhance organisational performance.

Finance, Supply Chain Management and Assets Management: The purpose of this sub-programme is to ensure:

- Sound financial management and compliance with laws and regulations pertaining to the PFMA;
- Effective and efficient supply chain management process to enhance organisational performance; and
- Effective and efficient management of all the SETA assets.

Outcomes

- Improved control environment for effective service delivery;
- Resources allocated to address high, intermediate and elementary skills levels; and
- Capable human capital to achieve set targets and outcomes.

Achievements

- There were three targets for the financial year and all were achieved which translates to 100% achievement.
- Programme One is a support function of the organisation which provides the necessary resources and support to the core business (Operations). The achievement of Programme One targets contributed to the overall performance of the organisation.
- The organisation has Employment Equity targets which are implemented over a period of three years.

11.1.1. Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

NB: The below table expresses the achievements of the originally tabled APP until the date of re-tabling

Originally Tabled APP (March/April 2020)									
Programme 1: Administration									
Outcome	Output	Output Indicator	Audited Actual Performance (2018/2019)	Audited Actual Performance (2019/2020)	Planned Annual Target (2020/2021)	Actual Achievement (2020/2021) until date of re-tabling	Deviation from planned target to Actual Achievement (2020/2021)	Reasons for Deviations	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Improved control environment for effective service delivery	A register of strategic and operations risks	Number of strategic and operations risks assessments conducted	-	-	1	0	-	Achievement not due for reporting as at the date of re-tabling	Changed as a result of Covid-19
Capable human capital to achieve set targets and outcomes	Competent and capable human capital	Number of staff trained	133	-	56	0	-	Achievement not due for reporting as at the date of re-tabling	The target was reduced due to the reduction of budget
Resources allocated to address high, intermediate and elementary skills levels	Budget with allocations to address high, intermediate and elementary skills levels	Percentage of discretionary grant budget allocated at developing high, intermediate and elementary skills	-	-	72%	0%	-	Achievement not due for reporting as at the date of re-tabling	High and Intermediate skills budget was recalculated

Re-tabled APP (July 2020)								
Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance (2018/2019)	Audited Actual Performance (2019/2020)	Planned Annual Target (2020/2021)	Actual Achievement (2020/2021)	Deviation from planned target to Actual Achievement (2020/2021)	Reasons for Deviation
Improved control environment for effective service delivery	Risk Adjusted Strategy and a Covid-19 risk register	Covid-19 risks identified, Risk Adjusted Strategy developed to mitigate the risks	-	-	1	1	-	None
Resources allocated to address high, intermediate and elementary skills levels	Budget with allocations to address high, intermediate and elementary skills levels	Percentage of discretionary grant budget allocated at developing high, intermediate and elementary skills	-	-	92%	92%	-	None
Capable human capital to achieve set targets and outcomes	Competent and capable human capital	Number of staff trained	133	-	50	91	+41	The virtual mode of training accommodated more staff to be trained

11.1.2. Changes to Planned Targets

Originally approved 2020/21 APP as submitted in January 2020			2020/21 Amended APP as submitted o 14 July 2020			
Output	Output Indicator	Target	Output	Output Indicator	Target	Comment
1(a)	Number of strategic and operations risks assessments conducted	1	1(a)	Covid-19 risks identified, Risk Adjusted Strategy developed to mitigate the risks	1	Output Indicator revised, however, target not changed
1(b)	Percentage of discretionary grant budget allocated at developing high, intermediate and elementary skills	72%	1(b)	Percentage of discretionary grant budget allocated at developing high, intermediate and elementary skills	92%	Increased by 20%
1(c)	Number of staff trained	56	1(c)	Number of staff trained	50	Reduced by six due to a decrease in the projected revenue

11.1.3. Strategy to Overcome Areas of Underperformance

None

11.1.4. Institutional Response to the Covid-19 Pandemic

Programme/Sub-Programme	Interventions	Geographic location (Province) (where applicable)	No. of beneficiaries (where applicable)	Disaggregation of Beneficiaries (where applicable)	Total budget allocation per intervention R'000	Budget spent per intervention R'000	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Administration/Organisational effectiveness	Development and implementation of the Risk Adjusted Strategy with its related policy and guidelines	National	-	-	0	0	Achievement of set targets	Compliance with health and safety protocols

The Covid-19 pandemic required the organisation to comply with all regulations and restrictions as introduced by Government in order to manage and reduce the impact of the pandemic. This situation compelled the organisation to seek ways of managing the pandemic and still deliver on its performance targets. The table above depicts the interventions implemented.

The implementation of the Risk Adjusted Strategy enabled the organisation to continue with business activities and deliver services as per the organisational plan. The organisation managed to achieve its targets as per the approved Annual Performance Plan (APP).

11.1.5. Linking Performance with Budgets

Programme 1: Administration						
Sub-Programme	Budget (2019/20)	Actual Expenditure (2019/20)	(Over)/Under Expenditure (2019/20)	Budget (2020/21)	Actual Expenditure (2020/21)	(Over)/Under Expenditure (2020/21)
	R'000	R'000	R'000	R'000	R'000	R'000
1.1. Corporate Services	41 137	19 500	21 637	12 623	8 092	4 531
1.2. Finance and SCM	24 434	21 353	3 081	28 371	23 108	5 263
1.3. Governance (Audit & Risk)	16 434	10 227	6 207	10 046	7 955	2 091
1.4. Human Resources	106 572	97 351	9 221	99 161	103 738	(4 579)
1.5. ICT	19 599	13 331	6 268	18 692	15 838	2 854
TOTAL	208 176	161 762	46 414	168 893	158 733	10 160

11.1.6. Business Enablement

The ETDP SETA continues to invest in its ICT systems. ICT plays a critical role as a business enabler and with the onset of the Covid-19 pandemic, the reliance on ICT has been heightened. It has become evident that continuous modification of crisis management plans is no longer sustainable, businesses need to transform.

During the 2020/21 financial year, the ETDP SETA successfully developed its Digital Transformation Strategy (DTS) 2020-2025 in line with the organisational five-year strategic plan. Furthermore, an implementation plan was developed which outlines key ICT projects that the organisation will be embarking on. For the year under review, the following automation projects were completed:

- ETDQA external moderation functionality was developed. Training providers are now able to send requests for external moderation online. Scheduling as well as actual conducting of external moderation by verifiers has been automated resulting in faster turnaround times to conclude quality assurance processes;

- The Learner Management System (LMS) was enhanced to integrate with other systems as follows:
 - The Workplace Skills Planning module is integrated with the finance system for payment of mandatory grants
 - Through an Application Programming Interface (API), the Skills Development Interventions module has been linked to the Department of Home Affairs for verification of learner information. This will improve the quality of information as well as audit outcomes; and
 - Additional validation checks were effected in the LMS for effective monitoring of projects and these include mandatory upload of portfolio of evidence to substantiate performance.

The ICT function remains key in driving efficacies in the ETDP SETA. In spite of the challenges, the organisation, with the support of the Accounting Authority, ICT Governance Committee and its most valuable stakeholders, shall continue to influence and shape the delivery of quality services in the ETD sector through digital enablement.

11.2. Programme 2: Research and Skills Planning

Purpose

The purpose of this 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 this sub-programme is co-ordinate research projects to identify interventions required for skills planning.
- Workplace Skills Plans and Annual Training Reports: The purpose of this 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.

Outcome

Increased production of occupations in high demand for purposes of employability and occupational mobility.

Achievements

There were three targets for the year and all were achieved.

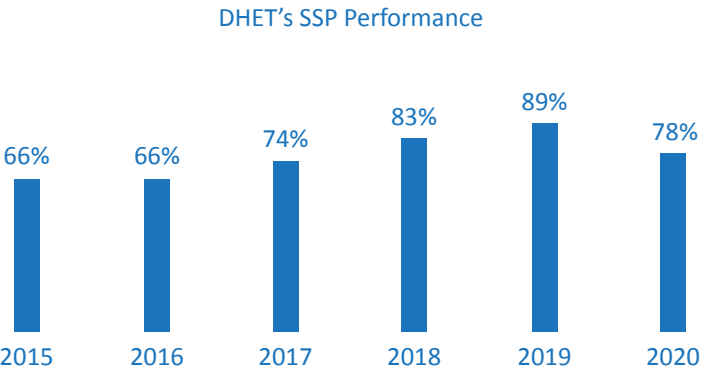
The number of occupations in high demand were identified and reported through the Sector Skills Plans process:

- The final Sector Skills Plan (SSP) 2021–2022 was approved by the Minister of Higher Education, Science and Technology in March 2021. This process identified 15 Occupations In High Demand (OIHD) and was achieved.

- The SSP was evaluated by DHET through its Panel of Experts and received 78%, which was a drop of 11% from the previous year. The reason for the decrease is that the Department drastically changed its approach of SSP evaluation. Whereas in prior years, the final percentage would be allocated after the final submission, however, for the year under review, evaluation and percentage allocation was issued with the first draft of the SSP.

Below is the six-year graph of SSP performance as per DHET’s evaluation of the Panel of Experts:

Figure 1: Six-Year SSP Performance (2015 - 2020)



Number of research projects to identify interventions and workplaces to enhance the development of priority occupations:

- Two research projects were finalised. The Research Chairs implemented the following projects: the Cape Peninsula University of Technology (CPUT) implemented Work Integrated Learning (WIL) in the PSET context and University of Johannesburg (UJ) implemented implications of the Fourth Industrial Revolution (4IR) in the ETD Sector. The final reports are available and have been published on the ETDP SETA website.

- The research report on the triangulation of OIHD identified by the SSP process has also been finalised.

Number of WSPs and ATRs evaluated and feedback provided:

- This was a Quarter Two target and was achieved
- The evaluation process was concluded and feedback provided to all employers who submitted in Quarter Two. The results of the evaluation were as follows:

- Approved – 1152
- Rejected – 15

This target was articulated differently in the Service Level Agreement according to the following:

11.2.1. Table 2: Performance Against Service Level Agreement

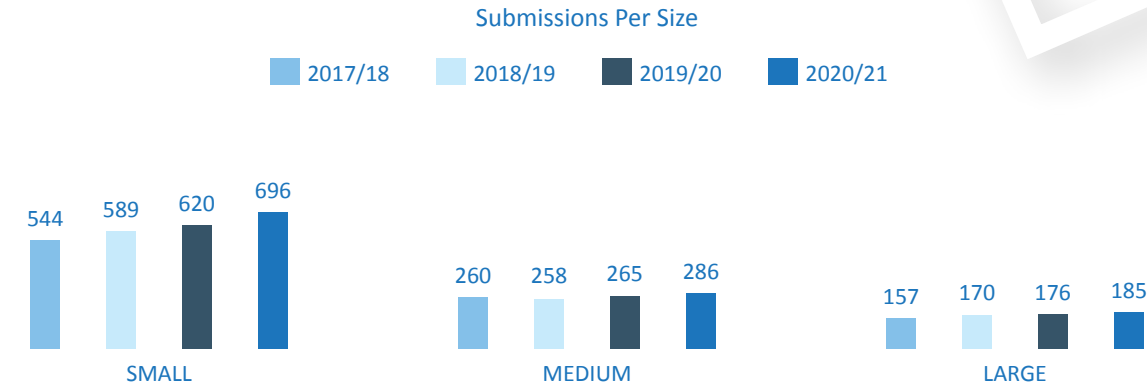
Number of WSPs and ATRs approved for:		
	SLA Target	Achievement
Small	580	687
Medium	270	283
Large	150	182
Total	1 000	1 152

The figure below shows overall submissions from 2017/18 – 2020/21. A total of 1167 organisations submitted WSPRs in the 2020/21 financial year. An increase of 10% from 1062 in 2019/20 and 15% from 1017 in 2018/19. This reveals an increasing performance of 29% of the levy-paying employers which sits at an average of close to 4 000 each year. The assessment of all the submitted WSPRs was done and concluded on the 31st of August 2020 and feedback was provided accordingly.

Figure 2: Annexure 2 WSPR Submissions (2017-2020)



Figure 3: Submissions According to Organisation Size (2017 - 2020)



The graph above shows that the highest submissions are from small organisations while large organisations generally have the least submissions. In all years from 2017/18 to 2019/20 small organisations (0 – 49) accounted for more than 55% of the total submissions while large organisations (150+) added up to around 16% in three years. The medium organisations (50 – 149) always range between 20% and 26% of total submissions.

11.2.2. Outcomes, Outputs, Output indicators

Originally tabled APP (March/April 2020)									
Programme 2: Research and Skills Planning									
NSDP Outcome	Output	Output Indicator	Audited Actual Performance (2018/2019)	Audited Actual Performance (2019/2020)	Planned Target (2020/2021)	Actual Achievement 2020/2021 until date of re-tabling	Deviation from Planned Target to Actual Achievement (2020/2021)	Reasons for Deviations	Reasons for revisions to the Outputs/Output Indicators/ Annual Targets
Increased production of occupations in high demand	A list of occupations in demand	2(a) Number of occupations in high demand identified and reported	-	-	30	-	-	Achievement not due for reporting as at the date of re-tabling	The target was reduced to 14 because of the shortened period of implementation
	List of interventions and workplaces that provide priority occupations in the ETD sector	2(b) Number of research projects to identify interventions and workplaces that provide priority occupations in the ETD sector	-	-	4	-	-	Achievement not due for reporting as at the date of re-tabling	The target was reduced to three because of the shortened period of implementation
	A list of approved WSPs and ATRs	2(c) Number of WSPs and ATRs approved	1017	1062	800	-	-	Achievement not due for reporting as at the date of re-tabling	The target was increased due to the blanket extensions granted to employers as a result of the pandemic

Re-tabled APP (July 2020)								
Programme 2: Research and Skills Planning								
Outcome	Output	Output Indicator	Audited Actual Performance (2018/2019)	Audited Actual Performance (2019/2020)	Planned Annual Target (2020/2021)	Actual Achievement (2020/2021)	Deviation from planned target to Actual Achievement (2020/2021)	Reasons for Deviation
Increased production of occupations in high demand	A list of occupations in demand	2(a) Number of occupations in high demand identified and reported through Sector Skills Plans process	-	-	14	15	+1	Additional data was available
	List of interventions and workplaces that provide priority occupations in the ETD sector	2(b) Number of research projects to identify interventions and workplaces to enhance the development of priority occupations	-	-	3	3	-	None
	A list of evaluated WSPs and ATRs	2(c) Number of WSPs and ATRs evaluated and feedback provided	1017	1062	1000	1167	+167	Two blanket extensions were given because of Covid-19

11.2.3. Changes to planned targets

Original approved 2020/21 APP as submitted in January 2020			2020/21 Amended APP as submitted o 14 July 2020			
Output	Output Indicator	Target	Output	Output Indicator	Target	Comment
2(a)	Number of Occupations in High Demand identified and reported	30	2(a)	Number of Occupations in High Demand identified and reported through Sector Skills Plans process	14	Output indicator revised and target decreased by 16
2(b)	Number of research projects to identify interventions and workplaces that provide priority occupations in the ETD sector	4	2(b)	Number of research projects conducted to identify interventions at workplaces to enhance the development of priority occupations	3	Output indicator revised and target decreased by one
2(c)	Number of WSPs and ATRs approved	800	2 (c)	Number of WSPs and ATRs evaluated and feedback provided	1 000	Output indicator revised and target increased by 200

11.2.4. Strategy to Overcome Areas of Underperformance

None

Reporting on the Institutional Response to the Covid-19 Pandemic

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	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Research	Desktop study on the impact of Covid-19 in the ETD sub-sector	National	-	-	-	-	-	The findings of the research informed the interventions of the ETD Sector Skills Plan and the APP

11.2.5. Linking Performance with Budgets

Table 4: Programme 2 - Linking performance with Budgets

Administration Budget						
Sub-Programme Name	Budget (2019/20)	Actual Expenditure (2019/20)	(Over)/Under Expenditure (2019/20)	Budget (2020/21)	Actual Expenditure (2020/21)	(Over)/Under Expenditure (2020/21)
	R'000	R'000	R'000	R'000	R'000	R'000
Sector Skills Plan	2 600	348	2 252	-	-	-
Research	4 680	2 002	2 678	4 500	4 459	41
Workplace Skills Plans and Annual Training Reports	123 500	101 962	21 538	-	-	-
TOTALS	130 780	104 312	26 468	4 500	4 459	41

11.3. Programme 3: Learning Programmes and Projects

Purpose:

To provide services for the implementation, monitoring, evaluation and reporting of learning programmes.

Sub-programmes

The programme has the following sub-programmes:

- Implementation of learning programmes as per NSDP outcomes (for both employed and unemployed):
The purpose of this sub-programme is to facilitate skills development programmes for both employed and unemployed people in the ETD Sector.
- Partnership projects: The purpose of this sub-programme is to collaborate with the DHET, DBE and the provincial DoEs on various skills development interventions for a greater impact.
- Monitoring, Evaluation and Reporting: The purpose of this sub-programme is to monitor organisational performance for reporting and co-ordinate the evaluation studies to measure the impact of the skills development programmes.
- Career development services: The purpose of this sub-programme is to train and develop career development and information officers in order to expand the career and information services.

Outcomes

- Expanded access and success of the PSET
- Improved employment opportunities for youth through training and development
- Scaled support on career development services
- Increase access to occupationally directed programmes
- Improved quality of teaching and learning in schools
- Improved skills levels of the ETD constituencies through training and development
- Improving the level of skills in the South African workforce for improved service delivery

Achievements

- There were twenty-three targets set for the year under review and twenty-one were achieved which translates to an achievement of 91%.
- The achievement of the targets contributed to a skilled personnel to improve teaching and learning.
- Partnerships with Basic Education and NECT made this possible through the programmes that the ETDP SETA provided funding for. Organised labour benefited immensely from the allocated funds in terms of training and bursaries.
- The University of Free State was funded by the ETDP SETA to run an Executive Development Programme for women in leadership. The University of North West received funding from the SETA to conduct women in leadership for principals in the province. People with Disabilities were supported in disability programmes such as braille and sign language. A number of the unemployed youth benefited in internship programmes funded by ETDP SETA.

11.3.1. Changes to Planned Targets

Following the announcement of the national lockdown by the President in March 2020, the SETA amended its originally tabled Annual Performance Plan as directed by DHET in response to the Covid-19 pandemic. The amendment process resulted in the changes to the originally planned targets and budget as shown in the tables below.

11.3.2. Actual Achievements

Originally tabled APP (March/April 2020)									
Programme 3: Learning Programmes and Projects									
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviation	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Expanded access and success of the PSET	500 TVET colleges students received workplace experience	Number of TVET students requiring work integrated learning to complete their qualifications placed in workplaces locally and internationally	1 150	1 563	500	0	-500	The remaining target was set to be achieved in subsequent quarters	Output indicator revised and target decreased due to Covid-19 uncertainties and the availability of the workplaces. Available budget re-directed to fund bursary students (New intake)

Originally tabled APP (March/April 2020)									
Programme 3: Learning Programmes and Projects									
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviation	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Expanded access and success of the PSET	1085 TVET college students completed their work integrated learning placements	Number of TVET college students completed their work integrated learning placements	380	1 052	1 085	15	-1 072	The remaining target was set to be achieved in subsequent quarters	None
	1 000 universities received workplace experience	Number of universities students requiring work integrated learning to complete their qualifications placed in workplaces	762	1 306	1 000	0	-1 000	The remaining target was set to be achieved in subsequent quarters	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four-month skills levy holiday
	700 university students completed their work integrated learning placements	Number of university students completed their work integrated learning placements	372	1 397	700	63	-637	The remaining target was set to be achieved in subsequent quarters	The target was removed in the re-tabled APP because the enrolment numbers were also removed
	1 000 graduates placed in internships	Number of unemployed learners enrolled in Internships	3 046	2 018	1 000	70	-930	There were delays in the achievement of the target as a result of the lockdown and non availability of placements	None

Originally tabled APP (March/April 2020)									
Programme 3: Learning Programmes and Projects									
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviation	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Expanded access and success of the PSET	422 graduates placed in internships in 2019/20 completed internships	Number of unemployed learners completed Internships	505	2 610	422	235	-187	The remaining target was set to be achieved in subsequent quarters	Target increased in accordance with the actual 2019/20 reported placement numbers
	40% of projects monitored for implementation within set time frames	Percentage of projects monitored for implementation within set time frames	-	87%	40%	0%	-40%	Delays in registering projects to be implemented	Target increased in accordance with the 2019/20 baseline
	1 evaluation studies conducted to assess the impact of project implemented	Number of evaluation studies conducted to assess the impact of project/s implemented	1	1	1	0	-1	The target was set to be achieved in the Quarter Four	Output indicator and target removed in the retabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four-month skills levy holiday
Improved employment opportunities for youth through training	2 000 Learnerships opportunities for the unemployed provided through TVET colleges	Number of unemployed learners enrolled in Learnerships programmes	2 232	2 045	2 000	0	-2 000	The targets was set to be achieved in Quarter Three	Output indicator and Target removed in the retabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four-month skills levy holiday
	1155 unemployed learners completed Learnership programmes	Number of unemployed learners completed Learnership programmes	864	953	1 155	5	-1 150	The remaining targets were set to be achieved in the subsequent quarters	None

Originally tabled APP (March/April 2020)									
Programme 3: Learning Programmes and Projects									
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviation	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Improved employability of youth through training	2 000 unemployed learners enrolled in Skills programmes	Number of unemployed learners enrolled in Skills programmes	2 046	1 882	2 000	0	-2 000	The remaining targets were set to be achieved in the subsequent quarters	Target decreased in the re-tabled APP. However, budget increased to cater for laptops, stipends and data costs
	1 400 unemployed learners completed Skills programmes	Number of unemployed learners completed Skills programmes	1 478	3 551	1 400	49	-1 315	The target was set to be achieved in Quarter Four	Target decreased d in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four-month skills levy holiday
	Bursaries awarded for high and intermediate level skills required by the ETD sector	Number of bursaries awarded to the unemployed (New intake)	2 403	9 465	650	0	-650	The target was set to be achieved in the Quarter Four	Target decreased in the re-tabled APP. However, budget increased from R76 000 p/p to R100 000 p/p to cater for laptops and data costs
	500 bursaries awarded to the unemployed (Renewals)	Number of bursaries awarded to the unemployed (Renewals)	-	1 002	500	0	-500	The target was set to be achieved in the Quarter Four	Target increased in re-tabled APP in accordance with the actual 2019/20 reported bursary renewals numbers
	200 learners enrolled in RPL programmes	Number of learners enrolled in RPL programmes	302	151	200	0	-200	The targets was set to be achieved in Quarter Four	None
	140 learners completed RPL programmes	Number of learners who completed RPL programmes	140	229	140	0	-140	The target was set to be achieved in Quarter Four	None

Originally tabled APP (March/April 2020)									
Programme 3: Learning Programmes and Projects									
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviation	Reasons for revisions to the Outputs/ Output indicators/ Annual Targets
Scaled support career development services	Career development events increased by 50%	Number of career development events organised	76	77	36	0	-36	The remaining targets were set to be achieved in the subsequent quarters	Output indicator and target removed in the retabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four monts skills levy holiday
	300 people with disabilities enrolled in skills programmes	Number of people with disabilities enrolled in skills programmes	-	300	300	0	-300	The target was set to be achieved in Quarter Three	Target decreased in the re-tabled APP. However, budget increased to cater for gadgets, stipends and data costs
Improved quality of teaching and learning in schools	DBE Skills Development Projects implemented	Number of DBE Skills Development Projects in place	15 702 ¹	1	9	0	-9	The target was set to be achieved in Quarter Four	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
Improved skills levels of the ETD constituencies through training	1 000 workers enrolled for full qualifications	Number of workers enrolled in skills development programmes	2 294	3 774	1 000	0	-1 000	The remaining targets were set to be achieved in the subsequent quarters	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
	1141 workers completed skills development programmes	Number of workers who completed skills development programmes	341	1 096	1 141	388	-743	The remaining targets were set to be achieved in the subsequent quarters	None
	490 workers granted bursaries who completed their studies	Number of workers granted bursaries who completed their studies	426	770	490	0	-490	The target was set to be achieved in Quarter Three	The target was removed in the re-tabled APP because the enrolment numbers were also removed

¹This is the number of individual teachers and government officials supported through skills development.

Originally tabled APP (March/April 2020)									
Programme 3: Learning Programmes and Projects									
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviation	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Improved skills levels of the ETD constituencies through training	6 000 workers enrolled in Skills programmes	Number of workers enrolled in Skills programmes	17 491	13 771	6 000	0	-6 000	The target was set to be achieved in Quarter Three	Output Indicator decreased due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
	50 TVET partnerships established	Number of TVET partnerships established	50	38	50	0	-50	The target was set to be achieved in Quarter Three	None
	26 HEI partnerships established	Number of HEI partnerships established	26	22	26	0	-26	The target was set to be achieved in Quarter Three	None
	Number of CET partnerships established	Number of CET partnerships established	723 ²	-	9	0	-9	The target was set to be achieved in the quarter four	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
	Cooperatives funded for skills development	Number of cooperatives funded for skills development	-	42	9	0	-9	The target was set to be achieved in Quarter Four	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday

² This achievement was a combination of TVET and community college lecturers supported.

Originally tabled APP (March/April 2020)									
Programme 3: Learning Programmes and Projects									
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviation	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Improved skills levels of the ETD constituencies through training	Number of CBOs/NGOs/ NPOs supported with training interventions	Number of CBOs/NGOs/ NPOs supported with training interventions	-	60	18	0	-18	The target was set to be achieved in Quarter Four	Target was decreased in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
Re-tabled APP (July 2020)									
Programme 3: Learning Programmes and Projects									
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviations	
Expanded access and success of the PSET	350 TVET colleges students received workplace experience	Number of TVET students requiring work integrated learning to complete their qualifications placed in workplaces	1 150	1 563	350	354	+4	Overachieved	
	1 085 TVET colleges students completed their work integrated learning placements	Number of TVET students who completed their work integrated learning placements	380	1 052	1 085	1 369	+284	Overachieved (More students than the projected number completed their programmes)	
	University students who completed their work integrated learning placements	Number of university students who completed their work integrated learning placements	372	1 397	-	-	-	-	

Re-tabled APP (July 2020)								
Programme 3: Learning Programmes and Projects								
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviations
	1 000 graduates placed in internships	Number of unemployed learners who enrolled in Internships	3 046	2 018	1 000	3 034	+2 034	Overachieved (Unemployed people were recruited and placed in schools to work as Covid-19 screeners)
	1 400 graduates placed in internships in 2019/20 completed internships	Number of unemployed learners who completed Internships	505	2 610	1 400	4 769	+3 369	Overachieved (Interns who were hosted by the PDoEs also completed their internships)
	80% of projects monitored for implementation within set time frames	Percentage of projects monitored for implementation within set time frames	-	87%	80%	91%	+11%	Overachieved (More projects were monitored than initially planned)
Improved employment opportunities for youth through training	1 155 unemployed learners completed Learnerships programmes	Number of unemployed learners who completed Learnerships programmes	864	953	1 155	1 642	+487	Overachieved (More learners than the projected number completed their studies)

Re-tabled APP (July 2020)								
Programme 3: Learning Programmes and Projects								
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviations
Improved employability of youth through training	750 unemployed learners enrolled in Skills programmes	Number of unemployed learners who enrolled in Skills programmes	2 046	1 881	750	750	-	None
	700 unemployed learners completed Skills programmes	Number of unemployed learners completed Skills programmes	1 478	3 551	700	1 667	+967	Overachieved (More learners than the projected number completed their studies)
	500 Bursaries awarded for high and intermediate level skills required by the ETD sector	Number of bursaries awarded to the unemployed (New intake)	2 403	9 465	500	605	+105	Overachieved (More students were awarded bursaries within the allocated budget)
	300 unemployed learners granted bursaries and completed their studies	Number of unemployed learners granted bursaries who completed their studies	-	235	300	107	-193	Underachieved (Extension of the academic year due to Covid-19 caused delays in receiving of students results)
	500 bursaries awarded to the unemployed (Renewals)	Number of bursaries awarded to the unemployed (Renewals)	-	1 002	550	585	+35	Overachieved (More learners were enrolled within the allocated budget)
	200 learners enrolled in RPL programmes	Number of learners who enrolled in RPL programmes	302	151	200	200	-	None
	140 learners completed RPL programmes	Number of learners who completed RPL programmes	-	229	140	141	+1	Overachieved
	25 Career development practitioners trained	Number of career development practitioners trained	-	-	25	25	-	None

Re-tabled APP (July 2020)								
Programme 3: Learning Programmes and Projects								
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviations
Scaled support career development services	250 people with disabilities enrolled in skills programmes	Number of people with disabilities enrolled in skills programmes	-	300	250	250	-	None
Improved quality of teaching and learning in schools	DBE Skills Development Projects implemented	Number of DBE Skills Development Projects in place	9	-	8	8	-	None
Improved skills levels of the ETD constituencies through training	4 500 health workers and shop stewards enrolled for Covid-19 related skills programmes	Number of health workers and shop stewards who enrolled for Covid-19 skills development programmes	-	-	4 500	6 970	+2 470	Overachieved (More learners were enrolled within the allocated budget)
	700 of workers enrolled in skills development programmes	Number of workers who enrolled in skills development programmes	2 294	14 011	700	3 419	+2 719	Overachieved (More learners were enrolled in various programmes through partnership projects)
	1 141 workers completed full qualifications	Number of workers completed skills development programmes	341	12 384	1 141	10 447	+9 306	Overachieved (More learners than the projected number completed their programmes)
	3 TVET special projects established	Number of TVET special projects established	3	-	3	4	+1	Overachieved
	50 TVET partnerships established	Number of TVET partnerships established	50	38	50	48	-2	Underachieved (No projects implemented in 2020/21 against two MOUs even though the MOUs were in place)
	26 partnership projects established with HEIs	Number of partnerships established with HEIs	26	9	26	26	-	None
	50 Number of CBOs/ NGOs/ NPOs supported with training interventions	Number of CBOs/ NGOs/ NPOs supported with training interventions	-	63	5	6	+1	Overachieved

2020/21 Originally tabled APP (March/April 2020)			2020/21 Re-tabled APP (July 2020)			
Output	Output Indicator	Target	Output	Output Indicator	Target	Comment
3.1	Number of TVET students requiring work integrated learning to complete their qualifications placed in workplaces locally and internationally	500	3.1	Number of TVET students requiring work integrated learning to complete their qualifications placed in workplaces	350	Output indicator revised and target decreased due to Covid-19 uncertainties and the availability of the workplaces. Available budget re-directed to fund bursary students (New Intake)
3.3	Number of universities students requiring work integrated learning to complete their qualifications placed in workplaces	1 000	-	-	-	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
3.4	Number of universities students completed their work integrated learning placements	700	-	-	-	The target was removed in the re-tabled APP because the enrolment numbers were also removed
3.6	Number of unemployed learners who completed internships	422	3.5	Number of unemployed learners who completed internships	1 400	Target increased in accordance with the actual 2019/20 reported placement numbers
3.7	Percentage of projects monitored for implementation within set timeframes	40%	3.6	Percentage of projects monitored for implementation within set timeframes	80%	Target increased in accordance with the 2019/20 baseline
3.8	Number of evaluation studies conducted to assess the impact of project/s implemented	1	-	-	-	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
3.9	Number of unemployed learners enrolled in Learnerships programmes	2 000	-	-	-	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
3.11	Number of unemployed learners enrolled in Skills programmes	2 000	3.8	Number of unemployed learners enrolled in Skills programmes	750	Target decreased in the re-tabled APP. However, budget increased to cater for laptops, stipends and data costs

2020/21 Originally tabled APP (March/April 2020)			2020/21 Re-tabled APP (July 2020)			
Output	Output Indicator	Target	Output	Output Indicator	Target	Comment
3.12	Number of unemployed learners who completed Skills programmes	1 400	3.9	Number of unemployed learners who completed Skills programmes	700	Target decreased in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
3.13	Number of bursaries awarded to the unemployed (New intake)	650	3.10	Number of bursaries awarded to the unemployed (New intake)	500	Target decreased in the re-tabled APP. However, budget increased from R76 000 p/p to R100 000 p/p to cater for laptops and data costs
3.15	Number of bursaries awarded to the unemployed (Renewals)	500	3.12	Number of bursaries awarded to the unemployed (Renewals)	550	Target increased in accordance with the actual 2019/20 reported bursary renewal numbers
3.18	Number of career development events organised	36	-	-	-	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
3.20	Number of people with disabilities enrolled in Skills Development Programmes	300	3.16	Number of people with disabilities enrolled in Skills programmes	250	Target decreased in the re-tabled APP. However, budget increased to cater for gadgets, stipends and data costs
3.21	Number of DBE Skills Development Projects in place	9	3.17	Number of DBE Skills Development Projects in place	9	Target not changed. However, budget decreased due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
3.22	Number of workers enrolled in Skills Development programmes	1 000	3.19	Number of workers enrolled in Skills Development programmes	700	Target decreased due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
3.24	Number of workers granted bursaries who completed their studies	490	-	-	-	The target was removed in the re-tabled APP because the enrolment numbers were also removed

2020/21 Originally tabled APP (March/April 2020)			2020/21 Re-tabled APP (July 2020)			
Output	Output Indicator	Target	Output	Output Indicator	Target	Comment
3.25	Number of workers enrolled in Skills programmes	6 000	3.18	Number of health workers and shop stewards enrolled for Covid-19 Skills Development programmes	4 500	Output Indicator decreased due to Covid-19 uncertainties and the reduced revenue as a result of the four monts skills levy holiday
-	-	-	3.21	Number of TVET special projects established	3	Introduced new Output Indicator and target as result of moving funds around
3.29	Number of CET partnerships established	9	-	-	-	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
3.30	Number of cooperatives funded for skills development	9	-	-	-	Output indicator and target removed in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday
3.31	Number of CBOs/NGOs/NPOs supported with training interventions	18	3.24	Number of CBOs/NGOs/NPOs supported with training interventions	5	Target was decreased in the re-tabled APP due to Covid-19 uncertainties and the reduced revenue as a result of the four month skills levy holiday

11.3.3. Strategy to Overcome Areas of Underperformance

Output Indicator	Output Indicator	Strategy to Overcome Areas of Underperformance
3.11	Number of unemployed learners granted bursaries who completed their studies	Students granted bursaries by the SETA will be provided with additional academic support given that the throughput rate in Higher Education Insitutions is not always satisfactory. For 2020/2021, the Covid-19 outbreak and the lockdown protocols led to the extension of the academic year
3.22	Number of TVET partnerships established	All public TVET colleges partnership agreements that are entered into will be accompanied by programmes and projects identified for implementation as contained in the annual operational plan in a respective financial year

11.3.4. Institutional Response to the Covid-19 Pandemic

Programme/ Sub-Programme	Intervention	Output Indicator	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
Programme 3: Learning Programmes and Projects	Continuous Professional Development in Covid-19	Number of health workers and shop stewards enrolled for Covid-19 skills development programmes	National Project	6 970		Male	Female	6970	4 400	0	Overachieved the set target by 2 470	Health workers and shop stewards were able to practice and follow the prescribed Covid-19 health protocols resulting in the reduction of cases and deaths
					Black African	779	1 398	2 177				
					Black Coloured	906	1 726	2 632				
					White	143	271	414				
					Black Indian/Asian	576	1 171	1 747				
					Youth	631	1 052	1 683				
					Disability	0	0	0				
					Non South African Citizen	0	0	0				
	Covid-19 School Screeners	Number of unemployed learners enrolled in internships	Free State, Limpopo, North West and Northern Cape	1 877		Male	Female	1 877	27 420	18 000	Overachieved the set target by 2 034	Covid-19 School Screeners were able to enforce and get the respective school communities to adhere to the prescribed Covid-19 health protocols as a mitigation strategy thereby minimising the risk of infection and disruptions in schooling
					Black African	517	1 255	1 772				
					Black Coloured	30	70	100				
					White	0	4	4				
					Black Indian/Asian	0	1	1				
					Youth	0		0				
					Disability	0	0	0				
					Non South African Citizen	0	0	0				
					Non-RSA Citizen	1	0	1				

In response to the Covid-19 pandemic, the ETDP SETA, in partnership with the Wits Health Consortium and Health and Welfare SETA (HWSETA), implemented an occupational health and safety programme which resulted in the training of 25 441 beneficiaries. Of this figure, the ETDP SETA financially contributed to 6 971 beneficiaries. The programme was conducted virtually.

11.3.5. Linking Performance with Budget

Sub-programmes	Budget (2019/20)	Actual Expenditure (2019/20)	Commitment (2019/20)	Variance (2019/20)	Budget (2020/21)	Actual Expenditure (2020/21)	Commitment (2020/21)	Variance (2020/21)
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Implementation of learning programmes as per NSDP outcomes:								
Employed Learning programmes	345 122	158 241	323 005	(136 124)	96 128	20 731	77 459	(2 062)
Unemployed Learning programmes and student programmes	349 530	74 544	414 623	(139 637)	273 347	144 653	130 224	(1 530)
CBOs/NGOs/NPOs Partnership Projects	21 000	1 055	15 568	4 377	1 075	-	700	375
TVET Partnership Projects					1 578	937	321	320
DBE Partnership Projects					214 730	8 135	182 465	24 130
Career and Vocational Guidance	1 000	-	-	1 000				
Surplus	316 200	-	304 770	11 430	-	-	-	-
TOTAL:	1 032 852	233 840	1 057 966	258 954	586 858	174 456	391 169	21 233

The original APP budget was R469 158m. In the Fourth Quarter of the financial year an additional R70m became available as more revenue was received, furthermore, the Tholisiwe audit which was constituted by DHET was concluded and an additional R50m was available to use in discretionary grants projects. Hence the budget moved from R469 158m to R586 858m.

11.4. Programme 4: Quality Assurance

Purpose

The purpose of this programme is to ensure quality provisioning of Post School Education and Training (PSET) learning programmes.

Sub-programmes

This programme comprises of the following sub programmes:

- Qualification Development: The purpose of this sub-programme is to develop occupational qualifications for occupations in high demand;
- RPL Assessment Centres: The purpose of this sub-programme is to establish assessment centres which are capable of assessing candidates’ experiences acquired through formal, non-formal and information settings.

Outcomes

Increase access to occupationally directed programmes.

Actual achievements

Due to the review of the originally tabled Annual Performance Plan (APP), targets detailed hereunder were not achieved because they were not due for reporting before the tabling of the revised APP:

- One occupational qualification developed; and
- Three RPL Assessment Centres established and maintained

Furthermore, Output, Output Indicators and Annual Targets of the sub-programmes linked to this programme, were revised.

As a result of revised Output, Output Indicators and Annual Targets, the following were achieved:

- Integrated Summative Assessments: A total of 91 candidates sat for External Integrated Summative Assessment (EISA) sessions, which were administered through four Technical, Vocational, Education and Training (TVET) Colleges. EISA sessions were conducted against the Early Childhood Development Practitioner and Library Assistant occupational qualifications; and
- Certificates of Competence: 10 954 Certificates of Competence were printed and issued to candidates who complied fully with the certification requirements of the historically registered qualifications.

Originally tabled APP (March/April 2020)									
Programme 4: Quality Assurance									
NSDP Outcome	Output	Output Indicator (OI)	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21) Until date of Re-tabling	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviation	Reasons for Revision to the Outputs/ Output Indicator/ Annual Targets
Improved quality of PSET provisioning	Occupational qualifications that promote occupations in high demand are developed	Number of occupational qualifications developed	-	-	1	-	-	Target was not due for reporting	Target removed due to levy payment holiday
		Number of RPL assessment centres established and maintained	-	-	3	-	-	Target was not due for reporting	Target removed due to levy payment holiday

Re-tabled APP (July 2020)									
Programme 4: Quality Assurance									
NSDP Outcome	Output	Output Indicator	Audited Actual Achievement (2018/19)	Audited Actual Achievement (2019/20)	Planned Target (2020/21)	Actual Achievement (2020/21)	Deviation from Planned Target to Actual Achievement (2020/21)	Reasons for Deviation	
Increase access to occupationally directed programmes.	Occupational qualifications that promote occupations in high demand are implemented	Number of candidates sit for EISA	-	-	90	91	+1	Additional candidates to the confirmed number of candidates who were accepted for EISA, met the admission requirements before the assessment sessions took place	
		Number of Certificates of Competence printed and issued	15 822	8 758	5 000	10 954	+5 954	Due to the Covid-19 Pandemic, the target was reduced compared to audited actual achievement of the previous financial year	

11.4.1. Changes to planned targets

Original Approved 2020/21 APP as submitted in January 2020			2020/21 Amended APP			
Output	Output Indicator	Target	Output	Output Indicator	Target	Comment
4.1.	Number of occupational qualifications developed	1	4.1	Number of candidates sit for Integrated Summative Assessments	90	Output indicator and target revised
4.2.	Number of RPL Assessment centres established and maintained	3	4.2	Number of Certificates of Achievement are printed and issued	5 000	Output indicator and target revised

11.4.2. Strategy to Overcome Areas of Underperformance

None

11.4.3. Institutional Response to the Covid-19 Pandemic

Sub-programme	Intervention	Geographical Location (Where Applicable)	No of Beneficiaries (Where Applicable)	Disaggregation of Beneficiaries (Where Applicable)	Total Budget Allocation per Intervention (R'000)	Budget Spent per Intervention	Contribution to the Outputs in the APP (Where Applicable)	Immediate Outcome
Certificates of Competence	Online External moderation	Nationally	184 Skills Development Providers	-	-	-	10 954 Certificates of Competence were issued to qualifying candidates	Skills Development Providers were able to conduct assessments during the periods under review
	Accreditation of Skills Development Providers (Online and other blended modes of learning programme delivery)	Nationally	27 Skills Development Providers	-	-	-	-	Skills Development Providers continued to offer Skills Development Programmes during the period under review

In response to the Covid-19 Pandemic challenges and their demands, quality assurance systems and processes were reviewed and the following were implemented:

- Enhancement of the Indicium System focusing on external moderation functionality, which introduced a process for online external moderation of assessment results. Prior to this, desktop external moderation was introduced in the first quarter of the period under review. Through these processes, 23 634 assessment results were endorsed; and
- A mechanism for the accreditation of Skills Development Providers to deliver learning programmes through online, distance or blended mode of learning programme delivery was established. Furthermore, a mechanism which enabled the Skills Development Providers to submit their applications for accreditation electronically was introduced.

Linking performance with budget

Output Indicators							
	Budget 2019/20	Actual Expenditure 2019/20	Over/Under Expenditure 2019/20	Budget 2020/21	Commitment 2020/21	Actual Expenditure 2020/21	Over/Under Expenditure 2020/21
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Number of Candidates who sat for EISA	-	-	-	500	0	465	(35)
Number of Certificates of Achievements printed and issued	2 600	211	(2 389)	150	0	0	(150)
TOTAL	2 600	211	(2 389)	650		465	(185)



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The ETDP SETA/ DHET SLA 2020/21

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The table below outlines the ETDP SETA performance against the SLA with the DHET.

2020/21 ETDP SETA-DHET Service Level Agreement						
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	SLA TARGETS	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE
Identify and increase production of occupations in high demand	National enrolment and resource ratios for the high, intermediate and elementary skills level	Percentage of discretionary grant budget allocated at developing high, intermediate and elementary level skills	92%	92%	100%	0%
	Identification of interventions required to improve enrolment and completion of priority occupations	Number of WSPs and ATRs approved for Small firms	580	687	118%	107
		Number of WSPs and ATRs approved for Medium firms	270	278	103%	8
		SETAs through their skills planning research, identify established and emergent cooperatives and their skills needs	1	1	100%	0

2020/21 ETDP SETA-DHET Service Level Agreement						
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	SLA TARGETS	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE
Identify and increase production of occupations in high demand	Identification of interventions required to improve enrolment and completion of priority occupations	SETAs through their skills planning research, identify skills needs of small and emerging enterprises	0	0	0%	0
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	350	354	101%	4
		Number of TVET students who completed their Work Integrated Learning placements.	1 085	1 369	126%	284
		Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces	0	0	0%	0

2020/21 ETDP SETA-DHET Service Level Agreement						
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	SLA TARGETS	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE
Linking education and the workplace	Opening of workplace based learning opportunities increased	Number of university students who completed their Work Integrated Learning placements	0	63		63
		Number of unemployed learners who enrolled in internships	1 000	3034	303%	2 034
		Number of unemployed learners who completed internships	1 400	4 769	341%	3 369
		Number of unemployed learners who enrolled in Skills programmes	750	750	100%	0
		Number of unemployed learners who completed Skills programmes	700	1 667	238%	967

2020/21 ETDP SETA-DHET Service Level Agreement						
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	SLA TARGETS	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE
Linking education and the workplace	Opening of workplace based learning opportunities increased	Number of unemployed learners who enrolled in Learnerships programmes	0	0	0%	0
		Number of unemployed learners who completed Learnerships programmes	1 155	1 642	142%	487
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	700	3 419	488%	2 719
		Number of workers who completed Skills Development Programmes	1 141	10 447	916%	9 306
		Number of workers granted Bursaries who completed their studies	0	0	0%	0

2020/21 ETDP SETA-DHET Service Level Agreement						
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	SLA TARGETS	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE
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 programmes	4 500	6 970	155%	2 470
		Number of workers who completed Skills programmes	0	0	0%	0
Increase access to occupationally directed programmes	Increase access for Intermediate and high level skills	Number of unemployed learners granted bursaries (New enrolments)	500	605	121%	105
		Number of unemployed learners granted bursaries (Continuing)	550	585	106%	35

2020/21 ETDP SETA-DHET Service Level Agreement						
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	SLA TARGETS	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE
Increase access to occupationally directed programmes	Increase access for Intermediate and high level skills	Number of unemployed learners granted bursaries who completed their studies	300	107	36%	-193
		Number of learners who enrolled in RPL/Artisan Recognition of Prior Learning (ARPL)	200	200	100%	0
		Number of learners who completed RPL/ARPL	140	141	101%	1
		Number of TVET partnerships established	50	48	96%	-2
		Number of HEI partnerships established	26	26	100%	0
		Number of CET partnerships established	0	0	0%	0

2020/21 ETDP SETA-DHET Service Level Agreement						
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	SLA TARGETS	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE
Support the growth of the public college system	Support the TVET Colleges	Number of SETA offices established and maintained in TVET colleges	3	3	100%	0
		Number of Centres of Specialisation supported	0	0	0%	0
		Number of TVET Lecturers exposed to the industry through Skills Programmes	0	0	0%	0
		TVET colleges infrastructure development (equipment/ workshops)	0	0	0%	0

2020/21 ETDP SETA-DHET Service Level Agreement						
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	SLA TARGETS	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE
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 Co-Operatives supported with training interventions or funded	0	0	0%	0
		Number of CBOs/NGOs/NPOs supported with training interventions or funded	5	6	120%	1
Support career development services		Number of Career Development Events in urban areas on occupations in high demand	0	0	0%	0
		Number of Career Development Events in rural areas on occupations in high demand	0	0	0%	0
		Number of Career Development Practitioners trained	25	25	100%	0

2020/21 ETDP SETA-DHET Service Level Agreement						
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	SLA TARGETS	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE
Governance		Quarterly SETA Good Governance report	4	4	100%	0
Rural Development		Number of Rural Development Projects initiated	3	3	100%	0
Achievement against the SLA in %						93%

Number of SLA Targets	27
Number of SLA Targets Achieved	25

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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 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 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 this amount is appropriated to the SETA with which the department is affiliated. For departments belonging to more than one SETA, a 30% levy is apportioned proportionally. The ETDP SETA receives contributions in this regard from the Department of Education across the nine provinces and the DHET.

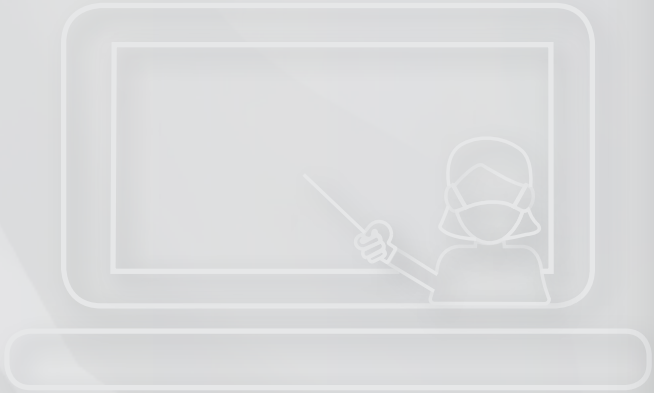
During the 2021 financial year, ETDP SETA managed to collect the revenue due to it.

14. Capital Investment

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

PART C

Governance



15

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 the standard Constitution which was determined by the Minister of Higher Education, Science and Technology and gazetted by Parliament (Government Notice R1399 in Government Gazette No. 24035).

The Accounting Authority (AA) and its structures comply with the good governance principles that are embodied in the various legislative frameworks, regulations and reports such as the Companies Act and King IV™ Report.

15.1. Portfolio Committee

The Parliamentary Portfolio Committee on Higher Education, Science and Technology has an oversight role on public entities of the DHET.

The ETDP SETA appeared before the Portfolio Committee on Higher Education, Science and Technology on the 20th of May 2020 to present the Strategic Plan (2020-2025) and Annual Performance Plan (2020/21). The committee engaged the SETA on the prior year's performance and requested that the issuance of the learner certificates not be delayed. The presented documents were approved. Furthermore, the committee requested the ETDP SETA to support TVET Colleges to improve the audit outcomes by training the relevant personnel on financial and supply chain programmes. The ETDP SETA has implemented the request of the committee, training and development is underway and a partnership with DHET, SACPO, ETDP SETA and FASSET SETA is in progress.

The Annual Performance Plan (2021/2022) and the Strategic Plan (2020-2025) were tabled and approved by Parliament.

15.2. Executive Authority

The Executive Authority of the ETDP SETA is the Minister of Higher Education, Science and Innovation. The Executive Authority appointed the Accounting Authority from constituencies of the ETD Sector. The AA appointment was effective from 1 April 2020 to the 31 March 2025. Following the inception of the New Accounting Authority, all five AA committees were reconstituted.

The Significance and Materiality Framework and the budget were approved by the Executive Authority. There is also a Service Level Agreement (SLA), which regulates the delivery of the agreed targets between the SETA and the Department of Higher Education and Training. The SLA was approved by the Director General of the Department of Higher Education, Training and Development.

The following are the reports submitted to the Executive Authority by ETDP SETA:

Report	Date Submitted
Quarterly Monitoring Report Quarter One	31 July 2020
Quarterly Monitoring Report Quarter Two	15 October 2020
Quarterly Monitoring Report Quarter Three	18 January 2020
Quarterly Monitoring Report Quarter Four	16 April 2021

15.3. The Accounting Authority (The Board)

Introduction

The purpose of the AA is to provide strategic leadership and oversight so as 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 NSDP and SLA entered into with DHET.

The AA executes its functions and powers as outlined in the Standard Constitution of 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;
- Ensures that the SETA complies with the relevant statutory requirements and the requirements of the Constitution;
- Manages institutional risks;
- 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.

15.4. Accounting Authority Charter

The AA complies with the approved governance charter and provides performance and financial reports quarterly to the DHET as per the prescribed template. The Governance Charter is a standard charter that was provided to all SETAs on the 30th March 2016.

The following are the key areas in the Governance Charter:

- An outline of the Accounting Authority members’ fiduciary duties;
- Confirmation of the Accounting Authority’s expectations of its members;
- The requirement to maintain any CPD accreditations associated with their respective professional bodies; as well as;
- A reminder to comply with the Constitution regarding any other relevant legislation application to the SETA as well as the organisation’s internal governance instruments, including policies, standards and procedures.

The Charter should also include the following:

- The meeting procedure to be followed when declaring actual or potential Conflicts of Interest, including the timing and manner of declarations as well as the process to be followed (outside of a meeting) in the event of an actual or potential Conflict of Interest;
- The approval of the Accounting Authority Member and Committee Member Fees, clearly indicating whether these fees are aligned to the provisions of the National Treasury; and

- The requirement to perform regular Skills, Experience and Competency Mappings to determine whether there are any skills and experience gaps which need to be filled, either by way of co-opting Committee Members or CPD programmes.

15.5. Composition of the Board

The ETDP SETA has 15 members of the AA made up of the following constituent organisations:

- Chairperson of the AA
- Organised Employers: Six
- Organised Labour: Six
- Other: Two (One from Universities and one from Private Training Providers)

All members have been nominated by their Constituent principals and thereafter submitted to the Executive Authority for approval.

15.5.1 Qualifications and Expertise of the AA members

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees	Number of meetings
Duncan Hindle	01 April 2020	-	Bachelor In Education Honours	Education Governance	ETDP SETA Umalusi	EXCO	9
Simoné Geyer	01 April 2020	-	LLM (Labour Law)	Education, Labour Law, Human Resource Development and Negotiations	ETDP SETA	EXCO	5
Thembisa Futshane	01 April 2020	-	Masters in 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	HR Chairperson	4
Hellen Ntlatleng	01 April 2020	-	BA, Education Diploma, Post Graduate course in National Leadership GIBBS	Education	ETDP SETA University of Limpopo	-	5
Mandla Mthembu	01 April 2020	-	Masters Degree (Kent University. UK), BA (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 Fundisa Isizwe Trust	EXCO QAC Chairperson	10

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees	Number of meetings
Vijayathimala Singh (Dr)	01 April 2020	-	Doctorate in Educational Psychology	Human Resource Strategy, Governance, Risk Management, Research and Leadership	ETDP SETA	HER Chamber Chairperson	10
Linda Ingram	01 April 2020	-	Higher Certificate in Education	Online learning and integrated systems Education Business processes	ETDP SETA APPETD The Education Scene (Pty) LTD Bridge 2 Loan (Pty) LTD Round of Applause (Pty) Ltd	-	9
Amos Vusi Monyela	01 April 2020	-	Masters in Public Administration	Human Resource Management	ETDP SETA	EXCO TVET/CET Chamber Chairperson	7
Faseega Solomon	01 April 2020	-	BA; ACE in Biological Sciences Diploma in Education	Teacher Professional Development, Curriculum and Assessment	ETDP SETA	Schooling Chamber Chairperson	9
Lindiwe Motshwane	01 April 2020	-	Postgraduate Diploma in Public Management, ACE, Diploma Labour Law	Trade Unionism, Education, Labour Law, Public Management, Finance	ETDP SETA	EXCO FINCOM Chairperson	10
Nolitha Mboniswa	01 April 2020	-	BA, Higher Diploma in Education	Education, Trade Unionism	ETDP SETA	Audit Committee Member	9
Nkosipendule Ntantala	01 April 2020	-	BA Ed	Teaching, Leadership, Management and Administration, Public Speaking, Microsoft Office, Labour Matters	ETDP SETA	ICT Governance Chairperson	9

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees	Number of meetings
Dimakatso Moses Peo	01 April 2020	-	MBA and Trade (Industrial Instrumentation) National diploma Commercial Practice; Diploma Projects Management; Postgraduate Certificate in Management.	Education, Trade Unionism, Labour	ETDP SETA	-	9
Thokozani Mathebula (Dr)	01 April 2020	-	Ph.D. (2010), M.Ed. (2001), B.Ed. (1999) & B.A.Ed. (1995-1998)	Democracy and citizenship education, African philosophy, school governance, social justice and research in education	ETDP SETA & Editorial Board Member of the South African Democratic Teachers Union Journal (2018 to date)	-	10
Patricia Chiloane	01 April 2020	-	National diploma and further education qualifications Extended Diploma in Global Business Management (Level 11)	Entrepreneur specializes in Skills Development with a particular passion for Community Development, Ensuring previously disadvantaged communities are employable		-	9

The number of meetings held includes, scheduled AA meetings (4), Special AA Meeting (2), Induction Session held for the newly appointed AA (1), Strategic Planning (1), Annual General Meeting (1) and Governance Training (1).

Governance structures of the ETDP SETA consist of Board sub-committees and Advisory Chambers

The Accounting Authority established its committee as follows:

The Executive Committee

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

The Audit Committee

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

Quality Assurance Committee

The purpose 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.

The three Advisory Chambers which were established from the organisational constituencies to advise the Accounting Authority on ETD sector matters are:

Chambers

Schooling/ECD Chamber

The purpose 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 the SETA’s mandate in the sector.

TVET/CET Chamber

The purpose 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 enhances the SETA’s mandate in the sector.

Higher Education and Research Chamber

The purpose 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 the SETA’s mandate in the sector.

15.6 Meeting Attendance

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

Name of member	Number of AA and Special AA meetings	Number of meetings attended
Vusi Mokwena (Audit Committee Chairperson)	4	4
Pumla Mzizi (Audit Committee Chairperson)	2	1

Mr V Mokwena attended all 4 scheduled and special meetings of the Accounting Authority that were convened from 1st April 2020 to the 31st July 2020 during his term of office that ended on the 31st July 2021.

Ms Pumla Mzizi’s term of office started on the 1st August 2020 and she attended one of the two remaining scheduled meetings of the Accounting Authority for the 2020/21 financial year.

An Audit Committee Member Mr Linda Nene attended the October 2020 meeting upon request of the Audit Committee Chairperson, Ms Mzizi.

The table below covers the Stand-ins for Chairpersons of Committees attending the Accounting Authority Meetings:

Name of member	Number of meetings held	Number of meetings attended
Xolani Mdoda (HR Committee Member)	1	1

Chairperson of the HR Committee nominated Mr Mdoda as a member of the HR Committee to present the HR Committee Report during her absence at the 27 January 2021 AA Meeting.

15.6.1. Meeting Attendance for the Executive Committee

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

15.6.2. Meeting Attendance for the Audit Committee (term 2018–2020)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Vusi Mokwena (Chairperson)	23 May 2018	31 July 2020	2	2
Charles Motau (Dr)	23 May 2018	31 July 2020	2	2
Pumla Mzizi	23 May 2018	31 July 2020	2	2
Thirona Moodley	23 May 2018	31 July 2020	2	1
Ntsetsa Molalekoa	23 May 2018	31 July 2020	2	2

15.6.3. Meeting Attendance for the Audit Committee (term 2020-2025)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Pumla Mzizi (Chairperson)	01 August 2020	-	9	9
Raksha Beecum Khadaroo	01 August 2020	-	9	9
Linda Nene	01 August 2020	-	9	7
Ntsetsa Molalekoa	01 August 2020	-	9	7
Nolitha Mboniswa	01 August 2020	-	9	8

15.6.4. Meeting attendance for the Finance Committee (term 2018 -2020)

Name and Surname	Date Appointed	Date Resigned	Number of meetings held	Number of meetings attended
Lindiwe Motshwane	23 May 2018	31 July 2020	2	2
Neo Maimane	31 July 2018	31 July 2020	2	2
Nkosipendule Ntantala	31 July 2018	31 July 2020	2	2
Nick Nicholls	23 May 2018	31 July 2020	2	2
Kulula Manona	4 February 2019	31 July 2020	2	2

15.6.5. Meeting attendance for the Finance Committee (term 2020-2025)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Lindiwe Motshwane (Chairperson)	1 August 2020	-	5	5
Maria Walshe	1 August 2020	-	5	5
Kulula Manona	1 August 2020	-	5	5
Thirona Moodley	1 August 2020	-	5	5
Neo Maimane	1 August 2020	-	5	3
Nokukhanya Mashilo	1 August 2020	-	5	5

15.6.6. Meeting attendance for the Human Resource Committee (2018-2020)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Sello Sethusha	23 May 2018	31 July 2020	2	2
Xolani Mdoda	23 May 2018	31 July 2020	2	2
Enoch Rabotapi	23 May 2018	31 July 2020	2	2
Tseliso Ledimo	23 May 2018	31 July 2020	2	0
Deonita Damons (Dr)	5 February 2019	31 July 2020	2	2

15.6.7. Meeting attendance for the Human Resource Committee (2020-2025)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Thembisa Futshane	1 August 2020	-	5	4
Xolani Mdoda	1 August 2020	-	5	5
Enoch Rabotapi	1 August 2020	-	5	5
Tseliso Ledimo	1 August 2020	-	5	4
Jeanine Topping	1 August 2020	-	5	5

15.6.8. Meeting attendance of the Remuneration Committee

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Thembisa Futshane	28 July 2020	-	9	5
Xolani Mdoda	28 July 2020	-	9	9
Enoch Rabotapi	28 July 2020	-	9	9
Tseliso Ledimo	28 July 2020	-	9	1
Jeanine Topping	28 July 2020	-	9	3
Lindiwe Motshwane	28 July 2020	-	9	9

15.6.9. Meeting attendance of the ICT Governance Committee (2018-2020)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
John Landman	23 May 2018	31 July 2020	2	2
Amos Monyela	23 May 2018	31 July 2020	2	1
Sipho Ngcobo	23 May 2018	31 July 2020	2	0
David Mawela	23 May 2018	31 July 2020	2	2
Ebrahim Ansur	23 May 2018	31 July 2020	2	2

15.6.10. Meeting attendance of the ICT Governance Committee (2020-2025)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Nkosipendule Ntantala	1 August 2020	-	2	2
David Mawela	1 August 2020	-	2	2
Ebrahim Ansur	1 August 2020	-	2	2
Anton De Boer	1 August 2020	-	2	2
Charles Motau (Dr)	1 August 2020	-	2	1
Nthabiseng Tema	1 December 2020	-	2	1

15.6.11. Meeting attendance of the Quality Assurance Committee (2018-2020)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Mandla Mthembu	23 May 2018	31 July 2020	2	2
Confidence Dikgole	23 May 2018	31 July 2020	2	2
Habib Karimulla	23 May 2018	31 July 2020	2	2
Renny Somnath (Dr)	23 May 2018	31 July 2020	2	2
Siphiwe Nxumalo	23 May 2018	31 July 2020	2	2

15.6.12. Meeting attendance of the Quality Assurance Committee (2020-2025)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Mandla Mthembu	1 August 2020	-	3	3
Confidence Dikgole	1 August 2020	-	3	3
Habib Karimulla	1 August 2020	-	3	3
Mbulelo Mandlana	1 August 2020	-	3	0
Renny Somnath (Dr)	1 August 2020	-	3	3

15.6.13. Meeting attendance of the Schooling and ECD Chamber (2018-2020)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Veronica Hofmeester	1 September 2018	31 July 2020	1	0
Diseko Gopane	1 September 2018	31 July 2020	1	1
Charlotte Shirindi	1 September 2018	31 July 2020	1	0
Skhumbuzo Manganye	1 September 2018	31 July 2020	1	0
Sussan Malima	1 September 2018	31 July 2020	1	1
Nosipho Malope	1 September 2018	31 July 2020	1	1
Roseline Tyler	1 September 2018	31 July 2020	1	1

15.6.13. Meeting attendance of the Schooling and ECD Chamber (2018-2020) *(continued)*

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Marubini Lukhaimane	1 September 2018	31 July 2020	1	0
Gavin De Bruyn	1 September 2018	31 July 2020	1	1
Vuyelwa Ntuli	1 September 2018	31 July 2020	1	1
Mduduzi Qwabe	1 September 2018	31 July 2020	1	1
Vuyisile Zali	1 September 2018	31 July 2020	1	1
Hema Hariram	1 September 2018	31 July 2020	1	1
Wiseman Dinwa	1 September 2018	31 July 2020	1	1
Johannes Motona	1 September 2018	31 July 2020	1	0
Johan Guldenpfennig	1 September 2018	31 July 2020	1	1
Leonard Saul	1 September 2018	31 July 2020	1	1
Richard Thwala	1 September 2018	31 July 2020	1	1
Betty Qhinibe	1 September 2018	31 July 2020	1	1

15.6.14. Meeting attendance of the Schooling and ECD Chamber (term 2020-2025)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Faseega Solomon	1 August 2020	-	2	2
Veronica Hofmeester	1 August 2020	-	2	1
Diseko Gopane	1 August 2020	-	2	2
Shashi Nankoo	1 August 2020	-	2	0
Skhumbuzo Manganye	1 August 2020	-	2	0
Sussan Malima	1 August 2020	-	2	1
Nosipho Malope	1 August 2020	-	2	2
Sandile Beuzana	1 August 2020	-	2	1
Marubini Lukhaimane	1 August 2020	-	2	1
Gavin De Bruyn	1 August 2020	-	2	2
Vuyelwa Ntuli	1 August 2020	-	2	2
Heidi van Staaden	1 August 2020	-	2	2
Vuyisile Zali	1 August 2020	-	2	2
Hema Hariram	1 August 2020	-	2	2
Wiseman Dinwa	1 August 2020	-	2	2
Mkhuseli Dubula	1 August 2020	-	2	2

15.6.14. Meeting attendance of the Schooling and ECD Chamber (term 2020-2025) *(continued)*

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Johan Guldenpfennig	1 August 2020	-	2	2
Mpho Komana	1 August 2020	-	2	1
Betty Qhinibe	1 August 2020	-	2	2

15.6.15. Meeting Attendance of the TVET/CET Chamber (2018-2020)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Amos Vusi Monyela	1 September 2018	31 July 2020	1	1
Basani Hlekane	1 September 2018	31 July 2020	1	0
Tsela Moloi	1 September 2018	31 July 2020	1	1
Patricia Garza	1 September 2018	31 July 2020	1	0
Kim Dry Courtois	1 September 2018	31 July 2020	1	0
Mokone Mmotse	1 September 2018	31 July 2020	1	1
Mpopелеle Agnes Matlawa	1 September 2018	31 July 2020	1	1
Moses Dimakatso Peo	1 September 2018	31 July 2020	1	1

15.6.15. Meeting Attendance of the TVET/CET Chamber (2018-2020) *(continued)*

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Joyce Kumalo	1 September 2018	31 July 2020	1	1
Gregory Masondo	1 September 2018	31 July 2020	1	1
Takalani Ratshilumela	1 September 2018	31 July 2020	1	1
Jabhi Albert Nkosi	1 September 2018	31 July 2020	1	1
Pannington Mahaye	1 September 2018	31 July 2020	1	1

15.6.16. Meeting Attendance of the TVET/CET Chamber (2020-2025)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Amos Vusi Monyela	1 August 2020	-	2	2
Basani Hlekane	1 August 2020	-	2	2
Sello Sethusha	1 August 2020	-	2	2
Tsela Moloi	1 August 2020	-	2	2
Mpopелеle Agnes Matlawa	1 August 2020	-	2	2
Takalani Ratshilumela	1 August 2020	-	2	2
Vuyokazi Mazwi	1 August 2020	-	2	2

15.6.16. Meeting Attendance of the TVET/CET Chamber (2020-2025) *(continued)*

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Gregory Masondo	1 August 2020	-	2	2
Langton Nzuma	1 August 2020	-	2	1
Mompati Galorale	1 August 2020	-	2	1
Kim Dry Courtois	1 August 2020	-	2	1

15.6.17. Meeting Attendance of the HER Chamber (2018-2020)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Kgomotso Kasonkola (Dr)	1 September 2018	31 July 2020	1	1
Ntombekhaya Bam	1 September 2018	31 July 2020	1	1
Shirley Lloyd (Dr)	1 September 2018	31 July 2020	1	1
Helen Kempson (Dr)	1 September 2018	31 July 2020	1	0
Thierry Luescher (Prof)	1 September 2018	31 July 2020	1	1
Adel Jacobs	1 September 2018	31 July 2020	1	1
Silas Mpungose	1 September 2018	31 July 2020	1	1
Marion Joseph (Dr)	1 September 2018	31 July 2020	1	1

15.6.17. Meeting Attendance of the HER Chamber (2018-2020) *(continued)*

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Sanah Kwenaitse	1 September 2018	31 July 2020	1	0
Vonani Mathonsi	1 September 2018	31 July 2020	1	1
Solly Pooe (Dr)	1 September 2018	31 July 2020	1	1

15.6.18. Meeting Attendance of the HER Chamber (term 2020-2025)

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Vijayantimala Singh (Dr)	1 August 2020	-	2	2
Linda Meyer (Dr)	1 August 2020	-	2	2
Shirley Lloyd (Dr)	1 August 2020	-	2	2
Stewart Ngandu	1 August 2020	-	2	2
Nicholas Christopher Taylor (Dr)	1 August 2020	-	2	2
Mandisa Cakwe	1 August 2020	-	2	2
Nolusindiso Kayi	1 August 2020	-	2	2
Humphrey Khwidzhili (Dr)	1 August 2020	-	2	2

15.6.18. Meeting Attendance of the HER Chamber (term 2020-2025) *(continued)*

Name and Surname	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Marion Joseph (Dr)	1 August 2020	-	2	2
Ben Van der Walt (Adv)	1 August 2020	-	2	2
Vonani Mathonsi	1 August 2020	-	2	2
Solly Poee (Dr)	1 August 2020	-	2	2

15.6.19. Remuneration of Governance Structures

- As per the most recent Circular regarding remuneration levels from the National Treasury, Employees of National, Provincial and Local Government Institutions, Agencies and entities of government serving as office bearers on public entities/ institutions are not entitled to additional remuneration.
- Due to COVID 19 pandemic all governance structure meetings were held using virtual platforms, hence no travel expenses were paid during the year.

Accounting Authority Remuneration

No	Name	Surname	Remuneration	Other Allowances: (Travel expense)	Other Re- imbursements	Total
1	Duncan	Hindle	R99 882.00	0	R243 845.00	R343 727.00
2	Simoné	Geyer	0	0	0	0
3	Thembisa	Futshane	0	0	0	0

Accounting Authority Remuneration *(continued)*

No	Name	Surname	Remuneration	Other Allowances: (Travel expense)	Other Re- imbursements	Total
4	Helen	Ntlatleng	0	0	0	0
5	Mandla	Mthembu	R77 706.00	0	R8 634.00	R86 340.00
6	Vijayantimala	Singh (Dr)	R77 706.00	0	0	R77 706.00
7.	Linda	Ingram	R69 072.00	0	0	R69 072.00
8.	Amos	Monyela	0	0	0	0
9.	Lindiwe Martha	Motshwane	R69 072.00	0	0	R69 072.00
10.	Faseega	Solomon	R77 706.00	0	0	R77 706.00
11.	Nolitha	Mboniswa	R69 072.00	0	0	R69 072.00
12.	Nkosipendule	Ntantala	R69 072.00	0	0	R69 072.00
13.	Dimakatso Moses	Dimakatso Moses Peo	R69 072.00	0	0	R69 072.00
14.	Thokozani	Mathebula (Dr)	R77 706.00	0	0	R77 706.00
15.	Patricia	Chiloane	R69 072.00	0	0	R69 072.00

Independent Chairpersons attending Accounting Authority Meetings Remuneration

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
1	Vusi	Mokwena	R44 392.00	0	R44 392.00
2	Pumla	Mzizi	R11 098.00	0	R11 098.00
3	Linda	Nene	R8 634.00	0	R8 634.00

Stand-ins for Chairpersons of Committees attending the Accounting Authority Meetings

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
1	Xolani	Mdoda	R8 634.00	0	R8 634.00

Stand-ins for Chairpersons of Committees attending the Accounting Authority Meetings

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
1	Xolani	Mdoda	R8 634.00	0	R8 634.00

Executive Committee Remuneration

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
1.	Duncan	Hindle	R77 686.00	0	R77 686.00
2.	Mandla	Mthembu	R60 438.00	0	R60 438.00
3.	Lindiwe	Motshwane	R60 438.00	0	R60 438.00

Audit Committee Remuneration

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
1.	Vusi	Mokwena	R22 196.00	0	R22 196.00
2.	Pumla	Mzizi	R117 150.00	0	R117 150.00
3.	Thirona	Moodley	R8 634.00	0	R8 634.00
4.	Charles	Motau	R17 268.00	0	R17 268.00
5.	Linda	Nene	R60 438.00	0	R60 438.00
6.	Raksha	Beecum Khadaroo	R77 706.00	0	R77 706.00
7.	Nolitha	Mboniswa	R69 072.00	0	R69 072.00
8.	Ntsetsa	Molalekoa	0	0	0

Finance Committee Remuneration

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
1.	Lindiwe	Motshwane	R83 235.00	0	R83 235.00
2.	Nick	Nicholls	R45 634.00	0	R45 634.00
3.	Nkosipendule	Ntantala	R51 804.00	0	R51 804.00
4.	Neo	Maimane	R47 487.00	0	R47 487.00
5.	Maria	Walshe	R38 853.00	0	R38 853.00
6.	Thirona	Moodley	R38 853.00	0	R38 853.00
7.	Nokukhanya	Mashilo	R38 853.00	0	R38 853.00
8.	Kulula	Manona	0	0	0

Human Resource Committee Remuneration

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
1.	Sello	Sethusha	0	0	0
2.	Xolani	Mdoda	R60 438.00	0	R60 438.00
3.	Tseliso	Ledimo	R69 072.00	0	R69 072.00
4.	Deonita (Dr)	Damons	R17 268.00	0	R17 268.00

Human Resource Committee Remuneration *(continued)*

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
5.	Jeanine	Topping	R43 170.00	0	R43 170.00
6.	Enoch	Rabotapi	0	0	0

Remuneration Committee (HR Sub-committee) Remuneration

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
1.	Thembisa	Futshane	0	0	0
2.	Xolani	Mdoda	R77 706.00	0	R77 706.00
3.	Enoch	Rabotapi	0	0	0
4.	Tseliso	Ledimo	0	0	0
5.	Jeanine	Topping	R25 902.00	0	R25 902.00
6.	Lindiwe	Motshwane	R77 706.00	0	R77 706.00

ICT Governance Committee Remuneration

No	Name	Surname	Remuneration	Other expenses:	Total
1.	John	Landman	R11 098.00	0	R11 098.00
2.	Amos Vusi	Monyela	0	0	0
3.	Sipho	Ngcobo	0	0	0
4.	David	Mawela	R25 902.00	0	R25 902.00
5.	Ebrahim	Ansur	R25 902.00	0	R25 902.00
6.	Nkosipendule	Ntantala	R22 196.00	0	R22 196.00
7.	Anton	De Boer	R17 268.00	0	R17 268.00
8.	Charles	Motau (Dr)	R8 634.00	0	R8 634.00
9.	Nthabiseng	Tema	0	0	0

Quality Assurance Committee Remuneration

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
1.	Mandla	Mthembu	R49 941.00	0	R49 941.00
2.	Renny	Somnath	R38 853.00	0	R38 853.00
3.	Confidence	Dikgole	R38 853.00	0	R38 853.00
4.	Habib	Karimulla	0	0	0

Quality Assurance Committee Remuneration *(continued)*

No	Name	Surname	Remuneration	Other expenses: (Travel expense)	Total
5.	Siphiwe	Nxumalo	R17 268.00	0	R17 268.00
6.	Mbulelo	Mandlana	0	0	0

Schooling Chamber Remuneration

No	Name	Surname	Remuneration	Other Allowances: (Travel expense)	Total
1.	Veronica	Hofmeester	0	0	0
2.	Diseko	Gopane	0	0	0
3.	Charlotte	Shirindi	0	0	0
4.	Skhumbuzo	Manganye	0	0	0
5.	Sussan	Malima	0	0	0
6.	Nosipho	Malope	0	0	0

Schooling Chamber Remuneration (*continued*)

No	Name	Surname	Remuneration	Other Allowances: (Travel expense)	Total
7.	Roseline	Tyler	0	0	0
8.	Marubini	Lukhaimane	0	0	0
9.	Gavin	De Bruyn	0	0	0
10.	Vuyelwa	Ntuli	0	0	0
11.	Mduduzi	Qwabe	R4 317.00	0	R4 317.00
12.	Vuyisile	Zali	R12 951.00	0	R12 951.00
13.	Hema	Hariram	R12 951.00	0	R12 951.00
14.	Wiseman	Dinwa	R12 951.00	0	R12 951.00
15.	Johannes	Motona	0	0	0
16.	Johan	Guldenpfennig	R12 951.00	0	R12 951.00
17.	Leonard	Saul	R4 317.00	0	R4 317.00
18.	Richard	Thwala	R4 317.00	0	R4 317.00
19.	Betty	Qhinibe	R12 951.00	0	R12 951.00
20.	Faseega	Solomon	R11 098.00	0	R11 098.00
21.	Heidi	Van Staaden	R8 634.00	0	R8 634.00
22.	Mkhuseli	Dubula	R8 634.00	0	R8 634.00
23.	Mpho	Komana	R8 634.00	0	R8 634.00

TVET/CET Chamber Remuneration

No	Name	Surname	Remuneration	Other expenses	Total
1.	Moses Dimakatso	Peo	R4 317.00	0	R4 317.00
2.	Joyce	Kumalo	R4 317.00	0	R4 317.00
3.	Takalani	Ratshilumela	R12 951.00	0	R12 951.00
4.	Jabhi Albert	Nkosi	R4 317.00	0	R4 317.00
5.	Thami Pannington	Mahaye	R4 317.00	0	R4 317.00
6.	Gregory	Masondo	R12 951.00	0	R12 951.00
7.	Patricia	Garza	0	0	0
8.	Amos Vusi	Monyela	0	0	0
9.	Basani	Hlekane	0	0	0
10.	Sello	Sethusha	0	0	0
11.	Tsela	Moloi	0	0	0
12.	Mpopelele Agnes Matlawwa	Matlawwa	0	0	0
13.	Vuyokazi	Mazwi	R8 634.00	0	R8 634.00
14.	Langton	Nzuma	R4 317.00	0	R4 317.00
15.	Mompati	Galorale	R4 317.00	0	R4 317.00
16.	Kim Dry	Courtois	R4 317.00	0	R4 317.00

Remuneration for Ms Kim Dry Courtois was paid to her constituency as per their arrangement.

HER Chamber Remuneration

No	Name	Surname	Remuneration	Other expenses	Total
1.	Kgomotso	Kasonkola (Dr)	R5 549.00	0	R5 549.00
2.	Ntombekhaya	Bam	R4 317.00	0	R4 317.00
3.	Shirley	Lloyd (Dr)	R8 634.00	0	R8 634.00
4.	Thierry	Luescher (Prof)	R4 317.00	0	R4 317.00
5.	Marion	Joseph (Dr)	R12 951	0	R12 951
6.	Solly	Pooe (Dr)	R12 951	0	R12 951
7.	Adele	Jacobs	R4 317	0	R4 317
8.	Mala	Singh (Dr)	R11 098	0	R11 098
9.	Linda	Meyer (Dr)	R8 634	0	R8 634

HER Chamber Remuneration (*continued*)

No	Name	Surname	Remuneration	Other expenses	Total
10.	Stewart	Ngandu	R8 634	0	R8 634
12.	Mandisa	Cakwe	0	0	0
13.	Nolusindiso	Kayi	0	0	0
14.	Humphrey	Khwidzhili (Dr)	R8 634	0	R8 634
15.	Ben	Van der Walt (Adv)	R8 634	0	R8 634
16.	Vonani	Mathonsi	R8 634	0	R8 634

Remuneration for Prof Thierry Luescher was paid to his constituency as per their arrangement

15.7. Risk Management

The ETDP SETA has an Audit Committee that independently monitors the effectiveness of the system of risk management. The committee advised management on risk management as per the reports tabled to the committee on improvements on risk mitigations. The organisation has a Risk Management Committee (RMC) that provides assurance by managing all risks within the organisation. The risk management committee monitored the implementation and impact of risk mitigation strategies and reported quarterly to the Audit Committee.

The ETDP SETA Board approved enabling documents such as the Risk Management policy, framework, risk appetite and tolerance statements. The organisation developed Strategic, APP, Covid-19 and Operational Risk Registers and managed and reported all the risks associated within the mentioned categories.

The organisation identified and managed the following key strategic risks in the year under review:

a) Strategic risks that were within the risk appetite

- Inadequate data and information to inform the skills planning process
- Inadequate M&E mechanisms to measure the achievement of this outcome
- Inability to identify relevant organisations that qualify for cooperatives development
- Non-availability of the strategy to support worker initiated training
- Protracted consultative processes
- Poor coordination of career development services

b) Strategic risks that were not within the risk appetite

- Limited number of employers to host students and graduates
- Failure of a long-term and holistic view on the implementation of automation and integrated systems
- Lack of a nationally coordinated approach between the SETA and key stakeholders in implementing initiatives
- Failure to identify relevant programmes that are in demand for entrepreneurship

The risks that were within the risk appetite were monitored to ensure that they are not escalating and those that were outside the tolerance level were managed through implementation of the risk mitigation plan and reported accordingly to the Audit Committee and the Accounting Authority.

The implementation of risk mitigation plans has helped the organisation to improve the internal control environment as the implemented plans are added to the existing internal controls. The improvement in internal control has helped the organisation to better manage its operation and financial resources which translated to the better achievement of planned targets.

15.8. Internal Controls

The system of internal controls was designed to provide assurance that laws were complied with. ETDP SETA policies and Standard Operational Procedures (SOPs) are in place to strengthen the internal control. The policies and SOPs are available on the intranet for all employees to access.

The adequacy and effectiveness of internal controls were independently reviewed by the internal auditors who reported identified weaknesses to management and provided recommendations for management to implement in order to improve the control environment. The audit reports were also tabled to the Audit Committee for approval and reporting to the Accounting Authority.

Critical to the delivery of quality ICT services is the issue of ICT security. The ETDP SETA proactively seeks to improve its security posture. The SETA recently conducted a vulnerability assessment exercise aimed at identifying cyber/security/IT vulnerabilities that the organisation's environment is exposed to and report on recommended remedies/mitigations to close the gaps. The vulnerability assessment emphasised the need for an infrastructure revamp as the organisation continues to operate with obsolete hardware and software. The organisation is committed to implementing the mitigation strategies/solutions to minimise and/or reduce its vulnerability exposure and has made budget provisions in the next financial year to address these findings.

15.9. Business Continuity and Disaster Recovery

The ETDP SETA continues to review and update its business continuity plans. The recent events have shown that it is vital for businesses to respond to situations speedily in order to mitigate the impact and risks and to re-pivot themselves to continue with service delivery. In order to continue with skills development, the ETDP SETA had to employ new strategies such as the adoption of a work-from-home strategy which was able to sustain the business during the high Covid-19 alert levels. The strategy continues to be adopted for employees with health challenges, whilst working from home. This was made possible through the implementation of a Corporate Access Point Network (APN) which gave ETDP SETA employees access to network resources from the comfort of their homes. To enable workforce mobility, desktop users were also migrated to laptops which meant that employees could respond to stakeholder queries remotely. Effective collaboration was also made possible through the usage

of virtual platforms such as Zoom, MeetMe and BoardPacks applications, with the ETDP SETA successfully hosting its 16th Annual General Meeting online.

The organisation also maintains up to date ICT Service Continuity plans which are tested every quarter. For the financial year under review, remote testing of ICT systems was performed to ensure compliance with Covid-19 regulations. Generally, the tests were successful as mission critical systems such as Finance and Human Resources Systems were recoverable. In order to realise the benefits of 4IR, it is important that the ETDP SETA continues to introduce technologies that will improve service availability and increase productivity.

15.10. The Audit Committee and Internal Audit

The roles and responsibilities of the Audit Committee relate to:

- i. Financial, management and other reporting practices;
- ii. Giving strategic guidance and assistance in respect to accounting policies and procedures;
- iii. Internal controls and management of risks;
- iv. Monitoring of risk management policy and plan, strategy, implementation plan, risk appetite and risk tolerance;
- v. Compliance with laws, regulations and ethics;
- vi. Financial reporting risks; Fraud risks and IT related risks; and
- vii. Sustainability Reporting and all related risks.

The Audit Committee received reports from the Internal Auditors on the implementation of the audit plan and the reports from the Auditor-General South Africa on audits that they had performed.

The term of the committee ended in July 2020 and a new committee started in August 2020. The table below depicts the attendance of meetings as well as the members of the committee.

Meeting Attendance for the Audit Committee (term 2018 – 2020)

Name	Qualification	Internal/ External	Position In ETDP SETA	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Vusi Mokwena (Chairperson)	CA(SA)	External and Independent	Chairperson	23 May 2018	31 July 2020	2	2
Charles Motau (Dr)	Doctorate in Technology, computer science and Processing	External and Independent	AC Member	23 May 2018	31 July 2020	2	2
Pumla Mzizi	CA(SA)	External and Independent	AC Member	23 May 2018	31 July 2020	2	2
Thirona Moodley	B-Paed LLB	AA Member	AC Member	23 May 2018	31 July 2020	2	1
Ntsetsa Molalekoa	B Comm	AA Nominee	AC Member	23 May 2018	31 July 2020	2	2

Meeting Attendance for the Audit Committee (2020-2025)

Name of the member	Qualification	Internal/ External	Position In ETDP SETA	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Pumla Mzizi (Chairperson)	CA (SA)	External and Independent	Chairperson	1 August 2020	-	9	9
Raksha Beecum Khadaroo	BA (Law), LLB, LLM (Tax) Admitted Attorney Certified Director	External and Independent	AC Member	1 August 2020	-	9	9
Linda Nene		External and Independent	AC Member	1 August 2020	-	9	7
BCom (Acc); Post Grad Dip in Management; Masters in International Business; 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); CCP (SA) Certified Compliance Professional (South Africa); CPrac (SA) Compliance Practitioner (South Africa)							
Ntsetsa Molalekoa	BCom	AA Nominee	AC Member	1 August 2020	-	9	7
Nolitha Mboniswa	BA, Higher Diploma in Education	AA Member	AC Member	1 August 2020	-	9	8

The number of meetings held include scheduled Audit Committee meetings, Special Audit Committee Meetings.

Induction Session held for the newly appointed Audit Committee Members, Strategic Planning, Annual General Meeting and Governance Training.

15.11. Internal Audit

The internal audit function was outsourced to an internal audit service provider. Their mandate was to provide independent assurance on the adequacy and effectiveness of the internal controls and to provide recommendations to improve identified control weaknesses. The internal auditors presented the audit reports to management and the Audit Committee.

The following was the progress against the Annual Internal Audit Coverage Plan 2020/21:

No.	Description	Proposed date	Current Status	Final Reports Issued
General Management of the Internal Audit function				
1	Review and update of internal audit charter	Q1	Completed	Nov-20
2	Development of Annual Internal Audit coverage plan	Q1	Completed	Nov-20
3	Attendance and preparation of AC meetings	Quarterly	Ongoing	N/A
Projects				
4	Audit of Predetermined Objectives Quarter 1	Jul-20	Completed	Jul-20
7	Audit of Predetermined Objectives Quarter 2	Oct-20	Completed	Nov-20
9	Audit of Predetermined Objectives Quarter 3	Dec-20	Completed	Mar-20

15.12. Compliance with Laws and Regulations

A litigation register was set up and regularly updated. There are two active cases, one being at the Labour Court and the other at the Arbitration Foundation of South Africa (AFSA). Due to our efficient internal dispute resolution mechanisms, most disputes were resolved in their earlier stages, hence the low number of cases on the litigation register.

The ETDP SETA has adopted a compliance policy and framework. A three year compliance management plan is being finalised, in order to deal with how compliance monitoring and reporting will be dealt with for the period April 2021 to March 2024. The organisation has developed its compliance universe which has been utilised to develop a compliance management plan. The following table depicts the top priority litigations that the organisation has identified as key for monitoring.

ITEM	LEGISLATION	OBJECTIVE
1.	Constitution of the Republic of South Africa Act of 1996	The Constitution of South Africa is the supreme law of the Republic of South Africa. It provides the legal foundation for the existence of the Republic
2.	Skills Development Act (Act No. 97 of 1998) as amended in 2011	The SDA is the key and primary legislation in the Sector Education and Training Authorities (SETAs) sector. It is the legislation that establishes the ETDP SETA. It is also the legislation from which the ETDP SETA derives its mandate from and determines its operation’s manner and scope. The ETDP SETA Standard Constitution as contemplated in Section 13 (1) of the Skills Development Act 26 of 2011 governs all the operations and structures to be in place for the establishment and performance of the ETDP SETA

ITEM	LEGISLATION	OBJECTIVE
3.	Skills Development Levies Act (Act No. 9 of 1999)	This is the Act that sees to it that there will be money available to pay for people’s training as is stipulated by the Skills Development Act . The SETA Grants regulations, in accordance with the levies and government departments, are developed from the prescripts of the Act (The BUSA Court case, which is not yet resolved, may have an adverse impact on the revenue and performance of the ETDP SETA- this is one of the areas which needs a mitigation strategy before confronting a bigger challenge)
4.	Public Finance Management Act (PFMA) (Act No. 1 of 1999) as amended	The PFMA governs the financial management of Public Entities. The ETDP SETA falls under Schedule 3A of the Act. The ETDP SETA has developed a compliance checklist regarding the requirements set out in the PFMA and the relevant National Treasury Regulations
5.	Promotion of Administrative Justice Act (PAJA) Act No. 3 OF 2000	The PAJA gives members of the public a chance to tell their side of the story before any decision is taken by a public official of a public institution. PAJA ensures that one knows why the administrative decision is taken and what the effect of such a decision is. It also makes sure that decisions are taken properly and allows members of the public to challenge decisions that were not taken properly
6.	Labour Relations Act, 1995 (Act No. 66 of 1995)	To give effect to and regulate the fundamental rights conferred by section 27 of the Constitution, including the right to fair labour practices
7.	Employment Equity Act, 1998 (Act No. 55 of 1998)	The purpose of the Employment Equity Act, No 55 of 1998 is to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure equitable representation in all occupational levels and spheres of employment

ITEM	LEGISLATION	OBJECTIVE
8.	Basic Conditions of Employment Act (Act No. 75 OF 1997)	The purpose of the Basic Conditions of Employment Act is to give effect to the right to fair labour practices, as referred to in Section 23 (1) of the Constitution, by establishing and providing for the regulation of basic conditions of employment. Thereby complying with the Republic’s obligations as a member of the International Labour Organization (ILO) and providing for all matters connected to it. Within the Basic Conditions of Employment Act, the ETDP SETA has a responsibility to ensure occupational health and safety measures for its employees.
9.	Protection of Personal Information Act (Act 4 of 2013)	The purpose of the Act is to protect personal information, strike a balance between the right to privacy and the need for the free flow of and access to information, and regulate how personal information is processed.
10.	Disaster Management Act (Act, No. 5 of 2002)	The purpose of the Act is to provide for an integrated and coordinated disaster management policy in South Africa that focuses on preventing and reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery.

15.13. Fraud and Corruption

The organisation has an approved Fraud Prevention policy. The fraud risks were assessed during the operational risks assessment process. There were no fraud risks identified in the process. The organisation has a Fraud Hotline which is administered by the Independent Service Provider; the number is 0800 204 937, or email:etdpseta@behonest.co.za and is presented on individual business cards, as well as the SETA’s intranet and website.

Any allegations are reported through the system and are allocated to the investigator for preliminary investigation. The fraud allegations reported were communicated to the Chairperson of the Audit Committee, for further investigations and conclusion.

There were no actual fraud cases reported in the year under review. Most fraud allegations cases were related to service delivery which were resolved at management level.

15.14. Minimising Conflict of Interest

Governance Structure members and Bid Committee Members declared conflict of interest at every meeting of the Accounting Authority, EXCO, Committees, Chambers and Bid structures.

The SCM Policy prohibits awards of bids to any persons in the service of the ETDP SETA or an entity which has direct or indirect interest in the business activities.

Disclosure of interest is done annually by the employees and committee members signed a register in every meeting where transactions or plans of the organisation were discussed.

16.15. Code of Conduct

The approved Constitution of the organisation contains a code of conduct under Schedule 2 that all Governance Structure members adhered to. No accounts of misconduct were noted or reported in the period under review.

Processes to be followed when the Code of Conduct is breached is defined in the Constitution as follows:

Clause (8) points 13 and 14 of the Constitution make reference to recourse when a Governance member has contravened the Code of Conduct. Clause (14) of the Constitution deals with Adherence to the Code of Conduct.

There was one case of misconduct reported in the Quality Assurance Committee. A member of the committee failed to attend meetings and the Code of Conduct was implemented to deal with this misconduct. The necessary steps were followed until the committee reported the matter to the Executive Committee and the Accounting Authority with the recommendation of seeking for a replacement.

15.16 Health, Safety and Environmental Issues

The organisation complied with the Occupational Health and Safety Act by establishing a Health and Safety Committee and Health and, trained, Safety Representatives (First Aiders). A Compliance Officer was appointed to assist the organisation with compliance of Covid-19 regulations and the Health and Safety Act in general.

The organisation established a Management Task Team and an Accounting Authority (AA) Task Team consisting of Senior Management and Accounting Authority EXCO members. The AA Task Team was chaired by the AA Chairperson while the Management Task Team was chaired by the Senior Manager.

The organisation complied with Covid-19 regulations by providing all the necessary equipment to staff members, developing and implementing the Risk Adjusted Strategy as well as complying with the Covid-19 policy, supported by the guidelines which assisted in the working from home during the lockdown period to ensure the safety of staff members and business continuity.

B-BBEE Compliance Performance Information

An accredited service provider will be appointed to finalise the issuance of a B-BBEE certificate. The following table depicts the compliance status of the organisation to the B-BBEE.

Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The organisation has not yet determined the level of compliance on the criteria.
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 aforementioned preferred suppliers
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not applicable to the ETDP SETA
Developing criteria for entering into partnerships with the private sector?	No	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

15.17 Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities in accordance with Section 38 (1) (a) of the Public Finance Management Act and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference based on the Audit Committee Charter and has regulated its affairs and has discharged all its responsibilities in compliance with the charter.

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 primarily and the Auditor-General of South Africa 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 these evaluations, the Audit Committee considers the internal control environment as requiring improvement.

Internal audit

The Audit Committee reviewed and approved the annual internal audit plan for 2020/21 and has monitored the performance of the internal audit against that plan on a quarterly basis. The Audit Committee has noted that the internal audit plan was not completed due to delays in appointing the external service provider. The Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks specific to the ETDPSETA in conducting the reviews.

The following internal audit assignments were completed during the year under review and the committee will continue to monitor the progress made against the corrective action plans implemented by management:

- Audit of Predetermined Objectives Quarter 4 of 2019/20
- Audit of Predetermined Objectives Quarter 1, 2 and 3 of 2020/21
- Annual Financial Statements review
- Commitment register review

The internal control environment requires overall improvement more so in the areas where the controls were found to be unsatisfactory which are predetermined objectives Quarter 4 of 2019/20 and predetermined objectives Quarter 1 of 2020/21.

Risk management

Management is responsible for the establishment and maintenance of an effective system of governance, risk management as well as the prevention and detection of fraud and internal controls. Internal Audit was guided by the consolidated risk profile, provided by the Risk Management unit, the critical audit areas, and managements inputs in the formulation of its three-year strategic and the annual plans. ETDP SETA has established a Risk Management Committee. Quarterly meetings took place in line with its approved charter to consider and review the risk management policies and to provide oversight on the effectiveness of risk management within ETDP SETA. A risk register is updated annually to ensure that all major risks, including emerging risks, facing the organisation are effectively managed. The Committee also monitors management’s implementation of the risk management plans on a quarterly basis.

Compliance with laws and regulations

The Committee has reviewed the in-year management and quarterly reports submitted in terms of the Public Finance Management Act and is satisfied that no material deviations were noted. The Committee also noted the policies and procedures to ensure compliance with applicable laws and regulations. It has further taken note of the concerns regarding the organisation’s non-compliance with some of the legislative requirements relating to procurement and contract management as reflected in the audit report.

Evaluation of Financial Statements

The Committee submits that it has:

- Reviewed the 2020/21 unaudited and audited Annual Financial Statements prepared by the organisation.
- Reviewed the 2020/21 draft and final Annual Performance report.

Auditor-General's Report

The Audit Committee has met with the Auditor-General South Africa to discuss their audit report, to ensure that there are no unresolved issues. We have also reviewed the management responses to the audit issues raised in the AGSA management report and continuous oversight will be exercised to ensure that unresolved findings are adequately addressed.

We have reviewed the organization's implementation plan for audit issues raised in the previous year and we are satisfied that the matters raised were substantially resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General 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 Auditor-General.

Appreciation

The Audit Committee expresses its sincere appreciation to the Executive Authority, Accounting Officer, AGSA, Management, and internal audit for their support and co-operation.

Pumla Mzizi CA(SA)

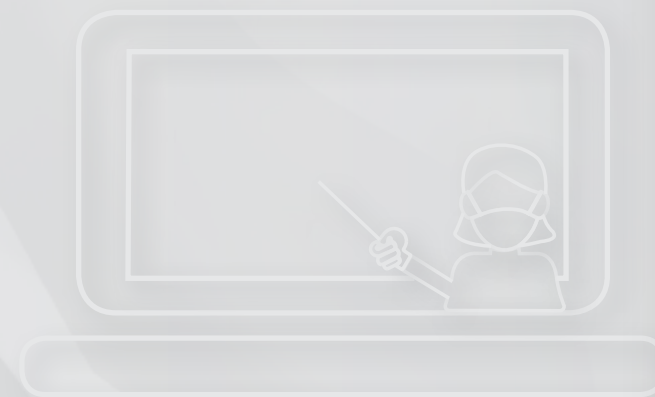
Pumla Mzizi CA(SA)

Chairperson of the Audit Committee

24 August 2021

PART D

Human Resource



16

Introduction

16.1. Overview of Human Resources

The Human Resource Management Division is responsible for providing strategic function for the ETDP SETA and delivers innovative human resources programmes and interventions to support the mission of the organisation.

The ETDP SETA has a staff complement of one hundred and forty-one (141) employees and the structure of the organisation consists of the following divisions:

- Office of the CEO
- Operations
- Finance and Supply Chain Management
- Governance, Risk and Compliance

In light of the ETDP SETA's mandate that extend to the provinces, there are nine Provincial Managers. Initially each office had a staff complement of six employees to support the work of the provinces. Four Provinces were each allocated an additional Skills Advisor. The ETDP SETA continues to support the work of three TVET colleges and it has deployed three Skills Development Officers to work with the colleges.

16.2. Priorities for 2020/2021 and Impact

The ETDP SETA has placed more focus on employee development through the ETDP SETA Bursary Scheme and other Skills Development Programmes, management of employee rewards and recognition; embedding a positive culture through employee and organised labour engagements as well its Employee Wellness Programme (EWP).

16.3. Staff Development

The ETDP SETA continues to pride itself as a learning organisation and this has translated into the implementation of various employee development programmes.

A number of 91 staff members underwent Skills Development Programmes, including the awarding of bursaries to support employees to further their studies for career advancement purposes. This represents an overachievement against the target of 50.

16.4. Workforce Planning Framework for Recruitment and Selection of Workforce

The workforce planning of the organisation is informed by the resource needs of the business units and the approved structure. In areas where there is an urgent need of resources, the organisation recruits contract workers to address that urgent need. In the year under review, the organisation implemented a moratorium on the recruitment of staff to manage the financial impact of the four month skills levy holiday. A review of the decision was done in the third quarter of the financial year and the moratorium was lifted in the third quarter to allow the filling of critical vacancies.

16.5. Employee Performance Management and Development Framework

The ETDP SETA uses the Department of Public Service and Administration's (DPSA) Performance Management Development Policy Framework as a benchmark in implementing its own performance management and development policy. This is to ensure that best practices in managing and measuring performance are adhered to and to embed a performance driven culture within the organisation. The ETDP SETA is in consultation with Labour, with the view of aligning its Performance Management Development Policy to the recent DPSA Performance Management Framework. Keeping abreast with developments in the DPSA assists the organisation with the aspect of human capital development.

The performance of the organisation was measured through each division being allocated targets to achieve based on the Annual Performance Plan (APP). The performance agreements were aligned to the APP and include personal development plans as agreed to between the line manager and the employee. The personal development plan further assisted employees to meet the requirements of the positions and also addressed employees' developmental areas.

16.6. Employee Wellness Programme

The ETDP SETA Employee Wellness Programme is an intervention programme used to improve the quality of life of employees by giving them the necessary support to resolve personal and work related challenges.

The programme's emphasis is 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.

To offer an integrated approach to employees' well-being, the ETDP SETA hosted events such as the Women Empowerment Seminar. Female and male employees were invited to the event, creating pathways for inclusion and ongoing dialogue between the genders.

16.7. Policy Development

16.7.1. HR Policy

The ETDP SETA has a Human Resources Management Policy document which consists of key policies that support a shared commitment to ensure that all employees are afforded excellent possible working conditions at all times. The ETDP SETA prides itself on a value system that promotes a positive culture and embraces diversity, teamwork, employee engagement and fairness. The HR Policy covers the following:

- Recruitment and Selection Policy
- Employment Equity Policy
- Remuneration and Compensation Policy
- Training and Development Policy
- Financial Assistance for Human Resources Development Interventions
- Leave Management Measures
- Labour Relations Policy and Procedures
- Sexual Harassment Policy
- Performance Management and Development Systems
- Employee Wellness Program (EWP)
- Covid-19 Policy

The Accounting Authority approved the Covid-19 Policy. The Policy on Bursary for Dependants has been drafted and is awaiting approval. This is to ensure employee occupational health and safety during the Covid-19 pandemic and to offer financial support to employees’ dependants to further their studies.

16.7.2. Achievements

The organisation over-achieved on the Annual Performance Plan target on training of employees.

16.7.3. Challenges

Covid-19

- Of the 18 Employees who contracted Covid-19, 17 have recovered.
- Sorrowfully, one employee succumbed to a Covid-19 related illness.

Employees with underlying conditions

Twenty-eight employees completed declaration forms concerning underlying health conditions in order to be allowed to work from home. Fifteen (15) have opted to return to the office and seventeen (17) are working from home.

16.7.4. Future HR Plans

- To develop a Policy on Talent Management and Staff Retention.
- To develop a Compensation Policy.

16.7.5. 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 the majority of employees in the organisation. Regular meetings are held with the Union and an agreement for salary increases and the improvement of conditions for service was signed.

The Union participated in the Covid-19 Task Team. Relations between Management and the Union are cordial and there were no labour unrests experienced during the reporting period.

The Union is working through a Task Team while processes to elect a full-fledged Branch Executive Committee are continuing.

16.7.6. Staff Turnover

The organisation’s staff turnover at the end of the reporting period was at 4.86%. The turnover is within acceptable levels. The organisation continues to aim for a turnover of no more than 10%.

16.8. Human Resource Oversight Statistics

16.8.1. Personnel Cost by Programme

Programme	Total Expenditure (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	165 949	8 301	8	49	169
Programme 2	79 275	3 898	4	5	780
Programme 3	763 078	84 721	82	65	1 303
Programme 4	6 633	6 818	7	9	757
TOTAL	1 014 935	103 738	100	128	810

The total number of employees includes seven employees who left the SETA.

16.8.2. Personnel Cost by Salary Band

The table below summarises the employee cost by occupational level. It provides an indication of the amount spent on personnel costs in the organisation.

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top/Executive Management	8 038	8	4	2 009
Senior Management	11 051	11	6	1 841
Professionally Qualified	24 621	24	20	1 231
Skilled	59 216	57	78	759
Semi-skilled	812	1	13	62
TOTAL	103 738	100	121	857

16.8.3. Performance Rewards per Band

In order to encourage good performance, the organisation has granted the following rewards during the financial year. The information is presented in terms of occupational categories.

Programme	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top/Executive Management	201	8 038	0.019
Senior Management	420	11 051	0.040
Professionally Qualified	999	24 621	0.096
Skilled	2 076	59 216	0.20
Semi-skilled	34	812	0.003
TOTAL	3 730	103 738	0.036

16.8.4. Training Costs

The table below summarises the training expenditure 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/Executive Management	8 038	7	0.09	3	2
Senior Management	11 051	7	0.06	4	2
Professionally Qualified	24 621	29	0.12	10	3
Skilled	59 216	491	0.08	67	7
Semi-skilled	812	6	0.07	7	1
TOTAL	103 738	540	0.0052	91	6

16.8.5. Employment and Vacancies

The tables in this section summarise the position about employment and vacancies. They indicate the number of posts of the establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment.

2019/2020	2020/2021			
No. of Employees	Approved Posts	No. of Employees	Vacancies	% of vacancies
127	141	121	20	14.2

	2019/2020	2020/2021			
Programme	No. of Employees	Approved Posts	No. of Employees	Vacancies	% of Vacancies
Top/Executive Management	4	4	4	0	0
Senior Management	8	8	7	2	22.22
Professional Qualified	22	23	20	3	20
Skilled	80	92	78	14	15.22
Semi-skilled	13	14	13	1	7.1
Unskilled	0	0	0	0	0
TOTAL	127	141	121	20	14.2

16.8.6. Employment changes

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

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at the end of the period
Top/Executive Management	4	0	0	4
Senior Management	7	1	2	6
Professionally Qualified	22	0	1	20
Skilled	79	3	4	78
Semi-skilled	13	0	0	13
Unskilled	0	0	0	0
TOTAL	125	4	8	121

The number of terminations under professionally qualified includes an employer who moved to a higher level. The actual termination is seven.

16.8.7. Reasons for staff leaving

Reason	Number	% of total number of staff leaving
Death	1	0.69
Resignation	4	2.77
Dismissal	1	0.69
Retirement	1	0.69
Ill health	0	0
Expiry of contract	0	0
Other	0	0
TOTAL	7	100%

16.8.8. Labour Relations: Misconduct and Disciplinary Action

There is a case of a former manager who is challenging his dismissal. The matter was referred to arbitration at the CCMA after attempts at conciliation failed. The former manager also referred the matter to the Labour Court. At the time of reporting the organisation was waiting for a Notice of Setdown by the CCMA and the Labour Court. Post the reporting period the Labour Court case was struck off the roll with no order to costs.

An Administrator was placed on precautionary suspension in March 2020. A Disciplinary Hearing was held in November 2021 which resulted in a dismissal. The employee has lodged an unfair dismissal dispute. At the time of reporting the case was proceeding at the CCMA. Post the reporting period the employee withdrew the case.

A Skills Advisor was placed on precautionary suspension in November 2020 pending an investigation into possible misconduct. The Disciplinary Hearing was held in March 2021 and the employee was acquitted.

The following consequence management processes were finalised:

Nature of Disciplinary Action	Number
Verbal Warning	5
Written Warning	1
Final Written Warning	2
Dismissal	1

16.9. Equity Target and Employment Equity Status

MALE								
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top/Executive Management	2	3	0	0	0	0	0	1
Senior Management	2	4	0	1	1	0	0	1
Professional Qualified	9	3	0	1	2	0	1	0
Skilled	21	9	1	1	2	0	0	4
Semi-skilled	2	2	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	36	21	1	3	5	0	1	6

FEMALE								
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top/Executive Management	2	0	0	0	0	0	0	0
Senior Management	4	0	0	0	0	0	0	0
Professional Qualified	6	1	0	0	1	0	1	1
Skilled	43	0	7	1	1	1	3	1
Semi-skilled	10	0	1	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	65	1	8	1	2	1	4	2

DISABLED STAFF				
	Male		Female	
Levels	Current	Target	Current	Target
Top/Executive Management	0	0	0	0
Senior Management	0	0	0	0
Professional Qualified	2	1	0	0
Skilled	0	0	3	2
Semi-skilled	0	1	0	0
Unskilled	0	0	0	0
TOTAL	2	2	3	2

The Employment Equity Targets are based on the three-year Employment Equity Plan which is with effect from 01 April 2020.

PART E

Financial Information



17

Auditor-General's Report

Report of the Auditor-General to Parliament on the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA)

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA), set out on pages 114 to 149, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the ETDP SETA as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of GRAP and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of my report.

4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2021.

Responsibilities of the accounting authority for the financial statements

8. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and the 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.

9. 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.

Auditor-general's responsibilities for the audit of the financial statements

10. 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.
11. A further description of my responsibilities for audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity’s annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 3 – learning programmes and projects	41 – 56

15. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – learning programmes and projects.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 30 to 60 for information on the achievement of planned targets for the year and management’s explanations provided for the under/over-achievement of targets.

Adjustment of material misstatements

19. 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. As management subsequently corrected the misstatements, I did not raise any material findings on the reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity’s compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. The material finding on compliance with specific matters in key legislation are as follows:

Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(a) of the PFMA.

23. Material misstatements of the cash flow statement, ,discretionary grants, prior period error, project accruals, commitments, statement of budget and actual amounts, revenue from non-exchange transactions note financial instruments disclosure note identified by the auditors in the submitted financial statements were corrected subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Other information

24. The Accounting Authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor’s report and those selected programme presented in the annual performance report that have been specifically reported on in the auditor’s report.

25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.

26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the additional information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report or my knowledge obtained during the audit or otherwise appears to be materially misstated.

27. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the findings on compliance with legislation included in this report.
29. The public entity did not adequately review the financial statements and the annual performance report against supporting schedules, as material misstatements were identified through the audit process. These misstatements could have been prevented had effective review controls been implemented.
30. The public entity did not implement proper record management systems to ensure that the reported performance information and financial statements were supported by complete, relevant, and accurate schedules and readily available documents.
31. There was inadequate review, and monitoring of compliance with applicable laws and regulations as instances of non-compliance were identified in relating to material misstatements in the annual financial statements were identified.

Auditor-General
Pretoria

31 July 2021



Annexure

– Auditor-General's responsibility for the audit

1. 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 programme and the public entity's compliance with respect to the selected subject matters.

Financial statements

2. 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 by the accounting authority
 - conclude on the appropriateness of the accounting authority's 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

3. 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.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions are taken to eliminate threats or safeguards applied.

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Annual Financial Statements for the year ended 31 March 2021

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

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The annual financial statements set out on page 128-149, which have been prepared on the going concern basis, were approved by the Accounting Authority on 28 July 2021 and were signed on its behalf by:

Mrs Sesi Nombulelo Nxesi



Chief Executive Officer

Mr Duncan Hindle



Accounting Authority Chairperson

Statement of Financial Position as at 31 March 2021

Figures in Rand thousand	Note(s)	2021	2020 Restated*
Assets			
Non-Current Assets			
Property plant and equipment	10	9 547	9 339
Intangible assets	11	667	1 138
		10 214	10 477
Current Assets			
Cash and cash equivalents	12	1 149 731	1 285 907
Consumables		34	63
Receivables from non-exchange transactions	13	313	573
Receivables from exchange transactions	14	6 393	8 946
		1 156 471	1 295 489
Total Assets		1 166 685	1 305 966
Liabilities			
Current Liabilities			
Payable from non-exchange transactions	15	307 022	209 595
Payable from exchange transactions	16	5 374	8 290
Accrued employee entitlements	17	12 587	10 534
Provisions for exempt employers	18	7 002	5 436
Total Liabilities		331 985	233 855
Assets		1 166 685	1 305 966
Less : Liabilities		(331 985)	(233 855)
Net Assets		834 700	1 072 111
Administration reserve	20	10 214	10 477
Employer grant reserve	20	21 201	27 470
Discretionary reserve	20	803 285	1 034 164
Total Net Assets		834 700	1 072 111

Statement of Financial Performance

Figures in Rand thousand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from non-exchange transactions	4	722 394	972 030
Revenue from non-exchange transaction:Penalties and Interest	4.1	11 622	11 542
Investment income from exchange transactions	5	43 398	89 834
Other income	6	102	187
Gain on disposal of assets and liabilities		8	-
Total revenue		777 524	1 073 593
Expenses			
Consultancy		(7 188)	(7 400)
Repairs and maintenance		(6 365)	(6 584)
(Loss) on disposal of assets and liabilities		-	(35)
QCTO expenditure		(3 665)	(3 505)
Mandatory and discretionary grants	7	(842 353)	(1 017 745)
General administration expenses	8	(48 172)	(64 732)
Employee costs	9	(103 738)	(97 269)
Depreciation	10	(2 983)	(2 407)
Amortisation	11	(471)	(410)
Total expenditure		(1 014 935)	(1 200 087)
Deficit for the year		(237 411)	(126 494)

Statement of Changes in Net Assets

Figures in Rand thousand	Administration reserve	Employer reserve	Discretionary grant reserve	Unappropriated surplus / (deficit)	Total net assets
Balance at 31 March 2019	7 916	23 502	1 167 185	-	1 198 603
Changes in net assets					
Net (deficit) per statement of financial performance	-	-	-	(51 484)	(51 484)
Allocation of unappropriated (deficit)/ surplus	26 723	27 470	(105 677)	51 484	-
Excess reserves transfered to Discretionary reserves	(24 162)	(23 502)	47 664	-	-
Opening balance as previously reported	10 477	27 470	1 109 174	-	1 147 121
Adjustments					
Correction of errors	-	-	-	(75 010)	(75 010)
Prior year adjustments (refer prior year error- note 25)	-	-	(75 010)	75 010	-
Restated Balance at 31 March 2020	10 477	27 470	1 034 164	-	1 072 111
Changes in net assets					
Net (deficit) per statement of financial performance	-	-	-	(237 411)	(237 411)
Allocation of unappropriated (deficit) / surplus	(13 418)	21 201	(245 194)	237 411	-
Excess reserves transfered to Discretionary reserves	7 273	(27 470)	14 315	-	(5 882)
Total changes	(263)	21 201	(283 387)	-	-
Balance at 31 March 2021	10 214	21 201	803 285	-	834 700
Note(s)	3	3	3		

Cash Flow Statement

Figures in Rand thousand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		734 016	983 572
Investment income		46 317	91 507
Other cash receipts from stakeholders		214	968
		780 547	1 076 047
Payments			
Compensation of employees		(103 740)	(99 916)
Grants and project payments		(743 361)	(988 084)
Payments to suppliers		(66 439)	(62 205)
		(913 540)	(1 150 205)
Total receipts		780 547	1 076 047
Total payments		(913 540)	(1 150 205)
Net cash flows from operating activities	19	(132 993)	(32 593)
Cash flows from investing activities			
Purchase of property plant and equipment	10	(3 200)	(4 959)
Proceeds from sale of property plant and equipment		18	56
Purchase of intangible assets	11	-	(510)
Net cash flows from investing activities		(3 182)	(5 413)
Net increase/(decrease) in cash and cash equivalents		(136 175)	(38 006)
Cash and cash equivalents at the beginning of the year		1 285 907	1 323 913
Cash and cash equivalents at the end of the year	12	1 149 732	1 285 907

Statement of Comparison of Budget and Actual Amounts

Budget					
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand thousand					
Statement of Financial Performance					
Revenue					
*see note 29					
Other income	-	-	-	110	110
Investment income	91 252	(36 501)	54 751	43 398	(11 353)
Penalties and interest	12 907	(4 302)	8 605	11 622	3 017
Skills development levy income	962 537	(329 345)	633 192	722 394	89 202
Approved surplus	-	1 137 000	1 137 000	-	(1 137 000)
Total revenue	1 066 696	766 852	1 833 548	777 524	(1 056 024)
Expenditure					
Employee costs	(112 117)	45 956	(66 161)	(103 738)	(37 577)
Mandatory and discretionary	(851 602)	(839 726)	(1 691 328)	(842 353)	848 975
Repairs and maintenance	(8 212)	588	(7 624)	(6 365)	1 259
Depreciation	(3 337)	1 293	(2 044)	(2 983)	(939)
General expense	(62 988)	11 720	(51 268)	(48 172)	3 096
Consultancy fees	(24 204)	13 204	(11 000)	(7 188)	3 812
QCTO expense	(3 665)	-	(3 665)	(3 665)	-
Amortisation	(571)	115	(456)	(471)	(15)
Total expenditure	(1 066 696)	(766 850)	(1 833 546)	(1 014 935)	818 611
Surplus before taxation	-	2	-	(2)	
Actual Amount on Comparable	-	2	-	(2)	
Basis as Presented in the Budget and Actual Comparative Statement					

The National Treasury approved a budget of R 1.067b for the period 1 April 2020 to 31 March 2021. However, due to the covid 19 pandemic the ETDP SETA adjusted downwards it budget to R697m by dividing the total annual revenue by 12 and multiplying it by 7.839.

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, issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respects, 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 one functional currency of the ETDP SETA.

1.2 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Furthermore, all figures presented are rounded to the nearest thousand.

1.3 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.

1.4 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.

1.4.1 Levy income

Skills Development Levy income

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 are paid over to the ETDP SETA . 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%
- Adminitration 10%
- QCTO 0.5%

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.

1.4 Revenue from non-exchange transactions (continued)

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. 30% of this amount is appropriated to the SETA with which the department is affiliated. 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

1.4.2 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.

1.5 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.

1.5.1 Investment 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.

1.6 Grants and project expenditure/payables

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.

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

1.6.1 Mandatory grants payments

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.

1.6.2 Discretionary grants and projects expenditure/payables

Discretionary grants relate to the 49.5% of levies paid to SARS by member organisations and remitted to ETDP SETA by the DHET plus surplus from administration budget, interest earned from the banks and forfeited mandatory grants. This grant is used to fund training and skills enhancing programmes in the sector. The project expenditure is recognised when the training or the skills enhancing programme has been delivered in accordance with the contract of agreement between the ETDP SETA and the training institution or provider. These grants are measured at the amounts paid / 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, in which the conditions are met.

Project expenditure comprise:

- 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

1.7 [Quality Counsel 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.

1.8 [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 entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is stated at historical cost less accumulated depreciation and adjusted for any

impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items. No assets are held with the primary objective of generating a commercial return; hence all assets are classified as non-cash generating. Depreciation is calculated on the straight-line method to write off the cost of each asset to estimated residual value over its estimated useful life as noted below. The assets’ residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Item	Depreciation method	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.

1.9 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.

1.10 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.

1.11 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.

1.11 Employee benefits (continued)

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

1.12 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 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. 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 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
- 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 not recognised. Contingencies are disclosed in note 21.

1.13 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:

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.

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.

Trade payables

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

1.13 Financial instruments (continued)

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.

1.14 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.

1.15 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.

1.16 Irregular expenditure

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. this Act; 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 expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required, with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements. Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

1.16 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law.

Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the Accounting Officer or Accounting Authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.17 Segment information

Segments are identified by the way in which information is reported to management, for both purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by ETDP SETA. The major classifications of activities identified in budget documentation reflect the segments on which ETDP SETA reports information to management

Segment information is presented based on service. Service segments relate to a distinguishable component of ETDP SETA that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. ETDP SETA's service segments are mandatory, discretionary and administration activities.

1.18 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.

1.19 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%

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.

1.20 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

Management uses fair value less cost to sell in identifying the assets that may have been impaired.

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 Annual Financial Statements

Figures in Rand thousand	2021	2020
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
GRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue	01 April 2020	Unlikely there will be a material impact
IGRAP 20: Accounting for Adjustments to Revenue	01 April 2020	Unlikely there will be a material impact
GRAP 35: Consolidated Financial Statements	01 April 2020	No impact on our financial statements
GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	No impact on our financial statements
GRAP 37: Joint Arrangements	01 April 2020	No impact on our financial statements
GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	No impact on our financial statements
GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	No impact on our financial statements
IGRAP 19: Liabilities to Pay Levies	01 April 2020	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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3. Allocation of net surplus for the year to reserves

	Administration reserve	Employer grant reserve	Discretionary reserve	2020/21	2019/20
Admin levy income from levy payers	51 100	-	-	51 100	70 933
Levy income from levy payers	-	100 476	250 126	350 602	493 812
QCTO	1 750	-	-	1 750	3 555
Levy from levy payers	106 314	-	212 628	318 942	403 730
Penalties and interest	-	-	11 622	11 622	11 542
Investment income	-	-	43 398	43 398	89 834
Other Income	-	-	110	110	187
Total revenue	159 164	100 476	517 884	777 524	1 073 593
Administrative expenses	168 917	-	-	168 917	178 837
QCTO expense	3 665	-	-	3 665	3 505
Employer grants and project expenses	-	79 275	763 078	842 353	1 017 745
Total expenses	172 582	79 275	763 078	1 014 935	1 200 087
Net (deficit)/ surplus per statement of financial performance	(13 418)	21 201	(245 194)	(237 411)	(126 494)

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
4. Revenue from Non-exchange transactions		
Levy income: Administration	159 165	209 065
Levies received from levy payers	52 850	74 488
Government levies received	106 315	134 577
Levy income: Employer grants	100 476	141 710
Levies received from levy payers	100 476	141 710
Levy income: Discretionary grants	462 753	621 255
Levies received from levy payers	250 126	352 102
Government levies received	212 627	269 153
	722 394	972 030
4.1 Interest and Penalties revenue arising from non-exchange transactions is as follows:		
Penalties	5 443	5 328
Interest	6 179	6 213
	11 622	11 541
5. Investment revenue		
Interest income from exchange transactios		
Accrued interest	3 412	6 331
Bank deposits	39 986	83 503
	43 398	89 834
6. Other income		
Mandatory grants received	73	164
Insurance recoveries	29	23
Gains on disposal of assets	8	-
	110	187

Notes to the Annual Financial Statements

Figures in Rand thousand

7. Mandatory and Discretionary Grants

	2021	2020
Mandatory grants	79 275	114 240
Discretionary grants	763 078	903 505
	842 353	1 017 745

Prior year discretionary expense are restated by R75 009 (see prior year error- note 25)

8. General administration expenses

Building and related costs		
Operating rentals -Buildings	16 674	15 526
Security and cleaning	2 281	2 266
Water and electricity	2 532	2 925
Other administration cost		
Meeting and board fees	2 728	1 942
Remuneration of audit committe members	385	220
Auditors remuneration	2 617	2 748
Staff training and development	540	1 993
Recruitment	778	1 016
Stationery and consumables	741	1 450
Advertising, marketing and promotions, communication	2 090	4 971
Legal fees	333	1 554
Travel and subsistence allowance	1 845	11 260
Courier fees	172	772
Hire of equipment	10 503	5 990
Insurance	635	675
Bank charges	568	742
Workshops and AGM	235	354
Staff relocation	26	832
Printing and postage	704	2 784
Refreshments and catering	296	1 401
Telephone and cellular phone	46	775
Other expenses	1 443	2 536
Total per Statement of Financial Performance	48 172	64 732

The increase in the hire of equipment is due to the cost of R5 508 representing the increased corporate access personal network used to access the system from home during the lockdown.The hire of Internet Solution equipment is R7 099 and the cost to hire the photocopiers is R3 404.

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
9. Employee related costs		
Salaries and wages		
Basic	87 555	85 230
Medical aid - company contributions	2 766	2 516
UIF	222	227
Leave pay provision charge	4 043	364
Defined contribution-employees	4 576	4 466
Defined company contributions	4 576	4 466
	103 738	97 269
Total employee cost		
Average number of employees: 122 (2020: 127)	103 738	97 269

Notes to the Annual Financial Statements

Figures in Rand thousand

10. Property plant and equipment

		2021	Carrying value		2020	Carrying value
	Cost/ Valuation	Accumulated amortisation and accumulated impairment		Cost/ Valuation	Accumulated amortisation and accumulated impairment	
Furniture and fixtures	6 128	(4 350)	1 778	6 017	(3 870)	2 147
Motor vehicles	1 001	(461)	540	1 001	(261)	740
Office equipment	1 740	(846)	894	1 067	(637)	430
Computer equipment	13 087	(8 383)	4 704	10 690	(6 749)	3 941
Leasehold improvements	1 494	(838)	656	1 493	(696)	797
Audio and visual equipment	1 768	(821)	947	1 769	(520)	1 249
Kitchen equipment	104	(76)	28	104	(69)	35
Minor assets	257	(257)	-	257	(257)	-
Total	25 579	(16 032)	9 547	22 398	(13 059)	9 339

Reconciliation of property plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and fixtures	2 147	110	-	(479)	1 778
Motor vehicles	740	-	-	(200)	540
Office equipment	430	673	-	(209)	894
Computer equipment	3 941	2 417	(10)	(1 644)	4 704
Leasehold improvements	797	-	-	(141)	656
Audio and visual equipment	1 249	-	-	(302)	947
Kitchen equipment	35	-	-	(8)	28
	9 339	3 200	(10)	(2 983)	9 547

Notes to the Annual Financial Statements

Figures in Rand thousand

10. Property plant and equipment (continued)

Reconciliation of property plant and equipment - 2020*Restated

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Depreciation	Total
Furniture and fixtures	1 509	1 089	(19)	-	-	(432)	2 147
Motor vehicles	941	-	-	-	-	(201)	740
Office equipment	281	249	-	-	-	(100)	430
IT equipment	3 412	1 961	(73)	-	-	(1 359)	3 941
Leasehold improvements	125	-	-	739	-	(67)	797
Audio and visual equipment	207	1 269	-	-	-	(227)	1 249
Kitchen equipment	42	1	-	-	-	(8)	35
Minor assets	-	13	-	-	-	(13)	-
Assets under construction	362	377	-	-	(739)	-	-
	6 879	4 959	(92)	739	(739)	(2 407)	9 339

11. Intangible assets

	2021			2020		
	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3 986	(3 319)	667	3 986	(2 848)	1 138

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software	1 138	(471)	667

Notes to the Annual Financial Statements

Figures in Rand thousand

11. Intangible assets (continued)

Reconciliation of intangible assets - 2020*Restated

	Opening balance	Additions	Amortisation	Total
Computer software	1 038	510	(410)	1 138

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
12. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	36	62
Cash at bank	103 966	64 780
Short-term investments	1 045 729	1 221 065
Cash and cash equivalents at the end of the year	1 149 731	1 285 907

The security of cash and cash equivalents is ensured by only contracting 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 3.5% (Prior year 6.75%).

13. Receivables from non-exchange transactions

Cash and cash equivalents consist of:		
Employer receivables	472	633
Less: allowance for impairment	(180)	(68)
Staff debtors	30	17
Less: allowance for impairment of staff debtors	(9)	(9)
	313	573

Receivables from non-exchange transactions

R472 (2020: R633) 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 R180 (2020:R68) 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 WSP. R9 (2020: R9) was provided for as debt impairment relating to staff members of the ETDP SETA and is unlikely that this amount would be recovered. R30 (2020:17) was recognised as a receivable relating to amounts owing from the staff members .

Receivables from non-exchange transactions past due but not impaired.

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
14. Receivables from exchange transactions		
Deposits	617	617
Interest receivable	3 412	6 331
Sundry receivables	2 093	1 571
Prepayments	1 303	1 459
Allowance for impairment	(1 032)	(1 032)
	6 393	8 946
Landlord/Supplier	Service	
Aida	Rental	- 67
Blue Beacon Investments	Rental	76 68
Engel & Volkers	Rental	- 70
Frikkie Pienaar	Rental	46 47
Gensec Properties	Rental	59 58
JHI Sanlam life	Rental	- 70
Magic Africa/ Document Warehouse	IT Software Licences	- 34
Road Hogg Tours	Rental	74 74
The Michael Family Trust	Rental	74 69
The Kaywood Trust	Rental	50 46
Umoya House	Rental	924 856
	1 303	1 459

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
15. Payables from non exchange transactions		
Skills development grants payable	42 790	41 918
Project creditors	17 206	10 884
Project accruals	247 026	156 793
	307 022	209 595

Prior year payables from non-exchange were restated by R75 009 (see prior year error - note25)

16. Payable from exchange transactions

Accruals	2 420	2 038
Payroll creditors	984	3 006
Liability resulting from straight line valuation of leases	402	1 708
Creditors	1 568	1 538
	5 374	8 290

17. Accrued employee entitlement

	Employee leave R'000	Employee bonus R'000	2020/21 R'000	2019/20 R'000
Open carrying amount	6 078	4 456	10 534	10 717
Amounts utilised during the year	(2 278)	(4 250)	(6 528)	(3 899)
Charged to income during the year	4 043	4 538	8 581	3 716
Closing carrying amount	7 843	4 744	12 587	10 534

The liability for the payment of leave pay is accrued and is calculated as number of leave days accumulated at the daily pay rate per payroll.

An accrual is made for the payment of a 13th Cheque at the end of November for those employees who have opted to take a 13th Cheque and is calculated each month as the number of employee recipients times one twelfth of their 13th Cheque. This is accumulated to date of payment.

Notes to the Annual Financial Statements

Figures in Rand thousand		2021	2020	
18. Provisions for exempt employers				
Reconciliation of provisions for exempt employers - 2021				
	Opening Balance	Additions	Reversed during the year	Total
Levies refundable provision- over 120 days	5 436	2 366	(800)	7 002

Reconciliation of provisions for exempt employers - 2020				
	Opening Balance	Additions	Reversed during the year	Total
Levies refundable provision	5 287	849	(700)	5 436

The 2021 amount R7m (2020: R5.4m) 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.

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
19. Cash (used in) generated from operations		
Deficit	(237 711)	(126 494)
Adjustments for:		
Depreciation	2 983	2 407
Amortisation	471	410
Loss/(profit) on disposal	10	92
Movements in provisions	3 619	(183)
Proceeds from insurance claims	(18)	(56)
Changes in working capital:		
Consumables	29	(30)
Receivables from exchange transactions	2 553	2 436
Receivables from non-exchange transactions	260	13
Payable from exchange transactions	(2 916)	(9 037)
Payable from non-exchange	97 727	97 849
	(132 993)	(32 593)

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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20. Reserves

20.1.1 Discretionary Commitments

Of the balance of R834 700 available in the Discretionary reserve at the end of the year, the commitments detailed below of R838 292 have been made for projects and skills priorities. Expenses that relate to these commitments are included in grant expenses in the Statement of Financial Performance. Prior year discretionary

reserves were restated by R75 009 (see prior year error- note25)

Discretionary reserves	Opening balance	Adjustments	New contracts	Total expenditure	Closing Balance
Programme 3.1	799 324	(99 057)	285 148	(628 953)	356 462
Programme 3.2	30 163	(3 882)	13 318	(33 463)	6 136
Surplus funds	304 771	-	-	-	304 771
TVET	-	-	3 864	(1 370)	2 494
Employed Learning Programmes	-	-	140	-	140
NGO	-	-	300	(436)	(136)
DBE Internship	-	-	104 789	(15 791)	88 998
Stipend UIF contributions	(2 891)	3 817	-	(3 817)	-
Re-allocation of funds	-	-	114 567	(77 248)	37 319
Re-allocation of funds- historical debt	-	-	47 000	(2 000)	45 000
	1 131 367	(99 122)	569 126	(763 078)	841 184

2019/20 * Restated	Opening balance	Adjustments	New contracts	Total expenditure	Closing Balance
Programme 3.1	790 965	(131 331)	974 067	(834 377)	799 324
Programme 3.2	83 520	(3 744)	16 624	(66 237)	30 163
Surplus funds	-	-	304 771	-	304 771
UIF CO.	-	-	-	(2 891)	(2 891)
	874 485	(135 075)	1 295 462	(903 505)	1 131 367

Notes to the Annual Financial Statements

Figures in Rand thousand

	2021	2020
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20. Reserves (continued)

20.1.2 Administrative Commitments

2020/21	Opening balance	Adjustments	New contracts	Total expenditure	Closing Balance
Administrative commitments	7 519	8 754	9 408	(23 358)	2 323
Total	7 519	8 754	9 408	(23 358)	2 323

2019/20	Opening balance	Adjustments	New contracts	Total expenditure	Closing Balance
Administrative commitments	10 208	1 105	15 486	(19 280)	7 519
Total	10 208	1 105	15 486	(19 280)	7 519

20.2 Administration Reserves (continued)

	2020/21	2019/20
Reserves retained to cover the carrying values of property plant and equipment/ intangible assets which will be depreciated in future years	10 214	10 477
	10 214	10 477

20.3 Employer Grant Reserves

	2020/21	2019/20
The reserve is retained to cover the first time employer registrations and future mandatory grants pay-out. The surplus remaining in the reserve will be swept to discretionary reserves every year on 1 August.	21 201	27 470
	21 201	27 470

Total of future minimum lease payments under non-cancellable leases		
Operating Leases - Buildings		
No later than one year	17 809	4 077
Later than one year	14 396	24 525
	32 205	28 602

Notes to the Annual Financial Statements

Figures in Rand thousand

	2021	2020
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20. Reserves (continued)

20.3 Employer Grant Reserves

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

	2020/21	2019/20
	21 201	27 470
	21 201	27 470

Total of future minimum lease payments under non-cancellable leases		
Operating Leases - Buildings		
No later than one year	17 809	4 077
Later than one year	14 396	24 525
	32 205	28 602

Details of operating lease agreements:					
Heading	Service	Commencement date	Termination date	Option to renew	Escalation % p.a.
Bloemfontein	Rental	1 January 2021	30 June 2023	Yes	8 %
Cape Town	Rental	01 January 2021	30 June 2023		6 %
CBD, Johannesburg	Rental	1 September 2017	30 June 2023	Yes	8 %
Durban	Rental	01 January 2021	30 June 2023	Yes	8 %
East London	Rental	01 January 2021	30 June 2023	Yes	8 %
Kimberley	Rental	01 January 2021	30 June 2023	Yes	- %
Nelspruit	Rental	01 January 2021	30 June 2023	Yes	5 %
Polokwane	Rental	01 January 2021	30 June 2023	Yes	5 %
Potchefstroom	Rental	01 January 2021	30 June 2023	Yes	5 %

Notes to the Annual Financial Statements

Figures in Rand thousand

	2021	2020
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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 to the PFMA may not retain cash surpluses that were realized 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 R818m the funds are already committed.

As of 31 March 2021 the surplus for the year is as follows:

	2020/21	2019/20* Restated
Cash and Cash Equivalents	1 149 731	1 285 907
Plus: Net Receivables	6 706	9 519
Less: Current Liabilities	(331 985)	(233 855)
	824 452	1 061 571

21.2 Contigent liabilities

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.

Notes to the Annual Financial Statements

Figures in Rand thousand

	2021	2020
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21.2 Contigent liabilities (continued)

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 2020/21 financial year which is also aligned to the approved annual performance plan. The mandatory grant expenditure in Note 7 as well as the mandatory grant liability in note 16 were calculated at a rate of 20%.

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 asset. 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. In addition, the entity has had no experience in similar transactions to be able to reasonably estimate the outcome of the events nor the amount

21.3 Litigations and claims

The SETA is involved in a dispute with a former employee regarding the termination of his employment contract. The matter is currently with the CCMA and management expects a financial expense exposure of R1,3 m at the time of reporting. The SETA is also in a dispute with a service provider regarding breach of contract. Upon finalisation, an agreement will be drafted, the same will be reviewed and adjudicated by the a private arbitrator, this exercise has an estimated value of R450 thousand.

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 the reporting date, it is estimated that, as a result, additional mandatory grant expenditure of R437 (2020: R644) will be payable. The amount is contingent on the number of submissions received and approved.

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties

22.2 Transactions with QCTO, DHET, Universities and TVET Colleges

Entities under the common control of DHET are considered related to the ETDP SETA. ETDP SETA is a National Public Entity controlled by DHET, it is therefore considered to be related to other SETAs, the QCTO, NSF and the 26 Public Universities. Transaction between the ETDP SETA and its identified related parties are consistent with normal operating relationships between the entities and were conducted under normal terms and conditions.

Where there were transactions and balances arising due to the movement of funds between the entities under common control of the DHET, such amounts are disclosed below.

The ETDP SETA recognises that related party transactions can present potential or actual conflicts of interest, it is therefore the policy of the ETDP SETA that at the time of evaluating contractual engagements the contracting parties are requested to provide evidence of company registrations and ownership/directorship.

All the stakeholders are also requested to declare their interest prior to start of all official meetings.

Related party- Payables	Nature of relationship	Transaction type	2020/21 R'000		2019/20 R'000	
			Amount of the transaction	Amount payable/(receivable)	Amount of the transaction	Amount payable/(receivable)
FP&M SETA	Levy payer	Mandatory grant	9	24	55	28
LGSETA	Levy payer	Mandatory grant	25	60	124	56
W&R SETA	Levy payer	Mandatory grant	48	98	207	93
MQA SETA	Levy payer	Mandatory grant	12	117	92	7
CHIETA	Levy payer	Mandatory grant	48	41	109	29
CATHSSETA	Levy payer	Mandatory grant	8	34	104	53
MERSETA	Levy payer	Mandatory grant	56	106	209	85
SERVICES SETA	Levy payer	Mandatory grant	26	148	279	113
PSETA	Levy payer	Mandatory grant	13	25	74	40
TETA	Levy payer	Mandatory grant	44	68	141	48

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Related party- Payables			2020/21 R'000		2019/20 R'000	
	Nature of relationship	Transaction type	Amount of the transaction	Amount payable/(receivable)	Amount of the transaction	Amount payable/(receivable)
QCTO	Levy payer	Mandatory grant	33	43	-	-
University of Johannesburg	Levy payer	Mandatory grant	808	1 974	4 085	1 839
University of Venda	Levy payer	Mandatory grant	205	602	1 065	461
Walter Sisulu University	Levy payer	Mandatory grant	388	1 284	1 775	722
Cape Peninsula University of Technology	Levy payer	Mandatory grant	220	1 320	2 292	1 049
Central University of Technology	Levy payer	Mandatory grant	180	533	734	303
Mangosuthu University of Technology	Levy payer	Mandatory grant	147	319	664	264
Tshwane University of Technology	Levy payer	Mandatory grant	799	1 640	3 388	1 287
Vaal University of Technology	Levy payer	Mandatory grant	268	599	1 338	534
Wits	Levy payer	Mandatory grant	969	2 070	4 403	1 882
University of Pretoria	Levy payer	Mandatory grant	1 038	2 392	4 585	1 536
University of KwaZulu-Natal	Levy payer	Mandatory grant	773	1 835	3 723	1 525
University of Limpopo	Levy payer	Mandatory grant	287	702	1 422	577
North West University	Levy payer	Mandatory grant	682	1 887	3 725	1 742
UCT	Levy payer	Mandatory grant	1 009	2 424	4 971	2 154
Stellenbosch University	Levy payer	Mandatory grant	736	1 863	3 478	1 419
Sefaka Makgato	Levy payer	Mandatory grant	246	604	1 180	566
University of South Africa	Levy payer	Mandatory grant	1 421	4 151	7 702	3 245

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Related party- Payables	Nature of relationship	Transaction type	2020/21 R'000		2019/20 R'000	
			Amount of the transaction	Amount payable/(receivable)	Amount of the transaction	Amount payable/(receivable)
Nelson Mandela Metropolitan university	Levy payer	Mandatory grant	435	999	2 066	839
University of Free state	Levy payer	Mandatory grant	-	1 294	2 252	948
University of Mpumalanga	Levy payer	Mandatory grant	64	263	392	151
Sol Plantjie University	Levy payer	Mandatory grant	66	192	330	178
University of Westen Cape	Levy payer	Mandatory grant	1 107	521	1 823	755
Walter Sisulu University	Levy payer	Mandatory grant	388	1 284	-	-
Durban University of Technology	Levy payer	Mandatory grant	290	1 200	1 351	547
Rhodes University	Levy payer	Mandatory grant	224	525	1 103	480
University of Fort hare	Levy payer	Mandatory grant	222	509	1 029	386
University of Zululand	Levy payer	Mandatory grant	166	354	829	340
Buffalo City FET College	Levy payer	Mandatory grant	9	31	41	15
East Cape Midlands FET College	Levy payer	Mandatory grant	16	35	-	-
Ikhala FET College	Levy payer	Mandatory grant	4	5	1	-
Ingwe FET College	Levy payer	Mandatory grant	6	8	25	10
King Hintsa FET College	Levy payer	Mandatory grant	2	8	-	-
Lovedale FET College	Levy payer	Mandatory grant	13	47	56	20
Port Elizabeth FET College	Levy payer	Mandatory grant	19	49	62	19
Flavius Mareka	Levy payer	Mandatory grant	11	31	52	19

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Related party- Payables	Nature of relationship	Transaction type	2020/21 R'000		2019/20 R'000	
			Amount of the transaction	Amount payable/(receivable)	Amount of the transaction	Amount payable/(receivable)
Goldfields FET College	Levy payer	Mandatory grant	11	31	54	15
Maluti FET College	Levy payer	Mandatory grant	25	42	60	14
Central JHB	Levy payer	Mandatory grant	6	40	34	10
Ekurhuleni East FET College	Levy payer	Mandatory grant	8	47	74	30
Ekurhuleni West College	Levy payer	Mandatory grant	2	6	6	6
Sedibeng FET College	Levy payer	Mandatory grant	6	21	29	11
South West FET College	Levy payer	Mandatory grant	10	28	43	15
Tshwane North FET College	Levy payer	Mandatory grant	-	31	10	10
Tshwane South FET College	Levy payer	Mandatory grant	-	28	45	18
Western College FET	Levy payer	Mandatory grant	-	28	45	18
Coastal FET College (Mobeni)	Levy payer	Mandatory grant	35	48	135	42
Elangeni FET College	Levy payer	Mandatory grant	22	47	98	24
Esayidi FET College	Levy payer	Mandatory grant	14	11	38	15
Majuba FET College	Levy payer	Mandatory grant	30	62	104	50
Mnambithi FET College	Levy payer	Mandatory grant	2	-	22	10
Mthashana FET College	Levy payer	Mandatory grant	5	12	24	10
Thekwini FET College	Levy payer	Mandatory grant	-	-	1	1
Umfolozi FET College	Levy payer	Mandatory grant	-	34	70	29

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Related party- Payables			2020/21 R'000		2019/20 R'000	
	Nature of relationship	Transaction type	Amount of the transaction	Amount payable/(receivable)	Amount of the transaction	Amount payable/(receivable)
Umgungundlovu FET College	Levy payer	Mandatory grant	8	15	26	9
Lephalale FET College	Levy payer	Mandatory grant	2	3	13	4
Letaba FET College	Levy payer	Mandatory grant	2	12	23	7
Sekhukhune FET College	Levy payer	Mandatory grant	-	2	17	-
Vhembe FET College	Levy payer	Mandatory grant	3	17	33	12
Nkangala FET College	Levy payer	Mandatory grant	13	40	51	18
Taletso FET College	Levy payer	Mandatory grant	5	10	-	-
Boland FET College	Levy payer	Mandatory grant	23	57	81	27
College of Cape Town FET College	Levy payer	Mandatory grant	33	59	155	62
False Bay FET College	Levy payer	Mandatory grant	34	51	98	35
South Cape FET College	Levy payer	Mandatory grant	19	35	79	25
West Coast FET College	Levy payer	Mandatory grant	13	33	-	-
Vuselela Tvet College	Levy payer	Mandatory grant	-	6	-	-
Northern Cape Urban TVET College	Levy payer	Mandatory grant	13	21	50	17
Mopani Tvet College	Levy payer	Mandatory grant	5	11	18	6
Maluti TVET College	Levy payer	Mandatory grant	25	42	-	-
Ekuruleni east tvet College	Levy payer	Mandatory grant	8	47	-	-
Ekuruleni West tvet College	Levy payer	Mandatory grant	2	6	-	-
Central JHB	Levy payer	Mandatory grant	6	40	-	-
			13 944	35 346	64 852	26 926

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Receivables			2020/21 R'000		2019/20 R'000	
	Nature of relationship	Transaction type	Amount of the transaction	Amount payable/(receivable)	Amount of the transaction	Amount payable/(receivable)
SERVICES SETA	Levy payer	Mandatory grant	880	-	1 246	-
FP&M SETA	Levy payer	Mandatory grant	348	-	209	-
LGSETA	Levy payer	Mandatory grant	413	-	556	-
W&RSETA	Levy payer	Mandatory grant	546	-	865	-
MQA SETA	Levy payer	Mandatory grant	763	-	615	-
CHIETA	Levy payer	Mandatory grant	292	-	348	-
CATHSSETA	Levy payer	Mandatory grant	309	-	412	-
MERSETA	Levy payer	Mandatory grant	744	-	871	-
PSETA	Levy payer	Mandatory grant	202	-	307	-
TETA	Levy payer	Mandatory grant	521	-	620	-
QCTO	Levy payer	Mandatory grant	229	-	-	-
University of Johannesburg	Levy payer	Mandatory grant	13 603	-	17 846	-
University of Venda	Levy payer	Mandatory grant	3 426	-	5 035	-
Walter Sisulu University	Levy payer	Mandatory grant	9 389	-	7 799	-
Cape Peninsula University of Technology	Levy payer	Mandatory grant	7 013	-	10 900	-
Central University of Technology	Levy payer	Mandatory grant	3 025	-	3 626	-
Mangosuthu University of Technology	Levy payer	Mandatory grant	2 030	-	3 231	-
Tshwane University of Technology	Levy payer	Mandatory grant	11 878	-	15 277	-
Vaal University of Technology	Levy payer	Mandatory grant	4 236	-	5 860	-
Wits	Levy payer	Mandatory grant	13 002	-	21 133	-
University of Pretoria	Levy payer	Mandatory grant	16 835	-	22 376	-

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Receivables	Nature of relationship	Transaction type	2020/21 R'000		2019/20 R'000	
			Amount of the transaction	Amount payable/(receivable)	Amount of the transaction	Amount payable/(receivable)
University of KwaZulu-Natal	Levy payer	Mandatory grant	12 414	-	17 017	-
University of Limpopo	Levy payer	Mandatory grant	5 016	-	6 238	-
North west university	Levy payer	Mandatory grant	10 911	-	17 444	-
UCT	Levy payer	Mandatory grant	14 664	-	23 862	-
Stellenbosch University	Levy payer	Mandatory grant	12 577	-	15 382	-
Sefaka Makgato	Levy payer	Mandatory grant	3 627	-	4 736	-
University of South Africa	Levy payer	Mandatory grant	26 737	-	34 858	-
Nelson Mandela Metropolitan University	Levy payer	Mandatory grant	7 033	-	9 045	-
University of Free state	Levy payer	Mandatory grant	7 432	-	10 920	-
University of Mpumalanga	Levy payer	Mandatory grant	1 388	-	1 717	-
Sol Plantjie University	Levy payer	Mandatory grant	1 096	-	1 588	-
Unversity of Westen Cape	Levy payer	Mandatory grant	5 484	-	8 751	-
Walter Sisulu University	Levy payer	Mandatory grant	9 389	-	-	-
Durban University of Technology	Levy payer	Mandatory grant	6 520	-	6 543	-
Rhodes University	Levy payer	Mandatory grant	3 680	-	4 963	-
University of Fort hare	Levy payer	Mandatory grant	3 516	-	4 495	-
University of Zululand	Levy payer	Mandatory grant	2 080	-	3 637	-
Buffalo City FET College	Levy payer	Mandatory grant	169	-	197	-
East Cape Midlands FET College	Levy payer	Mandatory grant	196	-	277	-
Ikhala FET College	Levy payer	Mandatory grant	33	-	6	-

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Receivables	Nature of relationship	Transaction type	2020/21 R'000		2019/20 R'000	
			Amount of the transaction	Amount payable/(receivable)	Amount of the transaction	Amount payable/(receivable)
Ingwe FET College	Levy payer	Mandatory grant	67	-	112	-
King Hintsa FET College	Levy payer	Mandatory grant	38	-	72	-
Lovedale FET College	Levy payer	Mandatory grant	318	-	269	-
Port Elizabeth FET College	Levy payer	Mandatory grant	376	-	295	-
Flavius Mareka	Levy payer	Mandatory grant	209	-	264	-
Goldfields FET College	Levy payer	Mandatory grant	199	-	337	-
Maluti FET College	Levy payer	Mandatory grant	240	-	325	-
Central JHB	Levy payer	Mandatory grant	187	-	165	-
Ekurhuleni East FET College	Levy payer	Mandatory grant	274	-	357	-
Ekurhuleni West College	Levy payer	Mandatory grant	31	-	77	-
Sedibeng FET College	Levy payer	Mandatory grant	140	-	151	-
South West FET College	Levy payer	Mandatory grant	132	-	233	-
Tshwane North FET College	Levy payer	Mandatory grant	114	-	140	-
Tshwane South FET College	Levy payer	Mandatory grant	210	-	247	-
Western College FET	Levy payer	Mandatory grant	264	-	385	-
Coastal FET College (Mobeni)	Levy payer	Mandatory grant	345	-	590	-
Elangeni FET College	Levy payer	Mandatory grant	404	-	509	-
Esayidi FET College	Levy payer	Mandatory grant	93	-	162	-
Majuba FET College	Levy payer	Mandatory grant	483	-	804	-
Mnambithi FET College	Levy payer	Mandatory grant	18	-	101	-
Mthashana FET College	Levy payer	Mandatory grant	79	-	96	-
Thekwini FET College	Levy payer	Mandatory grant	-	-	18	-
Umfolozi FET College	Levy payer	Mandatory grant	107	-	360	-

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Figures in Rand thousand

22. Related parties (continued)

Receivables	Nature of relationship	Transaction type	2020/21 R'000		2019/20 R'000	
			Amount of the transaction	Amount payable/(receivable)	Amount of the transaction	Amount payable/(receivable)
Umgungundlovu FET College	Levy payer	Mandatory grant	85	-	136	-
Lephalale FET College	Levy payer	Mandatory grant	19	-	38	-
Letaba FET College	Levy payer	Mandatory grant	67	-	119	-
Sekhukhune FET College	Levy payer	Mandatory grant	21	-	140	-
Vhembe FET College	Levy payer	Mandatory grant	106	-	168	-
Nkangala FET College	Levy payer	Mandatory grant	198	-	267	-
Taletso FET College	Levy payer	Mandatory grant	67	-	116	-
Boland FET College	Levy payer	Mandatory grant	283	-	536	-
College of Cape Town FET College	Levy payer	Mandatory grant	341	-	753	-
False Bay FET College	Levy payer	Mandatory grant	374	-	519	-
South Cape FET College	Levy payer	Mandatory grant	277	-	421	-
West Coast FET College	Levy payer	Mandatory grant	245	-	284	-
Vuselela Tvet College	Levy payer	Mandatory grant	26	-	-	-
Northern Cape Urban TVET College	Levy payer	Mandatory grant	193	-	276	-
Mopani Tvet College	Levy payer	Mandatory grant	76	-	94	-
Moteo Tvet College	Levy payer	Mandatory grant	88	-	195	-
Maluti TVET College	Levy payer	Mandatory grant	240	-	-	-
Ekuruleni East Tvet College	Levy payer	Mandatory grant	274	-	-	-
Ekuruleni West Tvet College	Levy payer	Mandatory grant	31	-	-	-
Central JHB	Levy payer	Mandatory grant	187	-	-	-
			231 172	-	300 939	-

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Related party	Nature of relationship	Transaction type	Committments	
			2020/21	2019/20
Walter Sisulu	Levy payer	Discretionary	1 000	-
Solplatjie	Levy payer	Discretionary	605	-
QCTO	Levy payer	Discretionary	55	-
Lovedale	Levy payer	Discretionary	5 669	-
King Hintsa TVET	Levy payer	Discretionary	1 761	-
HWSETA	Levy payer	Discretionary	4 400	-
DHET	Levy payer	Discretionary	40 000	-
Durban University of Technology	Levy payer	Discretionary	494	-
Boland TVET College	Levy payer	Discretionary	345	733
Buffalo city TVET College	Levy payer	Discretionary	-	786
Cape Peninsula University of Technology	Levy payer	Discretionary	2 573	3 287
Central University of Technology	Levy payer	Discretionary	2 158	631
Coastal TVET College	Levy payer	Discretionary	-	149
Elangeni TVET College	Levy payer	Discretionary	497	674
Falsebay TVET College	Levy payer	Discretionary	198	4 468
Forthare University	Levy payer	Discretionary	2 199	2 331
Gert Sibande TVET College	Levy payer	Discretionary	-	7 504
Goldfields TVET College	Levy payer	Discretionary	3 533	2 893
Ikhala TVET College	Levy payer	Discretionary	4 581	1 644
Ingwe TVET College	Levy payer	Discretionary	1 079	1 622
Lephalale TVET College	Levy payer	Discretionary	326	11 105
Majuba TVET College	Levy payer	Discretionary	2 416	3 346
Maluti TVET College	Levy payer	Discretionary	1 410	3 048

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

	Nature of relationship	Transaction type	Committments 2020/21	Committments 2019/20
Mnambithi TVET College	Levy payer	Discretionary	704	-
Nkangala TVET College	Levy payer	Discretionary	500	-
Mangosuthu University of Technology	Levy payer	Discretionary	1 000	1 000
Mthashana TVET College	Levy payer	Discretionary	103	1 879
Nelson Mandela University	Levy payer	Discretionary	1 828	2 550
North West University	Levy payer	Discretionary	18 437	17 301
Northern Cape Rural TVET College	Levy payer	Discretionary	-	4 788
Northern Cape TVET College	Levy payer	Discretionary	-	786
Northlink TVET College	Levy payer	Discretionary	-	783
ORBIT TVET College	Levy payer	Discretionary	1 425	2 605
Rhodes University	Levy payer	Discretionary	614	2 796
South Cape TVET College	Levy payer	Discretionary	-	504
Stellenbosch University	Levy payer	Discretionary	2 237	4 026
Taletso TVET College	Levy payer	Discretionary	-	200
Tshwane North TVET College	Levy payer	Discretionary	-	929
Tshwane University of Technology	Levy payer	Discretionary	29 712	3 409
Umfolozu TVET College	Levy payer	Discretionary	2 930	2 836
Umgungundlovu TVET College	Levy payer	Discretionary	4 758	200
University of South Africa	Levy payer	Discretionary	4 528	935
Universities of South Africa (USAF)	Levy payer	Discretionary	67 000	-
University of Cape Town	Levy payer	Discretionary	1 793	5 433
University of Johannesburg	Levy payer	Discretionary	12 504	6 804
University of Kwa-Zulu Natal	Levy payer	Discretionary	546	4 264
University of Limpopo	Levy payer	Discretionary	1 887	2 076
University of Mpumalanga	Levy payer	Discretionary	3 650	2 984

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

	Nature of relationship	Transaction type	Committments 2020/21	Committments 2019/20
University of Pretoria	Levy payer	Discretionary	10 496	14 301
University of the Free State	Levy payer	Discretionary	3 725	5 358
University of the Witwatersrand	Levy payer	Discretionary	11 208	27 059
University of Venda	Levy payer	Discretionary	5 725	-
University of Western Cape	Levy payer	Discretionary	1 000	1 245
University of Zululand	Levy payer	Discretionary	-	855
Vaal University of Technology	Levy payer	Discretionary	1 000	1 000
Vhembe TVET College	Levy payer	Discretionary	8 617	4 308
Vuselela TVET College	Levy payer	Discretionary	790	3 300
Waterberg TVET College	Levy payer	Discretionary	5 159	10 154
West College TVET	Levy payer	Discretionary	200	3 120
			279 375	184 009

Related party				2020/21 R'00		2019/20 R'00
	Nature of relationship	Transaction type	Amount of the transaction	Amount payable/ (receivable)	Amount of the transaction	Amount payable/ (receivable)
QCTO	Accreditation body	QCTO expenditure	3 665	-	3 505	-
DHET	Controlling entity	Revenue contributions	17 843	-	16 914	-
			21 508	-	20 419	-
			21 508	-	20 419	-

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Remuneration of management

Key management personnel

2021

	Basic salary	Bonuses and performance related payments	Medical aid	Pension	Other benefits received	Total
Name						
Ms. NS Nxesi (CEO)	2 244	89	-	227	234	2 794
Mr. M Dondolo (CRO)	1 533	64	94	145	-	1 836
Mr. T Makofane (COO)	1 495	-	25	138	-	1 658
Ms. N Dick (CFO)	1 565	48	32	145	-	1 790
	6 837	201	151	655	234	8 078

2020

Name

	Basic salary	Medical aid	Pension	Other benefits received	Total
Ms. NS Nxesi (CEO)	2 008	-	111	212	2 331
Mr. M Dondolo (CRO)	1 488	44	72	-	1 604
Mr. T Makofane (COO)	1 436	12	68	-	1 516
Ms. N Dick (CFO)	1 510	15	72	-	1 597
	6 442	71	323	212	7 048

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Remuneration of Accounting Authority Members

2021

	Fees for services as a member of management	Other expenses	Total
Name			
D Hindle - Chairperson	111	244	355
M Mthembu	78	-	78
F Solomon	78	-	78
V Singh	78	-	78
L Ingram	69	-	69
N Mboniswa	69	-	69
N Ntantala	69	-	69
DM Peo	69	-	69
P Chiloane	69	-	69
J Landman	69	-	69
T Mathebula	78	-	78
LM Motshwane	69	-	69
	906	244	1 150

Notes to the Annual Financial Statements

Figures in Rand thousand

22. Related parties (continued)

Remuneration of Accounting Authority Members

2020			
	Fees for services as a member of management	Other expenses	Total
Name			
D Hindle - Chairperson	288	44	332
N Ngcobo	-	11	11
M Mthembu	69	8	77
K Kasonkola (Dr)	35	-	35
VA Monyela	-	5	5
SL Nxumalo	52	-	52
LM Motshwane	52	-	52
G Kgoleng	52	1	53
J Landman	60	10	70
T Moodley	34	4	38
TToolo	35	3	38
L saul	56	4	60
	733	90	823

Notes to the Annual Financial Statements

Figures in Rand thousand

23. Risk management

Market risk

ETDP SETA manages its interest risk by spreading its funds over the two major banks in which it uses current account, call account and short term investments. A cash management system is used for monitoring bank balances. The sensitivity of surplus funds to interest rates is dependent on the prime rate variations. At the reporting date, the prime rate was 3.5% (Prior year: 7.0%).

For the year ended 31 March 2021	Floating rate	Effective interest rate	Non-interest bearing	Total
Cash	1 149 731	4 %	-	1 149 731
Receivables	6 393	4 %	470	6 863
Subtotal	1 156 124	4	470	1 156 594
Liabilities	(268 220)	4 %	-	(268 220)
	268 220	3.50 %	-	268 220
For the year ended 31 March 2020	Floating rate	Effective interest rate	Non-interest bearing	Total
Financial Assets	-	- %	-	-
Cash	1 285 907	7 %	-	1 285 907
Receivables	8 946	- %	573	9 519
Subtotal	1 294 853 7%		573	1 295 426
*Restated Liabilities (prior year error- note25)	-	- %	-	-
	(171 253)	- %	-	(171 253)
	(171 253)	- %	-	(171 253)

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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23. Risk management (continued)

Market risk

The ETDP SETA manages its interest risk by spreading its funds over the two major banks in which it uses current account, call account and short term investments. A cash management system is used for monitoring bank balances. The sensitivity of surplus funds to interest rates is dependent on the prime rate variations. At the reporting date, the prime rate was 3.5% (Prior year: 7.0%).

For the year ended 31 March 2021	Floating rate	Effective interest rate	Non-interest bearing	Total
Cash	1 149 731	4 %	-	1 149 731
Receivables	6 393	4 %	470	6 863
Subtotal	1 156 124	4	470	1 156 594
Liabilities	(268 220)	4 %	-	(268 220)
	268 220	3.50 %	-	268 220
For the year ended 31 March 2020	Floating rate	Effective interest rate	Non-interest bearing	Total
Financial Assets	-	- %	-	-
Cash	1 285 907	7 %	-	1 285 907
Receivables	8 946	- %	573	9 519
Subtotal	1 294 853 7%		573	1 295 426
*Restated Liabilities (prior year error- note25)	-	- %	-	-
	(171 253)	- %	-	(171 253)
	(171 253)	- %	-	(171 253)

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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23. Risk management (continued)

For the year ended 31 March 2021	Gross	Impairment	Total
Receivables		-	
Not past due 0-30 days	5 447	-	5 447
Past due 30-90	1 418	-	1 418
Past due-91-120	1 220	(1 220)	-
Total financial assets	8 085	(1 220)	6 865

For the year ended 31 March 2020	Gross	Impairment	Total
Financial Assets		-	
Past due 30-90	7 943	-	7 943
Past due 91-120	1 576	-	1 576
Past due 1 year	1 109	(1 109)	-
Total financial assets	10 628	(1 109)	9 516

23.1 General

In the course of its operations, the ETDP SETA is exposed to interest rate, liquidity risk and market risk. In order to monitor these risks, the ETDP SETA has developed a risk management strategy in terms of Treasury Regulation 28.1. The following is the ETDP SETA's risk management process.

Notes to the Annual Financial Statements

Figures in Rand thousand

	2021	2020
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23. Risk management (continued)

23.2 Operational risk

Operational risk is the risk of loss arising from system failure, human error or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The ETDP SETA cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risk, the ETDP SETA is able to manage risk. Controls include effective segregation of duties, monitoring, authorisation, reconciliation, staff education and risk assessment processes.

23.3 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:

31 March 2021	Not later than one month	Later than one month but not later than three months	Later than three months but not later than one year	Later than one year but not later than five years
Trade and other payables	18 774	248 180	-	-
31 March 2020	Not later than one month	Later than one month but not later than three months	Later than three months but not later than one year	Later than one year but not later than five years
*Restated Trade and other payables (prior year errornote25)	12 422	158 831	-	-

Notes to the Annual Financial Statements

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23. Risk management (continued)

23.4 Credit risk

Financial assets which potentially subject the 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.

23.5 Market risk

The ETDP SETA is exposed to fluctuations in the employment market ; for example sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year that the ETDP SETA is aware of.

Fair values

The ETDP SETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables, and account and other payables. No financial instruments were carried at an amount in excess of their fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

No financial asset or liability was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial instruments.

Notes to the Annual Financial Statements

Figures in Rand thousand

	2021	2020
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24. Going concern

The financial statements have been prepared based on the expectation that the ETDP SETA will continue to operate as a going concern for at least the next 12 months. The SETA applied for a 2020/21 APP target reduction to DHET and also applied for approval for the surplus of R1.1b, the SETA received both approvals. The ETDP SETA has evaluated its ability to continue as a going concern in the light of the covid pandemic and reviewed its cashflows and therefore believes it is going to be able to run as such for the next 12 months.

25. Prior period errors

Discretionary grant accruals were understated by R 75 009 at 31 March 2020. An error of judgement occurred upon the omission of bursaries fees and Discretionary projects which relate to the 2019/20 financial year this led to an under -accrual as at the close of the prior financial year. This was due to late submission of invoices. Subsequently the SETA requested that all bursaries applications relating to the omission be submitted and were paid.

The correction of the error(s) results in adjustments as follows:

Statement of financial position	As previously reported	Correction of error	Restated
Payables from non exchange	134 585	75 009	209 594
Discretionary reserves	1 109 174	(75 009)	1 034 165
	-	-	-
Statement of financial performance	As previously reported	Correction of error	Restated
Discretionary expense	828 495	75 009	903 504
Deficit for the year	(51 484)	(75 009)	(126 493)
	-	-	-
Cash Flow statement	As previously reported	Correction of error	Restated
Grants and project payments	913 074	75 009	988 083
Commitments	As previously reported	Correction of error	Restated
Program 3.1	871 442	(75 009)	796 443
Program 3.2	30 163	-	30 163
Surplus funds	304 771	-	304 771
	1 206 376	(75 009)	1 131 377

Notes to the Annual Financial Statements

Figures in Rand thousand

	2021	2020
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26. Fruitless and wasteful expenditure

Opening balance	625	623
Amount raised in the year	-	2
	625	625

The fruitless and wasteful expenditure relates to interest paid on late payment of invoices, flight cancellation fees, fines and charges on withdrawal of tenders.

27. Irregular expenditure

Opening balance	1 660	1 660
Add: No tax clearance certificates	1 107	-
Add: Expired contracts for photocopy machines and office bulding	1 185	-
Add: Members not vetted before appointment to serve on the SETA Board	568	-
	4 520	1 660

The irregular expenditure relates to the following:

- Landlords who had expired tax clearance certificates. The landlords have subsequently submitted valid tax clearance certificates
- The ETDP SETA used the leased printing machines after the contract expired whilst waiting for the new machines to be delivered
- Three Accounting Authority members were appointed before they were vetted.292

Notes to the Annual Financial Statements

Figures in Rand thousand

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28. Segment information

Segment surplus or deficit, assets and liabilities

2021	Administration	Mandatory	Discretionary	Total
Revenue				
Skills development levy: income	159 164	100 476	462 754	722 394
Skills development levy: penalties and interest	-	-	11 622	11 622
Investment income	-	-	43 398	43 398
Other income	-	-	110	110
Total segment revenue	159 164	100 476	517 884	777 524
Entity's revenue	159 164	100 476	517 884	777 524
Expenditure				
Administration expenses	168 917	-	-	168 917
QCTO expenses	3 665	-	-	3 665
Employer grants and project expenses	-	79 275	763 078	842 353
Total segment expenditure	172 582	79 275	763 078	1 014 935
Total segmental surplus/(deficit)	(13 418)	21 201	(245 194)	(237 411)
Assets				
Non-current assets	10 214	-	-	10 214
Consumables	34	-	-	34
Receivables from non-exchange transactions	21	292	-	313
Receivables from exchange transactions	2 982	-	3 411	6 393
Cash and cash equivalents	17 962	37 979	1 093 790	1 149 731
Total segment assets	31 213	38 271	1 097 201	1 166 685
Total assets as per Statement of financial Position	31 213	38 271	1 097 201	1 166 685

Notes to the Annual Financial Statements

Figures in Rand thousand

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28. Segment information (continued)

	Administration	Mandatory	Discretionary	Total
Liabilities				
Payables from non-exchange	-	42 790	264 232	307 022
Payables from exchange transactions	5 375	-	-	5 375
Provision for exempt employers	-	-	7 002	7 002
Accrued employee entitlement	12 587	-	-	12 587
Total segment liabilities	17 962	42 790	271 234	331 986
Total liabilities as per Statement of financial Position	17 962	42 790	271 234	331 986
2020*Restated				
Revenue				
Skills development levy: income	209 065	141 710	621 255	972 030
Skills development levy : penalties and interest	-	-	11 542	11 542
Investment income	-	-	89 834	89 834
Other income	-	-	187	187
Total segment revenue	209 065	141 710	722 818	1 073 593
Entity's revenue	209 065	141 710	722 818	1 073 593
Expenditure				
Administration expenses	178 837	-	-	178 837
QCTO expense	3 505	-	-	3 505
*Restated employer grants and project expenses (see prior year error- note 25)	-	114 240	903 505	1 017 745
Total segment expenditure	182 342	114 240	903 505	1 200 087
Total segmental surplus/(deficit)	26723	27470	-105 677	(126 494)

Notes to the Annual Financial Statements

Figures in Rand thousand

	2021	2020
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28. Segment information (continued)

	Administration	Mandatory	Discretionary	Total
Assets				
Non-current assets	10 477	-	-	10 477
Consumables	63	-	-	63
Receivables from non-exchange transactions	-	573	-	573
Receivables from exchange transactions	2 615	-	6 331	8 946
Cash and cash equivalents	18 671	41 918	1 225 318	1 285 907
Total segment assets	31 826	42 491	1 231 649	1 305 966
Total assets as per Statement of financial Position	31 826	42 491	1 231 649	1 305 966
Liabilities				
*Restated payables from non-exchange (see prior year error-note 25)	-	41 918	167 677	209 595
Payables from exchange transactions	18 824	-	-	18 824
Provision for exempt employers	-	-	5 436	5 436
Total segment liabilities	18 824	41 918	173 113	233 855
Total liabilities as per Statement of financial Position	18 824	41 918	173 113	233 855

29. Budget differences

Material differences between budget and actual amounts Investment income was low due to the reduced capital invested during Levy pay holiday and the reduced interest rates by the reserve bank in the year. The rates were steadily decreased at the advent of the coronavirus.

Revenue is low due to the R1.b surplus that was approved by DHET .

The discretionary and mandatory spending is low due to the R1.1b surplus approval on 18 March 2021.



ETDP SETA ANNUAL REPORT 2020/2021

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