AgriSETA

Agriculture Sector Education and Training Authority

ANNUAL REPORT 2023/2024

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

ABOUT OUR COVER

Collaboration and partnership

Our cover portrays artistic collaborative engagement between AgriSETA and its strategic partners, through the use of a handshake illustration. The concept seeks to portray the aspects of a positive life, sustainability, and the entire green movement; and this is achieved through the use of the green and yellow colours which also mirrors AgiSETA's logo colours.

This rationale provides a contextual narrative that intricately links the handshake image to the lush greenery surrounding it, symbolizing the growth and prosperity that AgriSETA aims to foster.

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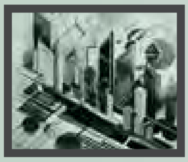

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FINANCIAL INFORMATION

PART A:
GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME	Agriculture Sector Education and Training Authority
PHYSICAL ADDRESS	529 Belvedere Street Arcadia Pretoria
POSTAL ADDRESS	P.O. Box 23378 Gezina 0031
TELEPHONE NUMBER	+27 12 301 5600
EMAIL ADDRESS	info@agriseta.co.za
WEBSITE ADDRESS	www.agriseta.co.za
EXTERNAL AUDITORS	Auditor-General of South Africa
BANKERS	Standard Bank of South Africa South African Reserve Bank
COMPANY/BOARD SECRETARY	Mr Mzuyanda Dlanga

2. LIST OF ABBREVIATIONS/ACRONYMS

18.1	Permanent Employees
18.2	Unemployed people and under resourced farmers
AET	Adult Education and Training
AFS	Annual Financial Statement
AGOA	African Growth and Opportunity Act
AgriSETA	Agriculture Sector Education and Training Authority
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ATR	Annual Training Report
ATVET	Agricultural Technical Vocational Education and Training
B-BBEE	Broad-Based Black Economic Empowerment
CBO(s)	Community-Based Organisation(s)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CET	Community Education and Training
CFO	Chief Financial Officer
DAFF	Department of Agriculture Forestry and Fisheries
DHET	Department of Higher Education and Training
DHESI	Department of Higher Education Science and Innovation
DALRRD	Department of Agriculture Land Reform and Rural Development
DDM	District Development Model
EA	Executive Authority
ETQA	Education Training and Quality Assurance
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practices
ICT	Information Communication Technology
IODSA	Institute of Directors South Africa
LPP	Learning programmes and projects
MEC	Member of Executive Council
MoA	Memorandum of Agreement
NCOP	National Council of Provinces

NGOs	Non-Governmental Organisation(s)
NLRD	National Learner Record Database
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NSDP	National Skills Development Plan
NDP	National Development Plan
PFMA	Public Finance Management Act, Act 1 of 1999
PIVOTAL	Professional Vocational Technical and Academic Learning
PPP	Public Private Partnership
PSET	Post-School Education and Training
POPIA	Protection of Personal Information Act
QCTO	Quality Council for Trades and Occupations
FINREMCO	Finance and Remuneration Committee
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SDFs	Skills Development Facilitators
SETA	Sector Education Training Authority
SETMIS	Sector Education and Training Management Information System
SMME	Small Medium Micro Enterprises
SSCs	Sub-Sector Committee(s)
SSP	Sector Skills Plan
StatsSA	Statistics South Africa
TR	Treasury Regulations
TVET	Technical Vocational Education and Training
WSP	Workplace Skills Plan

3. ACKNOWLEDGEMENTS

Dr Nobuhle Nkabane
Minister

Mr Buti Manamela
Deputy Minister

Dr Mimmy Gondwe
Deputy Minister

To the Executive Authority

In accordance with the Public Finance Management Act (Act 1 of 1999, as amended), it gives me great pleasure to present the Annual Report of the Agriculture Sector Education and Training Authority (AgriSETA). This report covers the period from 01 April 2023 to 31 March 2024 and provides an overview of the operations, financial performance and developments across all performance targets as encapsulated in the Annual Performance Plan (APP).

AgriSETA's Accounting Authority, management and staff express their heartfelt appreciation for the insightful and prolific leadership of both the Minister and Deputy Ministers of Higher Education, Science and Innovation. We look forward to another dynamic financial year with challenging targets to enhance the skills development and training of people in the sector we prudently serve.

Ms Sharon Sepeng
Chairperson of the Board

4. FOREWORD BY THE CHAIRPERSON

AgriSETA, like other SETAs, has a mandate to focus on promoting and facilitating skills development to enhance the South African skills profile. Therefore, the entity aims to contribute to creating employment opportunities, especially for youth, women, and people with disabilities. The National Skills Development Plan (NSDP) is linked to the National Development Plan to ensure the skills interventions life cycle is completed with actual employment uptake.

In the financial year under review, the Accounting Authority's strategic role has created a priority-focused approach aligned to the National Development Plan (NDP) 2030 targets.

This was done amid electricity supply shortages, with scheduled power cuts (load shedding) intensifying since 2022. The severe electricity shortfall has disrupted economic activity and it increased business operating costs.

According to the World Bank (5 April 2024), South Africa's gross domestic product (GDP) has recovered to its pre-Covid-19 pandemic levels, despite hindrances by multiple structural constraints, including ongoing power shortages and logistics bottlenecks.

However, the report provides a dichotomous situation where it states, "The recovery in employment continued in 2023 (790 000 jobs were added, leading to a higher employment level than before the pandemic), but the pace of job creation has not kept up with the growing labour force, resulting in a rising number of unemployed people". In 2023, the unemployment rate stood at an elevated 32.4%, specifically impacting women and youth. South Africa's inequality level, remain among the world's highest, with poverty estimated at 62.7%. This was based on the upper-middle-income country poverty line, only slightly below its pandemic peak. These trends have prompted growing social demands for government support that could put the sustainability of public finances at risk if they are to be met.

The report states, "The extension of the Covid-19 Social Relief of Distress Grant, introduced in May 2020, was further extended until March 2025. Socio-economic challenges were further exacerbated by high fuel and food (bread and cereals) prices that disproportionately affected the poor. Inflation averaged 6% in 2023 but stood at 9.3% for those in the bottom 20% of the income distribution."

For AgriSETA, these demands were evident in the number of discretionary grant applications continuously outweighing the available resources. AgriSETA is one of the smallest SETAS with the greatest number of low-level entry workers requiring basic skills training.

In accommodating the various applications, including AgriSETA's top levy payers, amounts made to the employers is insufficient to sustain the training or can only support a small number of trainees. AgriSETA cannot widen the net without fish in the water and is therefore committed to growing its strategic partnerships and encouraging non-levy-paying employers to give willingly to those who need it most.

The World Bank report on South Africa states, "structural challenges and weak growth have undermined progress in reducing poverty, heightened by the Covid-19 pandemic. The achievement of progress in household welfare is severely constrained by rising unemployment that reached 32.1% in the fourth quarter of 2023, above the already high pre-pandemic rates. The unemployment rate is highest among youth aged 15 to 24 years at 59.4%.

South Africa remains a dual economy with one of the world's highest and most persistent inequality rates passed down from generation to generation with little change." (World Bank last updated 5 April 2024).

This status quo cannot remain, and it is our duty, as a government entity responsible for skills development, to direct a purposeful and meaningful shift from the haves to the have nots. Hence, we are pleased to be making a contribution to matching job seekers with employers, if only by a small dent. Our industry-specific Connect ME matchmaking app is serving the agriculture industry well, with over 4 600 job seekers and close to 650 employers have registered on the app.

Making agriculture a favourable career choice in basic education is one of AgriSETA's strategic focus areas through accelerated career guidance programmes in line with strategic partners. Most schools no longer offer agricultural science as part of the syllabus. AgriSETA's medium- to long-term view is that we have and still contribute to a consistently practical approach to scholastic agricultural teaching and learning that is highly recommended, and our efforts prove heightened appetite by learners for agriculture.

AgriSETA's employees reached close to 10 000 learners, youth, and unemployed people in the reporting period, face-to-face and clearly documented. Furthermore, the small team fulfilled the mandate of attending more than 62 career and other critical skills exhibitions in a direct, personable manner.

The organisation was honoured to participate in five Ministerial Events, four of which were hosted by AgriSETA in collaboration with the Department of Higher Education, Science and Innovation's deputy minister through the ministerial portfolio's training arm. These events were executed within the margins of the District Development Model (DDM).

One of the greatest achievements in the year under review is AgriSETA's contribution to achieving the artisan development targets well ahead of the annual targets set in the Annual Performance Plans (APP). Artisanal skills are among the scarcest in South Africa and a game changer to which we hold dear by making it attractive for our artisans to remain in the country.

The medium to long-term strategic focus builds on developing artisans and equipping them with much-needed scarce skills across the economic sectors and value chains. It also accommodates the mind shift from a skilled worker to an entrepreneur and finally an employer.

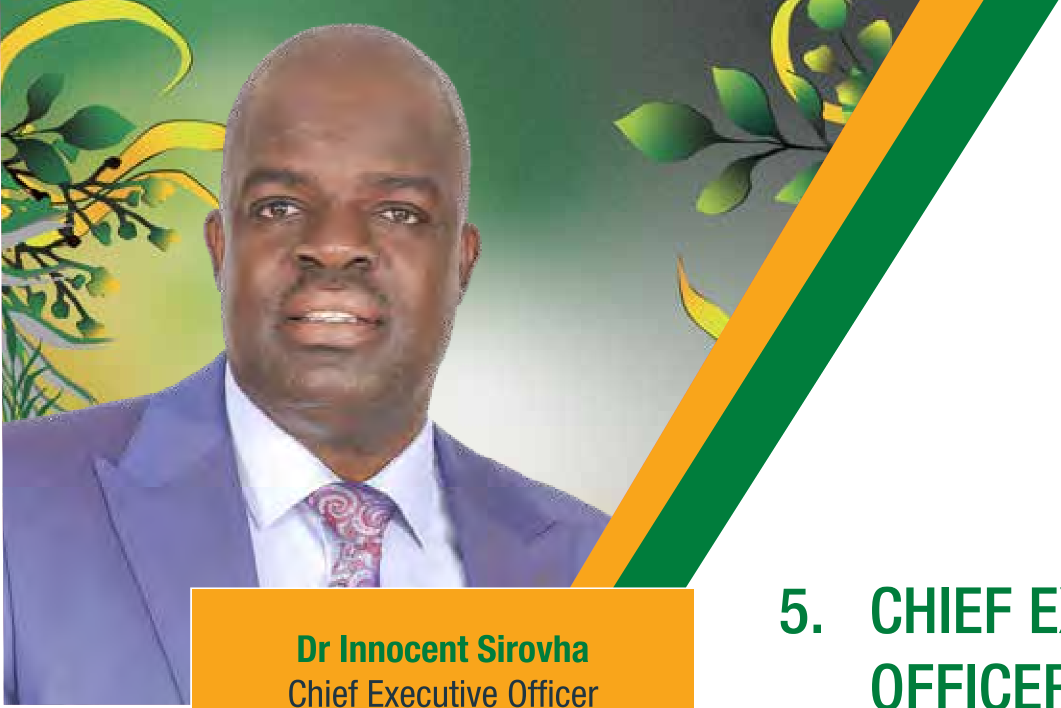
Looking forward, we anticipate economic growth for individuals and households while the marginalised experience a greater sense of economic belonging.

We could not be more pleased to report a clean audit for the first time in many years. This is a target I set in my capacity upon first taking up the post of chairperson of the board. I, along with the CEO are elated.

I thank my fellow board members for working alongside the CEO and his executive management team and employees in executing AgriSETA's mandate with purpose and pride.

Not least, I give my appreciation to our minister, DHESI, for her confidence in us as a unit and in executing work of national importance. It is indeed an honour and privilege to serve our country.

Ms Sharon Sepeng
Chairperson
AgriSETA
31 July 2024



Dr Innocent Sirovha
Chief Executive Officer

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW

General financial review of the public entity

AgriSETA received a 5.1% increase in the skills development levies in the year under review. The additional funds allowed AgriSETA to do marginally more than usual, particularly as it is one of the smallest SETAs and supporting a diverse and ever-changing sector in agriculture.

Spending trends

Revenue

The entity received R603 million in total skills development levies income compared to R579 million in the previous financial year. This included R6.9 million from the Department of Public Works towards a donor-funded project for AgriSETA to execute on its behalf.

Expenditure

Actual employer grants and projects expenditure was R75.8 million below the budget spend due to an unexpectedly slower implementation of discretionary contracts allocated to service providers.

An amount of R92.7 million was paid in mandatory grants in the current year compared to the R92.1 million (0.6% marginal increment factored by the full approval of the Work Skills Programme for 2023/24).

Administration employee costs rose from R43.1 million in 2022/23 to R47.1 million, equating to a 9% increase. This is attributed to salary increases (6.9%), insourcing of the internal audit unit with a R3 million total average cost, and performance incentive pay-outs expensed through savings in administration (10.5%) and project administration budgets (7.5%) for the 2023/24 financial year.

An increase in project monitoring by the SETA nationally made for an inflationary increase in travel and accommodation costs from R10.2 million to R10.4 million for organisational travel and accommodation.

Capital investment in AgriSETA mainly consists of assets used daily and include building infrastructure, furniture and fittings, and computer equipment. AgriSETA purchased new assets worth R1.16 million in the current year for upgrading office equipment and computer hardware and enabling field workers to continue working remotely.

AgriSETA does not currently hold any infrastructure assets and has no plans to close down or downgrade any current facilities. However, there are plans to lease an office building for a minimum two-year period while the SETA refurbishes the current office building to adequately comply with the health and safety standards.

Discontinued key activities/activities to be discontinued

The SETA has no discontinued key activities of significance or any intention to discontinue any activities.

Requests for rollover of funds

In terms of Section 53(3) of the PFMA, public entities listed in Schedule 3A and 3C in the PFMA may not retain cash surpluses realised in the previous financial year without National Treasury's prior written approval.

At the end of the 2023/24 financial year, AgriSETA had a R397,7 million cash surplus. The entity requested to retain this surplus and roll it into the 2024/25 financial year for discretionary projects to which AgriSETA has already committed and thus legally obligated to fulfil these commitments.

Contractual commitments

The entity has overcommitted (surplus less commitments at the end of the year) on its discretionary grants' commitments by a manageable R6 million. This overcommitment is manageable and monitored to ensure it is not excessive when compared to our reserves.

Supply chain management

The Supply chain management (SCM) system consists of six core processes.

- demand;
- acquisition;
- logistics;
- disposal;
- risk management; and
- effective contract performance evaluation and monitoring.

The AgriSETA SCM systems and processes are in place, and the recently instituted enterprise resource planning (ERP) system implementation is enhancing the SETA's systems and controls. The control environment within which the procurement process's function has seen adequate, effective, and compliant standards and has ensured the entity avoids incurring any irregular, fruitless, and wasteful expenditure.

Concluded unsolicited bid proposals

There were no concluded unsolicited bid proposals of which we are aware.

Irregular expenditure

By the year ended 31 March 2024, the SETA had a nil balance on irregular expenditures. There have been no new incidents resulting in irregular expenditure due to non-compliance with laws and regulations in procuring goods and services in the current financial year.

Audit report matters in the previous year and how they were addressed

Our audit outcome of an unqualified opinion with material adjustments to the disclosure notes resulted in the Accounting Authority putting terms to management of the entity. We proactively analyse the root causes of the internal control breakdowns and, based on our analysis and investigations, we continue monitoring the internal control environment to improve it. We ensure our staff are accountable and actively working towards a good internal control environment.

Outlook/plans to address financial challenges

Our strong financial standing is upheld with our staff, partners, and stakeholders' commitment and expertise, even in these uncertain times. Our Accounting Authority and professional staff work diligently to maintain sound financial controls.

The audit committee oversees our financial reporting and risk management, while the finance and remuneration committee monitors our investment policies, asset allocation, financial performance, and the balance sheet strength.

Our information and communication technology (ICT) steering committee oversees the implementation and security of our recording and reporting systems. Lastly, our executive management ensures we maintain efficient operations and keep watch over our financial health.

Events after the reporting date

There were no post-balance sheet events of which the entity is aware.

Economic viability

Management has assessed the entity's ability to continue as a going concern and has not identified events or conditions, individually or collectively, that may cast significant doubt on this position. Legally, the SETA has access to continuous revenue (R643.9 million for the period under review) exceeding expenditure of R668.1 million, resulting in a R24.1 million accounting deficit. The entity does not foresee the Skills Development Levies Act repealed in the foreseeable future and has neither the intention nor the need to liquidate or materially curtail the entity's scale. Furthermore, the Minister of Higher Education and Training has re-established the SETAs to operate until 31 March 2030, as published in Government Gazette 42290 issued on 7 March 2019.

For the period under review, current assets exceeded liabilities by R389,1 million; total assets exceeded liabilities by R411,5 million; and AgriSETA had a positive bank balance of R478,7 million.

While AgriSETA remains economically viable, there is room for improvement in terms of broadening the levy income base within agriculture. There are currently no policy reforms required by AgriSETA, as financial viability is not at risk.

Acknowledgements and appreciation

Great appreciation goes to the portfolio committee on Higher Education, Science and Technology, the Auditor-General, the AgriSETA Accounting Authority (AA), and the Audit and Risk Committee (ARC) for their continuous guidance in directing the entity towards the NDP 2030's objectives. To this end, various AA sub-committees played a key role in processing AgriSETA's board resolutions and priorities and ensuring exacting target executions.

Further gratitude goes to the broader stakeholders as the centre of our business. We thank the Office of the Ministry for the invaluable contribution and guidance to ensure we deliver our services better, smarter, and to a greater extent, and in a continued effort to ensure we reach all South Africans.

Thank you to our levy payers, partners, and trusted accredited training providers for working with us to fulfil our mandate of skills development in the agricultural sector.

We are pleased with our clean audit outcome and look forward to working with our stakeholders in ensuring the organisation maintains this outcome.

Dr Innocent Sirovha
Chief Executive Officer
AgriSETA
31 July 2024

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE YEAR ENDING 31 MARCH 2024 ANNUAL REPORT

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General of South Africa.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The annual financial statements (Part F) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (PFMA) standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Dr Innocent Sirovha
Chief Executive Officer
31 July 2024

Ms G S Sepeng
Accounting Authority Chairperson
31 July 2024

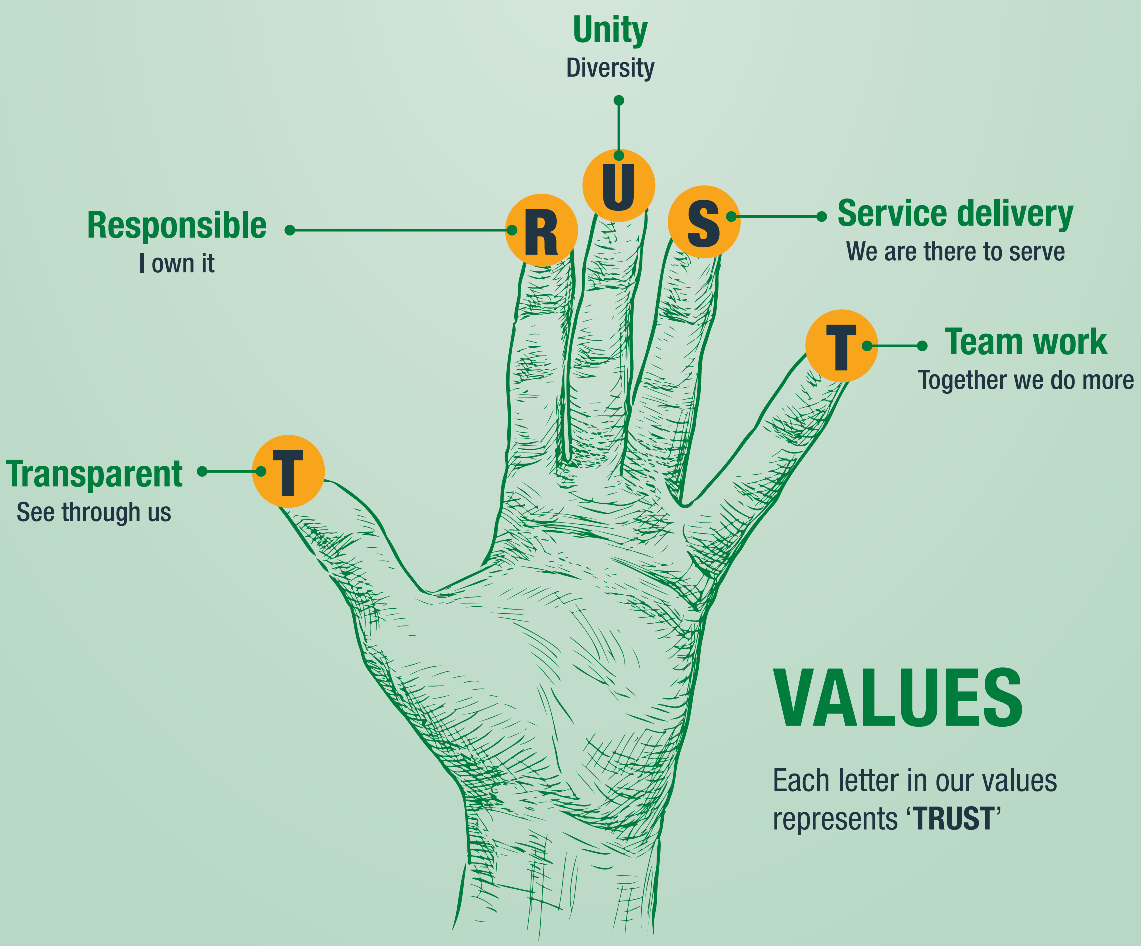
7. STRATEGIC OVERVIEW

VISION

Enabling a skilled and prosperous agricultural sector.

MISSION

To increase access to relevant skills that are impact-driven through strategic partnerships and credible research leading to inclusive economic growth.



VALUES

Each letter in our values represents ‘**TRUST**’

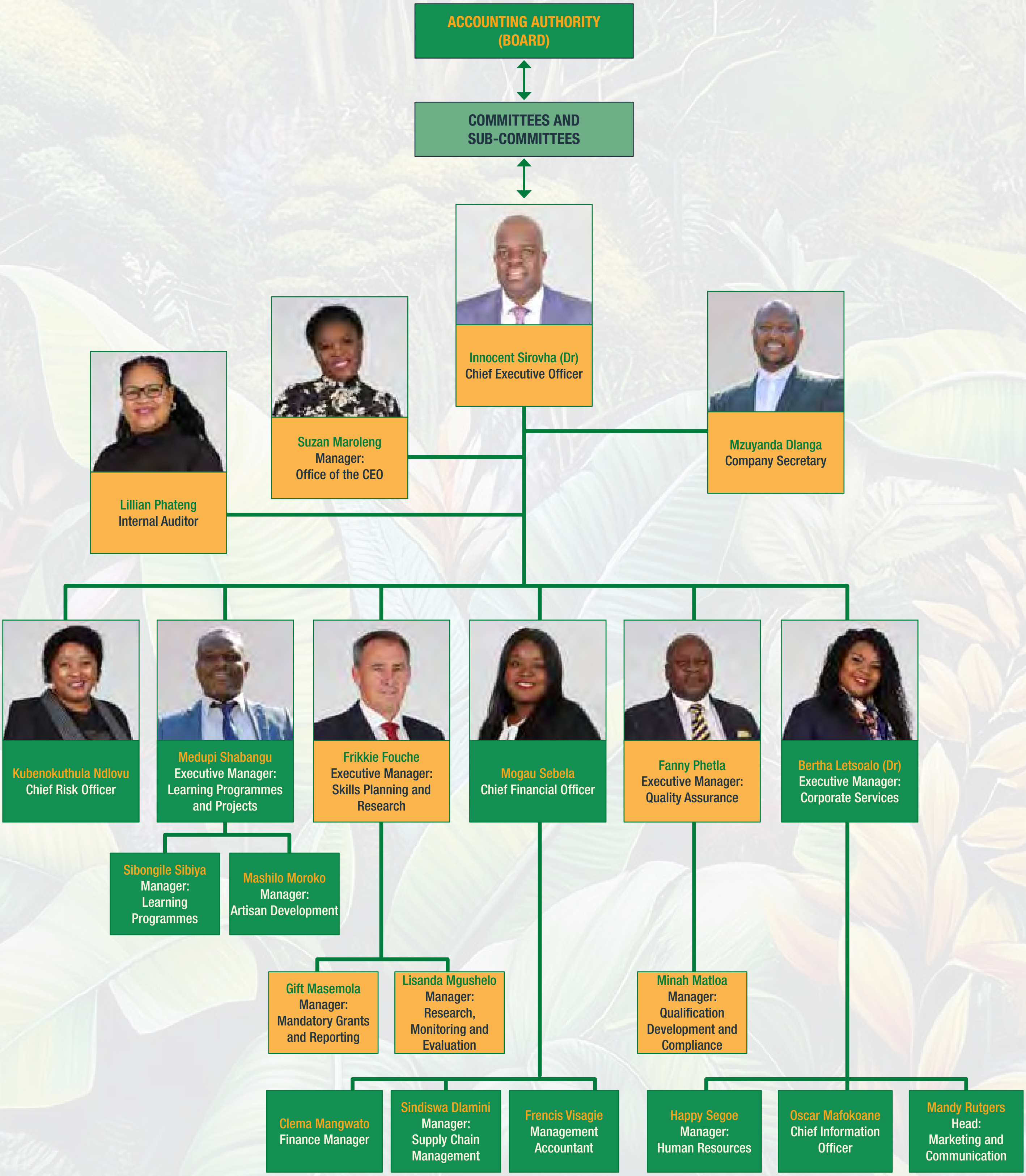
8. LEGISLATIVE AND OTHER MANDATES

The Agriculture Sector Education and Training Authority (AgriSETA) is established in terms of the Skills Development Act (Act 97 of 1998 as amended) and listed in terms of the Public Finance Management Act (PFMA, Act 1 of 1999, as amended) as a Schedule 3A public entity.

The following are the legislative, policies and other frameworks that govern the work of AgriSETA:

Skills Development Act (Act 97 of 1998, as amended)
Skills Development Levies Act (Act 9 of 1999)
National Qualifications Framework Act (Act 67 of 2008)
Public Finance Management Act (Act 1 of 1999, as amended)
National Treasury Regulations (2005 as amended)
National Skills Development Plan (NSDP)
National Development Plan (NDP)
POPIA Protection of Personal Information Act (2020)
SETA Grant Regulations regarding monies received by SETAs and related matters (2012 as amended)
National Development Plan 2030
Medium-Term Strategic Framework (MTSF, 2014-2019)
White Paper on Post School Education and Training (2014)
National Human Resource Development Strategy for South Africa 2030
National Skills Accord (2011)
National Integrated Human Resource Development Plan (2014-2018)

9. ORGANISATIONAL STRUCTURE



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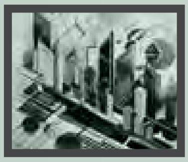
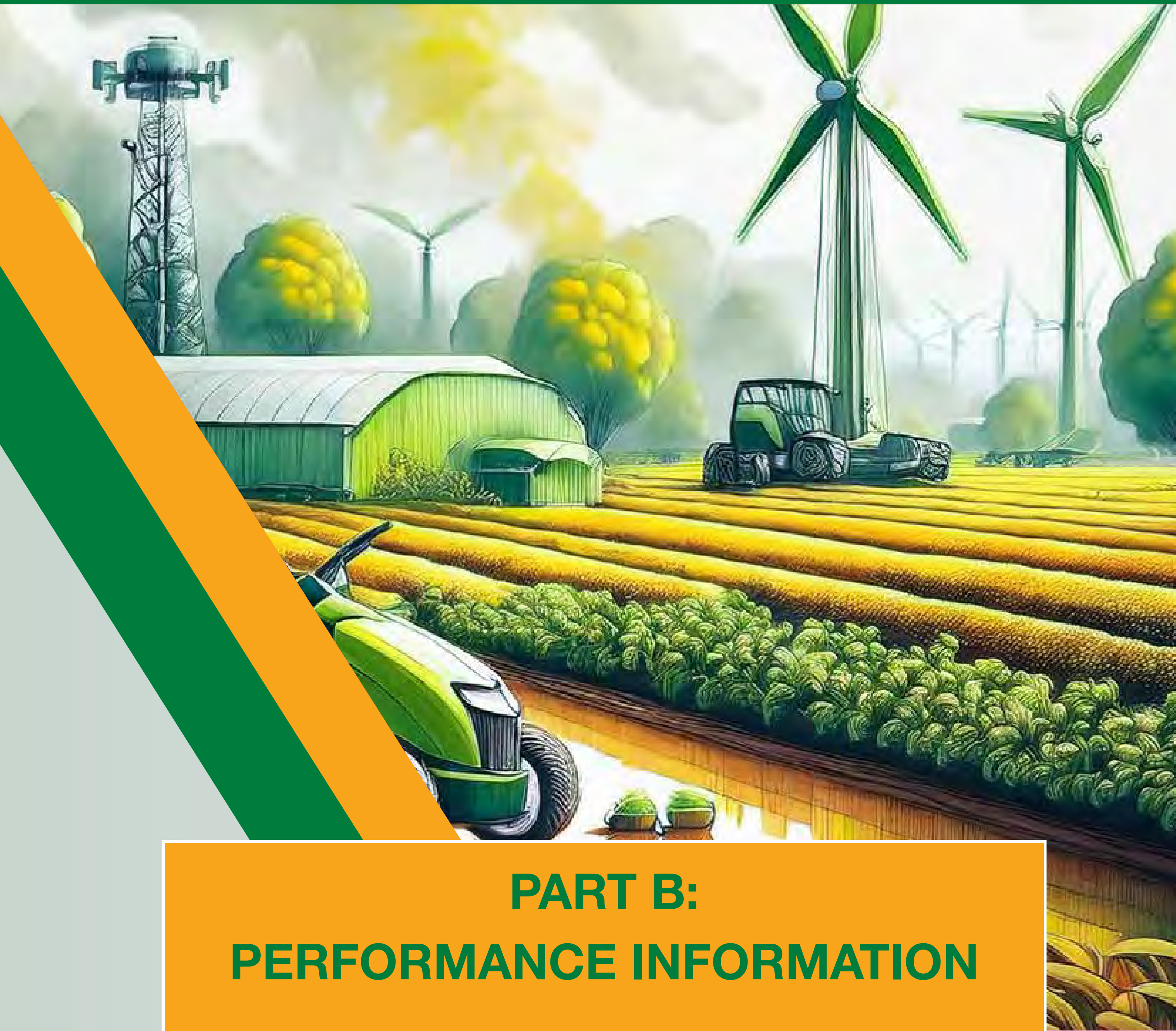


PART F

FINANCIAL INFORMATION



PART B:
PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 72 of the Report of the Auditors Report, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1 SITUATIONAL ANALYSIS

South Africa's dual agricultural economy spans emerging, subsistence and commercial interests. AgriSETA derives the bulk of its income from a relatively small group of top levy payers, namely commercial farmers or large employers. Notwithstanding, AgriSETA must fairly serve both constituencies. The top levy payers' contributions justify the need to cater for their skills needs, but there is an equal democratic imperative to support subsistence farmers and rural development to improve livelihoods and food security.

The agricultural sector has differing skills requirements. Commercial farmers require high-level technical skill for managerial positions and improved AET and RPL for their unskilled workforce. Emerging farmers and co-operatives require partnerships (with big business, government departments, other SETAs and industry bodies) to assist co-operatives develop into proper businesses with access to finance, corporate governance and business management skills. These should be provided via mentorships that fall beyond traditional SETA learnerships.

Given the skills requirements, there is an apparent mismatch in the agricultural sector. Neither constituent currently fully benefits from existing AgriSETA learnerships. A group of unskilled workers is not eligible for lower level NQF AgriSETA learnerships as they do not have the requisite basic literacy and numeracy skills or require RPL to be launched on to a career development path. The unskilled workforce spans commercial and subsistence farming. AgriSETA provides sufficient low- to medium-level NQF interventions, while agricultural colleges and higher education institutions provide medium- to high-level skills required by commercial enterprises.

2.1.1 Performance environment

The following change drivers were identified through an amalgamation of sector-specific internal stakeholders' views, policy documents, existing research and stakeholder engagements and pertinent current affairs issues reported in the media that may have a medium-term impact:

Civil unrest/uncertainty

- **South African civil unrest:**

  Sugarcane producers suffered significant losses during the 2021 protests and road blockages that disrupted supply chains and manufacturing, impacting demand (Bloomberg, 2022). At the time, protesters set alight cane crops, leading to lost production of 430 000 tons of cane. The closure of the N3 freeway, fuel shortages, employee absenteeism and disruptions at the Durban port (for imports/exports) were among agriculture's largest setbacks.

  The KwaZulu-Natal Midlands contributes 27% to South Africa's milk production. During riots, farmers discarded milk due to their inability to distribute it safely – while some also reported they could not access cattle feed. The meat industry also reported losses as they sat with tons of meat in their freezers and day-old chicks they couldn't distribute to buyers, costing them feed and electricity (Fin24, 2021). These disasters and dilemmas are still negatively impacting the industry and South Africa's GDP.

- **International political unrest:**

  The Russian-Ukrainian War launched in February 2022 has not only affected the countries involved, but almost the world be it economically or socially. Asked to point out the effects of this political unrest on the sector, the SSC reported raised production input costs and fuel prices coupled with disturbed imports and exports (SSCs, 2022). This was in line with agricultural producers citing increased fertiliser costs from R7 000 a ton in 2021 to R15 000 in 2022 (IOL, 2022a).

  Some industry bodies have noted the higher cooking oil prices specifically and the whole food basket generally can be directly attributed to the unrest and sanctions imposed on Russia (Businesstech, 2022). Both Ukraine and Russia are major wheat and sunflower for oil exporters to Africa (IOL, 2022b).

- **Fourth industrial revolution (4IR):**

  The transition from manpower to mechanics must be considered in unison to ensure job security. The 4IR can potentially have a positive impact on productivity and profitability as it boosts yields and lowers costs. One new technology is advanced weather stations that predict and forecast conditions for farmers. This is a positive advancement.

  However, machinery that competes with humans will negatively affect the country's employment levels as it reduces the demand for manual labour. This includes technology that eliminates the need for tractor operators and herdsmen.

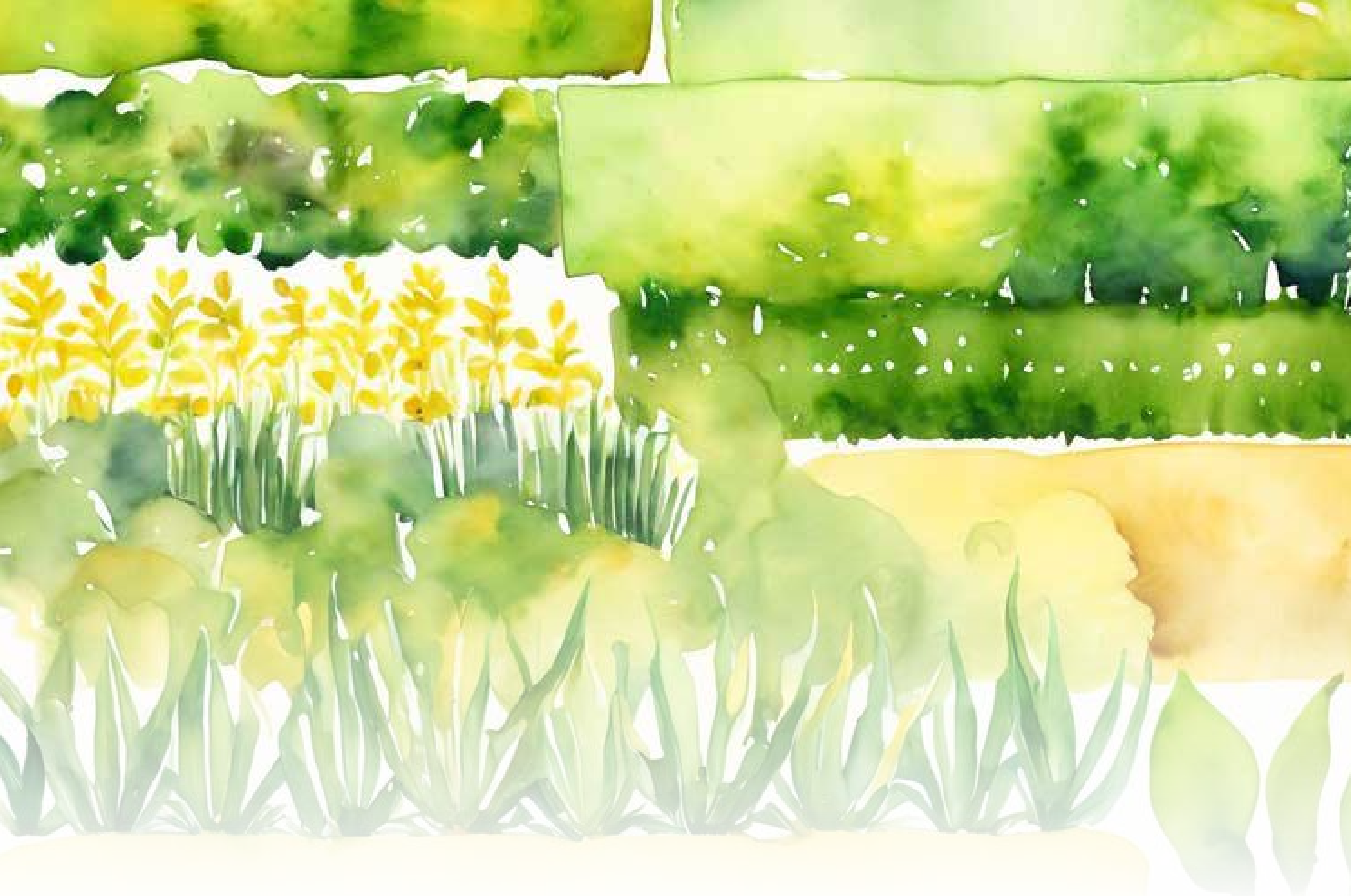
- **Environmental sustainability:**

  The United Nations (UN)'s 2008 launch of the Green Economy Initiative (GEI) as a green economy concept has emerged as a strategic priority for governments and intergovernmental organisations in 65 countries including South Africa.

  Agriculture is a key sector expected to drive South Africa's green economy (DEFF, 2020). AgriSETA stakeholder engagements acknowledged the green economy is a sectoral driver of change as it is within the country's policy context. South Africa views the green economy as a sustainable development path, based on addressing the interdependence between economic growth, social protection and a natural ecosystem (DEFF, 2020). Stakeholders identified drought, floods and pest and disease as impacts of climate change and unsustainable environmental and resource use. *Environmental changes: Skendžić et al*. (2021) reported environmental changes such as temperature fluctuation are the most important factors contributing to pests, diseases, drought and floods. The inconsistent global climate and increased overwintering are contributing to the recent attacks by pests, diseases, drought and floods in South Africa.

- **Pests, diseases and changing weather patterns:**

  In South Africa pests and diseases affect crop and livestock production. Pests and diseases tend to change patterns and hosts due to environmental/ climate change. The foot and mouth disease (FMD), African Swine Fever and Brucellosis (Bang's Disease) outbreaks in Limpopo, KwaZulu-Natal and the Eastern Cape (DAFF, 2020; DAFF, 2020) affected the international red meat trade as reported by the Red Meat Producers' Organisation (National Animal Health Forum press release 31 May 2021). The 2017 Fall Army Worm outbreak still lingers, affecting maize and related host crops such as sorghum and sweetcorn growers (DARDLR media statement 14 January 2021). Focus group discussions with small-scale farmers revealed there was a brown locust outbreak in most provinces. *Farmers' Weekly* magazine (2022) reported the brown locusts could cause extensive crop damage, predominantly to grazing veld where locusts could compete with sheep for forage.



- **Drought:**

  In July 2021 the National Disaster Management Centre declared drought a disaster due to the persistent conditions in the Northern Cape, Eastern Cape and Western Cape (*Daily Maverick* 2021). AgriSA reported the drought incident was the worst experienced in 100 years and contributed to decreased agricultural output. This was evident with the estimated 2021/2022 maize production that dropped from 16.3 million tons to 14.7 million tons (SAGIS, 2022).

- **Floods:**

  South Africa is feeling the effects of climate change and the recent floods in KwaZulu-Natal and other provinces bears testament to this. KwaZulu-Natal has experienced floods in 2018, 2020 and 2022 with each one gaining momentum (AgriSETA SSCs, March 2022; IOL, 2022a). While the most significant effect of the recent floods was the loss of more than 400 lives, the impact on the sector was also felt with damages to infrastructure (*Mail & Guardian*, 2022). The damage to national and provincial roads disrupted the distribution of agriculture producers to market (SA Government news agency, 2022). Irrigation infrastructure, fresh produce warehouses and farmers' markets were destroyed, while crop lands were washed away. An analysis to assess the KwaZulu-Natal flood impact on cropland used existing data, GIS and remote sensing (FAO, 2022) and indicated 1.6% of the province's total cropland was flooded. This included commodities such as sugarcane, orchards, pineapples and annual crops. The floods also damaged infrastructure at the Durban port, negatively affecting imports and exports of agricultural produce and economic performance (*Mail & Guardian* 19 April 2022; Bloomberg, 2022).

- **Land reform:**

South Africa's land reform programme speaks to land restitution, tenure reform and redistribution for the main benefit of people who previously did not own the land. The major factors affecting the sustainability of land reform projects are lack of farming skills, lack of government support, participants resorting to farming on a temporary basis and participants' inability to resolve their farming challenges (Manenzhe et. al 2016).

Stakeholders in the secondary agricultural sub-sectors have reported their challenges due to small-scale land reform beneficiaries' lack of necessary skills. These include inconsistencies in the supply of produce, poor quality products and insufficient quantities produced by these new entrants. The failure to commit to market agreements ruins other producers' chances of securing an off-take agreement to the markets. Hence, mentorship plays a vital role in skills development.

3. SERVICE DELIVERY ENVIRONMENT

The need for discretionary grant-funded support to deliver on the sector's required learning programmes outstrips AgriSETA's available resources. The strategic plan has been updated to the National Treasury framework with the following significant changes:

- AgriSETA identified four programmes to achieve the organisational goals aligned with the proposed Higher Education Science and Technology framework for strategic plans.
- Strategic outcome-orientated goals were devised for the organisation.

3.1 ORGANISATIONAL ENVIRONMENT

Designated Groups

AgriSETA prioritises marginalised groups and members from designated groups during recruitment and development activities.

Organisational systems

AgriSETA has a well-established human resources (HR) and financial system to enhance its capacity to deliver on its mandate.

Compliance to the B-BBEE Act

AgriSETA is in full compliance with Broad-Based Black Economic legislation.

Organisational strategy

AgriSETA is fully aligned to achieve the strategic goals set in the strategic planning documentation. The strategic plan and APP are shared with all employees to ensure short- and medium-term goals are internalised and collectively achieved. Bi-weekly meetings ensure mitigation mechanisms are in place for slow-moving projects.

SETA landscape

All SETA licences were extended to 2030 providing stability to the organisational structure. The NSDP was officially launched in February 2019 for implementation on 1 April 2020.

AgriSETA will implement strategies to expand the organisation's national footprint and further strengthen its mandate to link workplaces with learners. The organisation's vision is aligned to the NDP 2030.

Leadership style

AgriSETA's previous flat management structure has been layered to ensure accountability. However, it still retains a democratic and participative culture. The board's oversight function is effectively executed through functional board sub-committees that ensure it is well informed of the SETA's progress in implementing its mandate.

Shared values

AgriSETA's management and staff constantly strive to serve the sector's interests. Actions are geared to learners' interests in terms of progression, while AgriSETA prioritised its discretionary and mandatory grant mandate with a keen focus on rural development.

4. STRATEGIC OUTCOMES

Impact Statement	Increased supply of occupations in high demand in the agricultural sector
Strategic Outcome 1	Identify and increase the production of occupations in high demand
Outcome Indicator	To establish and enhance a credible institutional mechanism for skills planning
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5-year target	1 credible mechanism

Impact Statement	An education system that is responsive to workplace skills needs
Strategic Outcome 2	Improved linkage between education and the workplace
Outcome Indicator	Increased exposure of beneficiaries to workplaces through PIVOTAL initiatives
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5-year target	10%

Impact Statement	A capacitated Agricultural workforce
Strategic Outcome 3	Improving the level of skills in the South African workforce
Outcome Indicator	Increased workplace training of workers already in employment
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5-year target	10%

Impact Statement	An agricultural sector that prioritises occupational learning
Strategic Outcome 4	Increase access to occupationally directed programmes
Outcome Indicator	Access to occupationally directed programmes increased
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5-year target	by 5% annually up to 2024

Impact Statement	A responsive, capacitated agricultural college system
Strategic Outcome 5	Increased growth of public colleges as a key provider of skills required for socio-economic development
Outcome Indicator	Increased enrolment of learners into the post-school system through the agricultural, TVET and CET colleges by 20%.
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5-year target	20% by 2024

Impact Statement	A capacitated cohort of agricultural cooperatives
Strategic Outcome 6	Increased skills development support for entrepreneurship and cooperative expansion
Outcome Indicator	Increased access of unemployed, youth, women, and people with disabilities to entrepreneurial and cooperative development by 20%
MTSF Priority	Outcome 7: Comprehensive rural development and land reform
Baseline	This is a new indicator
5-year target	20% by 2024

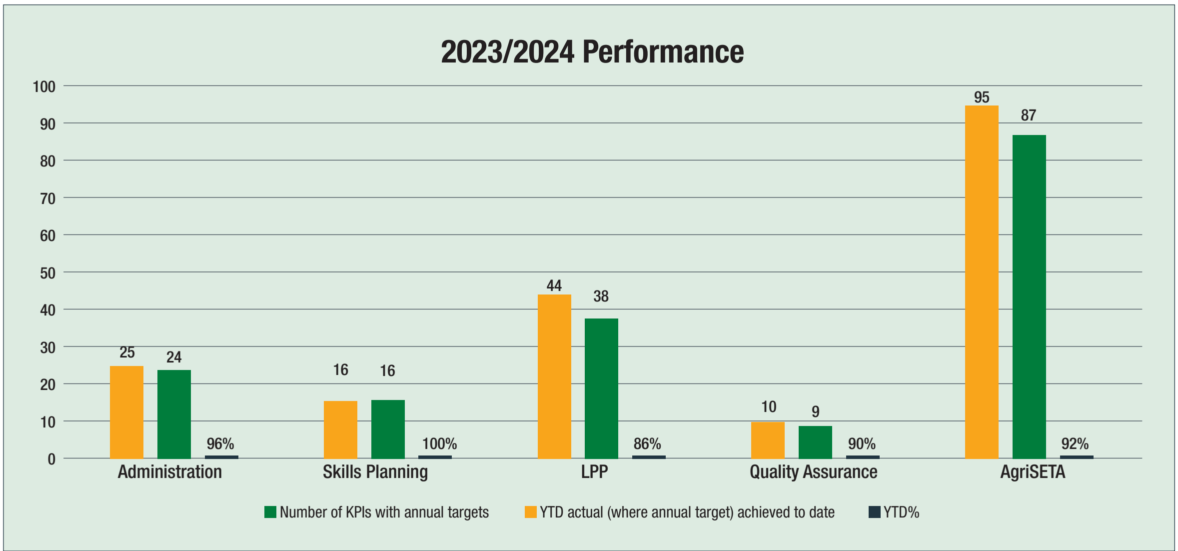
Impact Statement	An inclusive sector that makes provision for worker lead training
Strategic Outcome 7	**Increased support for worker-initiated training**
Outcome Indicator	Increased worker training initiatives through trade unions and federations with 15%.
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5-year target	15% by 2024

Impact Statement	Agriculture is promoted as a career of choice
Strategic Outcome 8	**Improved career development services**
Outcome Indicator	Increased participation of Youth in Agriculture
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 7: Comprehensive rural development and land reform
Baseline	This is a new indicator
5-year targe	45% of AgriSETA beneficiaries are youth

5. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

Key Performance indicators, planned targets and actual achievements



Programme 1: Administration

Sub-programme 1: Finance								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Unqualified audit opinion								
Achieve an unqualified audit report each year for the period covered by the Strategic Plan	1.1.1.	Budgeted revenue collected	104%	100%	100%	103%	3%	Target exceeded due to higher than projected SDL collection
	1.1.2.	Number of prepared and submitted financial reports to Board and Executive	4 Quarterly financial reports	4 Quarterly financial reports	4 Quarterly financial reports	4	0	Target achieved, no variance
	1.1.3	Percentage of audit (external) queries resolved, based on audit findings reported in the prior financial year	100% resolved	95% resolved	95% resolved	100%	5%	Target exceeded, prior year findings could be cleared through the implementation of the Audit action plan.
	1.1.4.	Approved annual procurement plan	NA	1	1	1	0	Target achieved, no variance
	1.1.5.	Payment of mandatory grants maintained at 78% annually	111% of grants paid	78% of grants paid	78% of grants paid	82%	5,1%	Target exceeded, due to higher than projected payout to employers

Programme 1: Administration (continued)

Sub programme 2: Governance								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Strategic direction and oversight to AgriSETA for effective and direct facilitation of interventions in achievement of the organisational goals								
Functional governance structures	1.2.1.	Number of Board and standing committees capacitated through training programmes	2	2	2	2	0	Target achieved, no variance
	1.2.2.	Quarterly submitted SETA good governance reports	4	4	4	4	0	Target achieved, no variance
	1.2.3.	Quarterly legislative compliance reports submitted	NA	4	4	4	0	Target achieved, no variance
	1.2.4.	Approved annual report submitted to DHET	NA	1	1	1	0	Target achieved, no variance

Sub-programme 3: Information Communication Technology (ICT)								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Provided technological guidance, digital leadership and ICT support services								
90% of approved and funded ICT plan implemented	1.3.1.	Percentage of reported ICT faults and incidents logged are resolved within service level standards	96% resolved within SLA	90% resolved within SLA	90% resolved within SLA	95%	6%	Target exceeded, reported faults could be cleared faster than projected
	1.3.2.	Percentage of approved ICT Interventions implemented	92% implemented	80% implemented	80% implemented	20%	(75%)	Target not achieved, due to extended project delays
	1.3.3.	Percentage of ICT Infrastructure (Servers and LAN) maintained	98% Availability of LAN & Servers achieved	95% Availability of LAN & Servers achieved	95% Availability of LAN & Servers achieved	98%	3%	Target exceeded due to improved support mechanisms
	1.3.4.	Percentage of the digitisation of AgriSETA functions completed	NA	75%	90%	93%	3%	Target exceeded due to accelerated project implementation and completion dates
	1.3.5.	Percentage cyber security compliance level main- trained against security penetration test	NA	80%	80%	81%	1%	Target exceeded, due to improved cyber security measures and processes
	1.3.6.	Number of systems Disaster recovery testing conducted annually	NA	1 Test	1 Test	1	0	No variance

Programme 1: Administration (continued)

Sub-programme 4: Human Resources								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Human Capital support to AgriSETA								
Reduced employee turnover rate	1.4.1.	Percentage of employees participated in further career development	78%	50%	50%	84.5%	69%	Target exceeded due to a higher than projected applications for bursaries and internal training initiatives
	1.4.2.	Percentage of employees signed performance contracts annually	100%	100%	100%	100%	0	Target achieved, no variance
	1.4.3.	Number of Workplace Skills Plans submitted to Services SETA annually	NA	1	1	1	0	Target achieved, no variance

Sub-programme 5: Risk								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Provided Strategic and operational risk management support								
Annual approved risk management implementation plan	1.5.1	Strategic risk register updated quarterly	4	4	4	4	0	Target achieved no variance
	1.5.2	Fraud risk register updated quarterly	4	4	4	4	0	Target achieved no variance
	1.5.3.	Quarterly submitted fraud and corruption hotline reports	NA	4	4	4	0	Target achieved no variance

Programme 2: Skills Planning and Research

Sub-programme 2.1: Research								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: An established and maintained, credible mechanism for skills planning and delivery in agricultural sector								
Established and maintained mechanism for skill planning annually	2.1.1.	Sector Skills Plans updated annually	1 SSP	1 SSP	1 SSP	1 SSP	0	Target achieved no variance
	2.1.2	Annual Performance Plans updated	1 APP	1 APP	1 APP	1 APP	0	Target achieved no variance
	2.1.3	Strategic Plans updated annually	1 SP	1 SP	1 SP	1 SP	0	Target achieved no variance
	2.1.4.	Number of SSC committee meetings facilitated	11 SSCs	11 SSCs	22	22	0	Target achieved no variance
	2.1.5.	Number of subsector plans updated	11	11	11	11	0	Target achieved no variance
	2.1.6.	Number of research projects established	NA	3	3	3	0	Target achieved no variance

Sub-programme 2.2: Monitoring and Evaluation								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Established, strengthened and implemented AgriSETA monitoring and evaluation framework								
Established and strengthened an organisation-wide monitoring and evaluation framework	2.2.1.	Verification report of predetermined objectives issued	4	4	4	4	0	Target achieved, no variance
	2.2.2	Percentage of monitoring and evaluation visits on PIVOTAL projects conducted	35% of projects verified	35% of projects verified	35% of projects verified	35.0%	0	Target achieved no variance
	2.2.3	Percentage of monitoring and evaluation visits on Non-PIVOTAL projects conducted	25% of projects verified	25% of projects verified	25% of projects verified	27.1%	8,4%	Target exceeded, additional projects could be monitored within the timeframe and budget
	2.2.4.	Organisational performance uploaded onto the eQPRS	NA	4	4	4	0	Target achieved, no variance

Programme 2: Skills Planning and Research (continued)

Sub-programme 2.3: Mandatory Grants								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Improved Mandatory Grant Administration								
Increased employer access to grant information	2.3.1.	Number of WSPs and ATRs approved for Large Firms	394 large firms	350 large firms	350 large firms	386	36	Target exceeded, due to improved evaluation and approval procedures of WSP/ATRs
	2.3.2	Number of WSPs and ATRs approved for medium firms	484 medium firms	480 medium firms	480 medium firms	509	29	Target exceeded, due to improved evaluation and approval procedures of WSP/ATRs
	2.3.3	Number of WSPs and ATRs approved for small firms	778 small firms	700 small firms	700 small firms	805	105	Target exceeded, due to improved evaluation and approval procedures of WSP/ATRs
	2.3.4.	Number of SDF's trained annually as part of support to employers	255 SDFs trained	90SDFs trained	90 SDFs trained	419	329	Target exceeded due to a new training processes

Sub-programme 2.4: Reporting								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Improved management of information and knowledge that is generated within and outside AgriSETA to enhance performance and inform the overall strategic planning processes								
Increased accessibility of information and knowledge	2.4.1.	Quarterly-submitted performance information on SETMIS timeously.	4 reports	4 reports	4 reports	4	0	Target achieved, no deviation
	2.4.2.	Percentage of non-financial audit (external) queries resolved, based on audit findings reported in the prior financial year	100% resolved	90% resolved	90% resolved	100%	11%	Target exceeded due to improved performance evaluation procedures

Programme 2: Skills Planning and Research (continued)

Sub-programme 2.5: Marketing and Communication								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Developed integrated career development programme								
Established strategic partnerships to strengthen career guidance in the sector	2.5.1.	Number of agricultural career summits launched nationally	4	4	4	4	0	Target achieved, no variance
	2.5.2.	Number of careers exhibitions attended	20 exhibitions	15 exhibitions	15 exhibitions	61	46	Target exceeded due to a higher than projected invitations to career events in collaboration with other sector partners
	2.5.3.	Monthly media monitoring reports submitted	NA	12	12	12	0	Target achieved, no variance
	2.5.4.	AgriSETA newsletter distributed monthly	NA	12	12	12	0	Target achieved no variance

Programme 3: Learning Programmes and Projects

Sub-programme 3.1: Workplace learning								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Increased workplace based vocational learning opportunities in the agricultural sector								
Increased access to learning opportunities annually	3.1.1.	Percentage of discretionary grant budget allocated at developing high level skills	37%	19%	19%	26%	(37%)	Target exceeded due to additional learners that could be assisted within budget
	3.1.2.	Percentage of discretionary grant budget allocated at developing intermediate skills	35%	21%	21%	30%	43%	Target exceeded due to additional learners receiving grants through partnership agreements
	3.1.3.	Percentage of discretionary grant budget allocated at developing elementary skills	49%	8%	8%	15%	(88%)	Target exceeded due to additional learners receiving grants through partnership agreements
	3.1.4.	Number of employed learners entering learnerships programmes	LS-2147	LS-1300	LS-910	747	(163)	Target not achieved due to outstanding corrections on learner registrations and uploads

Programme 3: Learning Programmes and Projects (continued)

Sub-programme 3.1: Workplace learning								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Increased workplace based vocational learning opportunities in the agricultural sector								
	3.1.5	Number of employed learners completing learnerships programmes	LS-1556	LS-1000	LS-642	1230	588	Target exceeded due to a higher than projected certifications completed in the year under review
	3.1.6.	Number of employed learners entering skills programmes	SP-3153	SP-2000	SP-1170	1343	173	Target exceeded due to a higher than projected number of learners that could be trained within budget
	3.1.7	Number of seasonal workers entering skills programmes	NA	SP-100	SP-100	104	4	Target exceeded due to effective targeted funding processes
	3.1.8.	Number of employed learners completing skills programmes	SP-1531	SP-1445	SP-903	1219	316	Target exceeded due to a higher than projected learners completing skills programmes within the reporting period
	3.1.9.	Number of employed learners entering AET programmes	AET-960	AET-400	AET-300	304	4	Target exceeded due to an increased number of projects completed in the reporting period
	3.1.10.	Number of employed learners completing AET programmes	AET-546	AET-200	AET-200	201	1	Target exceeded due to a higher than projected completion rate of learners
	3.1.11.	Number of learners entering internship programmes	INT-752	INT-600	INT-635	644	9	Target exceeded through the implementation of targeted funding and partnerships
	3.1.12.	Number of learners completing internship programmes;	INT-371	INT-250	INT-268	284	16	Target exceeded due to a higher than projected completion rate and improved administrative processes
	3.1.13.	Number of TVET students entering graduate placement programmes	179	505	1040	263	(777)	Target not achieved due to slower than planned uptake and registration of learners
	3.1.14.	Number of TVET students who completed graduate placement programmes	69	100	100	140	40	Target exceeded due to improved administrative processes

Programme 3: Learning Programmes and Projects (continued)

Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Sub-programme 3.1: Workplace learning								
Outcome: Increased workplace based vocational learning opportunities in the agricultural sector								
	3.1.15.	Number of universities students entering graduate placement programmes	363	125	271	206	(65)	Target not achieved due to a high volume of corrections on learner registrations
	3.1.16	Number of university students who completed graduate placement programmes	120	100	100	102	2	Target exceeded due to improved administrative processes
	3.1.17	Number of bursaries to employed learners	280	90	70	85	15	Target exceeded due to a higher than projected registration rate within budget
	3.1.18.	Number of bursaries to employed learners continuing their studies	NA	80	85	86	1	Target exceeded through improved communication with grant beneficiaries
	3.1.19.	Number of employed learners completing bursary programmes	46	70	70	10	(60)	Target not achieved due a lower than projected achievement rate of learners
	3.1.20.	Number of bursaries to unemployed learners	923	260	146	290	144	Target exceeded due to a higher than projected learners that entered within budget
	3.1.21.	Number of bursaries to unemployed learners continuing their studies	NA	180	140	238	98	Target exceeded due to a higher than projected learners achieved the threshold to continue with their studies
	3.1.22.	Number of unemployed learners completing bursary programmes	204	112	112	114	2	Target exceeded a higher-than-projected number of learners completing their studies
	3.1.23.	Number of learners entering artisan development programmes	297	400	528	635	107	Target exceeded due to accelerated partnership funding
	3.1.24.	Number of learners completing artisan development programmes	172	130	400	506	106	Target exceeded due to accelerated partnership funding

Programme 3: Learning Programmes and Projects (continued)

Sub-programme 3.1: Workplace learning								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Increased workplace based vocational learning opportunities in the agricultural sector								
	3.1.25.	Number of Centres of Specialisation supported	33	25	5	5	0	Target achieved, no variance
	3.1.26.	Number of learners who completed workplace based learning interventions absorbed into employment or self employment	NA	1 550	1 550	471	(1079)	Target not achieved due to a lower that projected number of learners indicated that they found employment post training implementation

Sub-programme 3.2. Worker initiated training								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Increased worker skills levels in the agricultural sector								
Increased skills levels in the workplace through projects implemented	3.2.1	Number of federations/ trade unions supported through the relevant skills training interventions	1	5	5	5	0	Target achieved, no variance
	3.2.2.	Number of commodity organisations supported	10	5	5	5	0	Target achieved, no variance

Sub programme 3.3. Rural and Youth Development								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Increased governance and skills levels of NLPE to create stability and an environment for economic growth.								
Increased access to learning opportunities of un-employed learners annually	3.3.1.	Number of unemployed learners entering learnership programmes	LS –3976	LS – 3 000	LS –1980	2918	938	Target exceeded due to efficient implementation of target funding
	3.3.2.	Number of unemployed learners completing learnership programmes	LS –1798	LS – 950	LS – 1200	3614	2414	Target exceeded due to efficient implementation of target funding
	3.3.3.	Number of unemployed learners entering skills programmes	SP – 6069	SP – 3 000	SP – 1705	1915	210	Target exceeded due to efficient implementation of target funding

Programme 3: Learning Programmes and Projects (continued)

Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Sub programme 3.3. Rural and Youth Development								
Outcome: Increased governance and skills levels of NLPE to create stability and an environment for economic growth.								
	3.3.4.	Number of persons living with disability entering skills programmes	NA	SP-100	SP-100	101	1	Target exceeded through targeted funding interventions
	3.3.5.	Number of land beneficiaries entering skills programmes	NA	SP-200	SP-200	203	3	Target exceeded a higher-than-projected number of land beneficiaries who applied for support through targeted funding
	3.3.6.	Number of unemployed learners completing skills programmes	SP –3601	SP – 2500	SP – 903	1832	929	Target exceeded due to efficient implementation of targeted funding
	3.3.7.	Number of programmes in support of rural structures	SRS –31	SRS – 100	SRS– 100	100	0	Target achieved, no variance
	3.3.8.	Number of co-operatives supported with training interventions or funded	113	80	100	103	3	Target exceeded due to a higher than projected co-operatives that could be assisted within budget
	3.3.9	Number of small businesses supported with training interventions or funded	0	50	100	104	4	Target exceeded due to a higher than-projected number of entities that could be assisted through targeted interventions
	3.3.10.	Number of people trained on entrepreneurships supported to start their businesses	71	40	40	42	2	Target exceeded due to efficient implementation of targeted funding
	3.3.11.	Number of CBOs/ NGOs/NPOs supported with training interventions or funded	9	40	40	25	(15)	Target not achieved due to a lower than projected applications received for grants

Programme 3: Learning Programmes and Projects (continued)

Sub programme 3.4. Public and Private Entity Partnership Development (Strategic Partnerships)								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Increased public/private sector capacity for improved service delivery and to provide appropriate support for agricultural and rural development								
Increased skills levels of beneficiaries of public and private sector through the implementation of projects	3.4.1	Number of SETA/employer partnerships established	18	10	10	10	0	Target achieved, no variance
	3.4.2.	Number of partnerships with public sector in support of ministerial projects	9	5	5	5	0	Target achieved no variance
	3.4.3.	Number of TVET/ ATVET partnerships established	NA	4	4	4	0	Target achieved, no variance
	3.4.4.	Number of HEI partnerships established	NA	6	3	3	0	Target achieved no variance
	3.4.5.	Number of CET partnerships established	NA	2	2	2	0	Target achieved no variance

Programme 4: Quality Assurance

Sub programme 4.1. Occupational qualifications in high demand								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Occupational qualifications in high demand developed and implemented								
Increased capacity building interventions of the post-school education and training system, in the development and implementation of occupations in high demand	4.1.1.	Number of occupationally-directed qualifications developed/ re-aligned	6	6	6	6	0	Target achieved, no variance
	4.1.2.	Number of learners entered into RPL programmes	1154	1 141	1 200	909	(291)	Target not achieved due to outstanding corrections on learner registrations and uploads
	4.1.3.	Number of learners completing RPL programmes	526	300	300	935	635	Target exceeded due to a higher than projected completion rate of learners

Programme 4: Quality Assurance (continued)

Sub programme 4.2. Agricultural Education and Training Systems								
Output	Output Indicators		Actual achievement 2021/22	Actual achievement 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation	Reason for deviation
Outcome: Improved agricultural education and training systems								
Increased capacity building programmes aimed at the public college sector	4.2.1.	Number of agricultural colleges (TVETs) supported with capacity building programmes.	9	11	11	11	0	Target achieved, no variance
	4.2.2.	Number of accredited training providers for agricultural programmes	262	50	50	164	114	Target exceeded due to a higher than projected volume for accreditation
	4.2.3.	Number of training providers monitored	300	300	300	300	0	Target achieved no variance
	4.2.4.	Number of learners certified	4 159	4 000	4 000	4845	845	Target exceeded due to higher than projected completion of programmes
	4.2.5.	Number of ETDP practitioners registered	261	100	100	141	41	Target exceeded due to a higher that projected applications for assessors and moderators to be registered
	4.2.6.	Number of TVET lecturers exposed to the industry through skills programmes	64	35	37	47	10	Target exceeded due to a higher than projected number of lecturers could be trained within the allocated budget
	4.2.7.	Number of SETA offices established and maintained in TVET colleges	NA	5	5	8	3	Target exceeded due to a higher than projected Colleges opening SETA offices

Learning Programmes & Projects Division

6. STRATEGIES TO OVERCOME AREAS OF UNDERPERFORMANCE

Programme 1: Administration

Sub programme	Outcome Indicator	Measures to improve underperformance
Sub-programme 3: Information and Communication Technology (ICT)	1.3.2. Percentage of approved ICT Interventions implemented	The implementation of improved contract monitoring processes will be implemented to ensure that projects are completed within the planned timeframe

Programme 2: Skills Planning and Research

All targets achieved.

Programme 3: Learning Programmes and Projects

Sub programme	Outcome Indicator	Measures to improve underperformance
Sub-programme 3.1: Workplace learning	3.1.4. Number of employed learners entering learnerships programmes	Communication with grant holders will be improved to ensure that the learner documents meet the required quality standards.
	3.1.13. Number of TVET students entering graduate placement programmes	Project implementation will be improved to ensure that continuous project monitoring takes place allowing for timeous registration of learners.
	3.1.15. Number of universities students entering graduate placement programmes	Improvement of learner documentation will be prioritised through continuous engagement with grant holders.
	3.1.19. Number of employed learners completing bursary programmes	Communication with grant holders will be improved to ensure that the criteria for completions are clarified and the submission of completion documents are accelerated.
	3.1.26. Number of learners who completed workplace based learning interventions absorbed into employment or self employment	Improvements in the collection of data will be implemented and a focus will be placed on programmes that can lead to enhanced employability.
Sub programme 3.3. Rural and youth Development	3.3.11. Number of CBOs/NGOs/NPOs supported with training interventions or funded	Targeted funding will be implemented in the 2024 financial year to ensure that the required number of applications are received.

Programme 4: Quality Assurance

Sub programme	Outcome Indicator	Measures to improve underperformance
Occupational Qualifications in high demand	4.1.2. Number of learners entered into RPL programmes	Communication with target holders will be improved to ensure that the quality of learner documentation is improved.

SERVICE DELIVERY ENVIRONMENT

Information, communication and technology (ICT)

During the second quarter, AgriSETA experienced an internal ICT system disruption caused by the excessive volume of discretionary grant (DG) applications. The incident was managed diligently and emails or documents successfully recovered. No security incidences disrupted AgriSETA's business processes and no any data exfiltration detected. The entity is putting in place measures to strengthen its security posture.

Marketing and communication

AgriSETA reached nearly 10 000 learners, youth and unemployed people in the reporting period during face-to-face interactions and engagements. The marketing and communication unit coordinated AgriSETA's participation in more than 61 career and other critical skills career exhibitions meaning the organisation exceeded its target by 46.

The organisation was honoured to participate in five Ministerial events, four of which were hosted in collaboration with the Department Higher Education, Science and Innovation deputy minister through the ministerial portfolio's training arm.

Media relations provides information to the public and helps the organisation monitor its reputation. AgriSETA does not participate in paid-for media platforms and had only positive media reports during the year under review. Many articles were published in which learners, graduates and other people who had received AgriSETA funding credited the entity for their professional growth.

Our proactive weekly social media plans have boosted AgriSETA's Connect ME app, currently serving the industry well with over 4600 job seekers and close to 650 employers registered on the platform.

AgriSETA's collaboration with sister SETAS on various projects and, in building rapport with other entities, has had far-reaching and effective project executions. The partnership approach shows unity; an element numerous public members have mentioned during exhibitions and events and in our newsletter Connect. The approach also ensures our fishing net reaches a wider audience.

QUALITY ASSURANCE

OVERVIEW

Regulated functions of Quality Assurance as per South African Qualifications Authority ACT (SAQA Act, Act 58 of 1995). The quality assurance delegated function under this Act:

I) Accreditation of skills development Providers.
II) Monitoring of training provisions.
III) Registration of practitioners.
IV) Certification of learners.
V) Reporting of learner achievement to NLRD,
VI) Maintaining Management Information System (MIS) for quality assurance activities.

Quality Assurance (QA) deliverables as per NSDP vision:

I) Facilitate easy access and create different entry points (articulation and RPL).
II) Collaborate with QCTO to identify and increase production of occupations in high demand.
III) Increase access to occupationally directed programmes by supporting TVETs, CETS and agricultural colleges.
IV) Partnership development with TVETs, CET's, universities, and industries.

Key Challenges

I) Qualifications registration process not quick enough to achieve required number of qualifications
II) Training providers not ready and capacitated to implement new occupational qualifications
III) Assessment of Occupational Qualifications is likely costly and requires more funding to achieve more
IV) Partnership between Institutions and industries not moving quick enough to afford learners placement opportunities

STREAMLINING THE QUALITY ASSURANCE FUNCTION

The White Paper on Post-School Education and Training highlighted the complexity with respect to the manner in which quality assurance is implemented within the PSET space argues that the system needs to be streamlined and simplified.

Key Challenges

I) Silo approach still prevalent within PSET systems, sharing of best practices is limited as a result
II) System blockages and structural red tapes in funding programmes require more attention and solutions

QA strategic view

The Report sheds light on Ministerial Determination Notice 1391 published in Govt. Gazette No. 44031 24 December 2021.

Key aspects of the determination:

1.1.1 Phasing out of historical qualifications and to be replaced by Occupational Qualifications

1.1.2 Transitional arrangement:

1.1.3 Learners enrolment for the historical Qualifications ends 30th June 2024

1.1.4 Learner achievement end date for learners registered before 30 June 2024, is 30 June 2024

1.1.5 Training Providers accredited to offer training against the Historical qualifications ends 30 June 2024 in line with learner achievement end date

1.1.6 The accreditation of providers can only continue beyond 30th June 2024 on condition that they are having learners already registered and training is progress, it is accommodated as teach out period until 30 June 2027.

KEY ASPECTS TO ADDRESS TRANSITIONAL ARRANGEMENT

Availability of occupational qualifications to replace historical ones.

3.1.1 The AgriSETA board has annually supported and approved the development of occupational qualifications led by various industries. Currently, there are 21 registered occupational qualifications against which training providers can lodge accreditations. Tables 1 and 2 depict the 21 registered qualifications and eight qualifications in the development process including one skills programme.

Table 1: Occupational Qualification registered

OC: Livestock Farmer	OC: Sugar Processing
OC: Orchard and Vineyard Foreman	OC: Sugar Processing Machine Operator
OC: Viticulture Worker	OC: Dairy Farm Supervisor
OC: Aquaculture Farmer	OC: Dairy Unit Manager
OC: Aquaculture Farmworker	OC: Abattoir Foreman
OC: Nursery Supervisor	OC: Abattoir Supervisor
OC: Nursery Person	OC: Crop Produce Analyst
OC: Grain Grader	OC: Miller
OC: Grain Depot Manager	OC: Poultry Farmer
OC Feed Miller	OC: Pest Management Officer
OC: Landscape Gardener	

Table 2: Occupational Qualification in the process of development

Qualification	Industry	Targeted completion Period
Mixed Crop Farmer	AFASA	2024
Livestock Farmer	AFASA	2024
Mixed Crop and Livestock Farmer	AFASA	2024
Warehouse Manager Fresh Produce Packing Controller	Fruit SA	2024
Mixed Crop and Livestock Farmer	Fruit SA	2024
Horticultural Farm Worker /Practitioner	Fruit SA	2024
Agricultural / Horticultural Produce Inspector	PPECB	2024
Perishable Produce Export Assessor	PPECB	2024
Poultry Slaughterer	SAPA	2024
Landscape designer	SAGIC	2024
Slaughter/Meat Classification / Examination	RMAA	2024
Market oriented Mixed Crop and Animal Producers	DALRRD	2024

3.2 Assessment centres for occupational qualifications and plans to build capacity. The agricultural sector requires more capacity and realistic geographical spread to cater for assess occupational qualifications.

3.2.1 The 11 agricultural colleges including agricultural TVETs, CETs and farmers are available resources to assess occupational qualifications.

3.2.2 Funding the Board approved for colleges will be directed to boosting assessment capacity.

3.3 Workplaces to link training providers and learners' experiential learning opportunities; plans to maximise workplaces.

3.3.1 While commercial agricultural entities have provided workplaces for experiential learning, an implementation gap remains given the number of learners, especially in rural establishments, seeking experiential learning opportunities. Capacity must be built, especially with existing community-based structures such as agricultural co-operative and learning material to implement occupational qualifications.

3.4.1 The AgriSETA Board has supported and approved learning material development and the majority of registered occupational qualifications have learning material available. This provides a huge relief for training providers to advance accreditation for these qualifications.

3.5 Piloting occupational qualifications

3.5.1 The AgriSETA Board has supported and approved a few projects to pilot qualifications, specifically to establish cost models to recommend for occupational qualifications. FruitSA and TAASA are finalising their observations piloted in their respective industries and the conclusions and recommendations may influence how training rates can be structured.

3.6 Support to training providers to achieve occupational qualification accreditation.

3.6.1 Training providers apply to QCTO for occupational qualification accreditation; AgriSETA Quality Assurance has discussed the processes and approaches to assist training providers with QCTO:

3.6.1.1 AgriSETA Quality Assurance will assist QCTO with site visits for workplace approvals and accreditations; CTO will send the list to Quality Assurance to expedite the process.

3.6.1.2 AgriSETA Quality Assurance will identify potential workplaces, assessment centres and occupational qualifications to capacitate providers.

3.6.1.3 AgriSETA Quality Assurance conducted national focused workshops in November 2023 for each province to address specifically.

3.6.1.3.1 Process and paperwork for accreditation with providers.

3.6.1.3.2 Assist in linking providers with workplaces and assessment centres.

Quality Assurance performance for 2023/2024

The following report should be read alongside the table below.

The table below illustrates performance of projects in Quality Assurance focusing on the development and implementation of occupations in high demand. The table also focuses on the support for development and re-alignment of occupationally directed qualifications by the industries to address scarce and critical skills in the agriculture sector. Support for learners with no formal qualifications to receive qualifications or credits through RPL programmes at colleges of agriculture. Increased capacity building programmes aimed at agricultural colleges.

Programme	Indicator	Annual Target	YTD Actual
Quality Assurance			
4.2	Increased capacity building interventions of the post school education and training system, in the development and implementation of occupations in high demand		
4.2.1.	Number of occupationally directed qualifications developed/re-aligned	6	6
4.2.2.	Number of learners entered into RPL programmes	1141	1141
4.2.3.	Number of learners completing RPL programmes	300	371
4.2.4	Number of TVET Lecturers capacitated	35	55
4.3	Increased capacity building programmes aimed at the public college sector		
4.3.1	Number of Agricultural Colleges (TVET's) supported with capacity building programmes	11	11
4.3.2	Number of offices opened and supported	5	7

Learning Programmes and Projects (LPP)

The AgriSETA LPP division represents its core business and accounts for its financial year performance against the pre-determined objectives outlined in the annual budget and strategic plan. It provides an integrated outcome of programmatic financial performance in line with the set annual performance targets.

References are based on compliance to legislation, skills development regulations, best practices and adoption of lessons learnt to improve AgriSETA's learning programmes implementation.

The year under review was continuously beset by the triple challenges of unemployment, poverty and inequality. In a bid to dent this, a skills development posture linked to discretionary grant funding extensively focused on the working class and the poor. A case in point was AgriSETA's tracer studies that assessed the impact of learner absorption or gainful employment against annual performance targets.

Promoting agriculture as a favourable career choice from basic education stages an AgriSETA strategic focus area via accelerated career guidance programmes in line with strategic partners. Most schools no longer offer agricultural science as part of the syllabus and AgriSETA's medium- to long-term view is to contribute to a consistently practical approach to agricultural teaching and learning. Our efforts have heightened appetite by learners to agriculture.

Among the greatest achievements in the year under review was AgriSETA's ability to achieve artisan development targets significantly ahead of the annual targets. The LPP division directly contributes to achieving various strategic outcomes including:

- increased access to occupationally directed programmes;
- increased skills development support for entrepreneurship and co-operative expansion and
- increased support for worker-initiated training.

Progress to achieving planned outcomes is detailed per sub-programme:

Sub-programme 1: Rural and youth development

The NDP chapter six emphasis on integrated and inclusive rural economy deals with the characterised

greater poverty and inequality. In 2023 South Africa's youth unemployment rate for the period under review remained at 50.47% and pertained to the economically active population aged 15 and 24 years currently searching for employment (StatsSA).

Consequently, AgriSETA accelerated support for rural development and youth training to create employment opportunities. The NDP 2030 strategic vision includes a better integration of the country's rural areas achieved through successful land reform, job creation and poverty reduction.

Sub-programme 2: Public and private entity partnerships

In implementing post-school education and training, young people and adults acquire the necessary skills to be employable. Strategic partnerships with key stakeholders accelerate the collaboration between the public and private sectors for skills development. AgriSETA's significant over-achievement of certain targets, predominantly reached through strategic partnerships, reflects the value of this approach and provides conditions to formulate these agreements; ensure their sustainability; manage the risks and record the success factors. One example was the Citrus Growers' Association, AgriSETA Job Fund and Department of Rural Development, Land Reform and Rural Development's project on the economic transformation of black citrus producers. The initiative has job creation and transformation targets for the citrus growers industry and is co-funded to the tune of R300 million through a blended finance model. New orchards have been planted, farms refurbished and movable assets purchased for some farmers.

Sub-programme 3: Worker-initiated training

Worker-initiated training is a key strategic pillar of AgriSETA's learning interventions in partnership with the trade unions and federations. As employers, trade unions are supposed to promote skills and development advancement among employees. This funding is tailored through a strategic partnership based on an informed labour market intelligence to steer its skills development interventions.

AgriSETA has physical presence in Limpopo, Mpumalanga, Eastern Cape and KwaZulu-Natal despite servicing the whole country. There are four provincial assistant managers responsible for rural development in line with the DHET's mandate.

Programme/activity/objective	2023/2024			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	103 446	88 987	14 459	77 054	69 781	7 273
Skills Planning and Reporting	119 600	98 970	20 630	85 000	111 513	-26 513
Learning programme and projects	508 875	453 358	55 517	445 525	488 928	-43 403
Education Training and Quality Assurance	19 186	19 513	-327	18 100	24 248	-6 148
Donor funded project (Public Works)		7 263	-7 263	-	8 970	-8 970
Total	**751 107**	**668 091**	**83 016**	**625 679**	**703 440**	**-77 761**

Reporting on the Institutional Response to the Covid-19 Pandemic

Table: Progress on 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 outcomess
						NIL		

Sources of revenue	2023/2024			2022/2023		
	Estimate	Actual Amount Collected	Over/(Under) Collection	Estimate	Actual Amount Collected	Over/(Under) Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Levy income	586 977	591 401	4 424	559 938	562 752	2 814
Penalties and interest		5 107	5 107		8 030	8 030
Investment income	42 099	38 568	(3 531)	28 553	30 378	1 825
Other income	1 980	1 923	(57)		145	145
Income from public works		6 914	6 914		10 030	8 793
Total	**631 056**	**643 913**	**12 857**	**588 491**	**611 336**	**22 845**

- **CAPITAL INVESTMENT**

Infrastructure projects	2023/2024			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Computer hardware	1 000	811	189	128	128	-
Computer software	500	521	(21)	341	341	-
Office equipment	250	127	123	300	300	-
Building	250	225	25	-	-	-
Total	**2 000**	**1 684**	**316**	**769**	**769**	**-**

PART A

GENERAL INFORMATION

PART B

PERFORMANCE INFORMATION

PART C

GOVERNANCE

PART D

HUMAN RESOURCE MANAGEMENT

PART E

PFMA COMPLIANCE REPORT

PART F

FINANCIAL INFORMATION

PART C:
GOVERNANCE

Ministerial Appointees: Accounting Authority Members


Ms Sharon Sepeng


Ms Bagcinile Wendy Cele


Mr Andre Kriel


Ms Linda Gqokoma


Mr Christo van der Rheede


Adv Eliot Mhlongo


Ms Pinki Luwaca


Mr Mayoyo Mngomezulu


Ms Stella Mthembu


Ms Kgadi Senyatsi


Mr Anton Rabe


Ms Marike Burger


Mr Mlulami Mahanjana


Mr Kabelo Tsimatsima

1. INTRODUCTION

Corporate Governance embodies processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation, Skills Development Act, corporate governance with regard to public entities, is applied through the precepts of the Public Finance Management Act (PFMA) and runs in tandem with the principles contained in the King Report on Corporate Governance.

Parliament, the Executive Authority (EA), and the Accounting Authority (AA) of the public entity, are responsible for corporate governance.

2. PORTFOLIO COMMITTEES

The Portfolio Committee on Higher Education and Training and the Select Committee on Education of the National Council of Provinces (NCOP) exercises oversight over the 21 SETAs, Higher Educational Institutions (HEI) and Department of Higher Education Science and Innovation (DHESI) and may invite any SETA to account on its Strategic Plan and Annual Performance Plans from time to time. The Strategic Plan (SP) and Annual Performance Plans (APP) were approved by the Executive Authority and tabled in Parliament. AgriSETA did not appear before either the Portfolio Committee or Select Committee in the financial year under review. The Chairperson of the Accounting and Authority and the Chief Executive Officer (CEO) however were invited and attended a workshop hosted by the Parliament Portfolio Committee on Education where the legacy report for the past five years was presented, the workshop was held on the 20 March 2024.

3. EXECUTIVE AUTHORITY

The Executive Authority (EA) of AgriSETA is the Minister of Higher Education, and Training (DHET) is responsible for appointing members of the Board (AA) and determines their remuneration in accordance with the tariffs set by the Minister of Finance.

The entity is required by DHET to submit, on an annual basis, a Sector Skills Plan (SSP) and SP and an APP.

It is also required in terms of the Skills Development Act, to enter into a Service Level Agreement (SLA) with DHET and agree on expected deliverables that contribute towards the fulfilment of the Ministerial outcomes.

Quarterly reports detailing the performance against set targets are submitted to the department as required in terms of the Treasury Instruction Note.33 which amended part 5 and 30 of the Treasury Regulations, 2005. The EA convenes meetings with SETA Chairpersons and CEOs from time to time, to discuss strategic policy imperatives affecting the sector and the country. These engagements also present an opportunity for the leadership of SETAs to share the challenges that are encountered from time to time.

The Quarterly Monitoring and Governance Implementation Charter Reports of the SETA are submitted to the Department of Higher Education, Science, and Innovation on a quarterly basis.

All AgriSETA's reports were submitted on time.

ARC Members in a group

Office of the CEO

4. THE ACCOUNTING AUTHORITY/BOARD

Introduction

AgriSETA is guided by the AA/Board as its highest decision-making body. The AA is appointed by the Minister of Higher Education, Science, and Innovation (also known as DHET) for a period of five years and consists of the Chairperson and 14 Board members. The board has 15 members when the term started, and one Board member sadly passed on in December 2023.

The AA is responsible and accountable for the public entity's performance and strategic direction.

The role of the AA:

The roles and responsibilities of the AA are to –

- Govern and manage the SETA in accordance with the PFMA, and any other applicable legislation.
- Ensure that the SETA achieves the objectives contemplated in item 5 of its Constitution and performs the functions contemplated in item 6 of the Constitution.
- Provide effective leadership and ensure that the SETA implement the goals of the NSDP 2030 and the performance agreement with the Minister.
- Provides strategic direction for the SETA.
- Liaise with stakeholders.
- Ensure that the SETA complies with the relevant statutory requirements and its Constitution.
- Manage institutional risk.
- Monitor the performance of the SETA.
- Ensure that its members, and including members of the committees established by it, comply with the code of conduct.

Board Charter

AgriSETA has adopted a Board Charter and it operates in terms of its Constitution, which covers:

- Composition of the Board
- Roles and functions of the Board
- Powers of the Board
- Delegation of authority
- Terms of office of the Board
- Establishment of committees
- Meetings of the Board

The Board complies fully with all aspects and provisions of the AgriSETA Constitution.

COMPOSITION OF AGRISETA'S ACCOUNTING AUTHORITY

AgriSETA AA consists of 15 members nominated as follows:

CONSTITUENCY	ORGANISATION
Ministerial Appointee	Accounting Authority Chairperson (1)
Organised Labour	FAWU – Food and Allied Workers Union (4) SACTWU-South African Clothing and Textile Workers Union (1) SOLIDARITY (1)
Government Departments and Public Entities	PPECB – Perishable Products Export Control Board (1)
Organiser Employers	AgriSA (1) Fruit SA/Hortgro (1) NERPO(1) RCL Foods (1) SA Pork Producers' Organisation (1)
Other Stakeholders	Community Organisations (2)

AGRISETA ACCOUNTING AUTHORITY CONSISTS OF 15 MEMBERS NOMINATED.

Name	Designation	Qualification	Area of expertise	Accounting Authority Directorships	Other Committees
Ms GS Sepeng	Ministerial Appointment Chairperson	MBA	Employment Relations	n/a	EXCO
Mr C Van der Rheede	Member	MPA	Agricultural Economics	BUSA ATKTV Potchefstroom Business	EXCO
Mr M Mngomezulu	Member	Diploma Labour Relations	Labour relations	Basebenzi	EXCO Grants and Quality Assurance
Mr A M Mahanjana	Member	Master's Degree in Agriculture	Agricultural Economics	NERPO	Grants and Quality Assurance
Ms K Senyatsi	Member	Master's Degree Agriculture	Strategic Management Financial Management Agricultural Management	n/a	Governance Strategy
Ms P Luwaca	Member	Honours Human Resource Management	Strategic Management Human Resources	PPECB	EXCO FINREMCO
Mr E Mmako (deseased)	Member	Business Management Labour Relations certificates	Financial Management	n/a	FINREMCO
Mr A Rabe	Member	MBA	Agricultural Economics	Hortgro Pty Ltd Fruitgro Science Fruit mzanzi Afrika TPS Property Holdings SA Tug of War	FINREMCO
Ms B Cele	Member	Grade 11	Labour Relations	Wine Industry Transformation Levy Dal Josaphat Workers Empowerment Pty Ltd	Grants and Quality Assurance
Ms L Gqokoma	Member	Grade 12	Labour relations	n/a	EXCO
Advocate T Mhlongo	Member	LLB Degree	Legal	n/a	FINREMCO
Mr K Tsimatsima	Member	Bachelor of Arts	Agriculture, Land Reform	n/a	Governance and Strategy
Mr A Kriel	Member	Bachelor's degree	Labour Relations	n/a	Governance and Strategy
Ms M Burger	Member	Masters Degree Labour Relations	Labour Relations	n/a	FINREMCO
Ms S Mthembu	Member	Master of Science in Agriculture Development	Land Reform Stakeholder Management and CSI	n/a	FINREMCO, Grants and Quality Assurance

Meeting Attendance

Name	Constituency	Date appointed	Date of Termination	No of meetings attended
Ms GS Sepeng	Chairperson Ministerial appointee	01 April 2018	31 March 2025	10
Mr C van der Rheede	Organised Employers	01 January 2017	31 March 2025	10
Mr K Tsimatsima	Community Organisation	01 April 2020	31 March 2025	10
Mr E Mmako	Organised Labour	01 April 2020	04 December 2023 (deceased)	6
Ms P Luwaca	Organised Employers	01 April 2018	31 March 2025	9
Mr M Mngomezulu	Organised Labour	01 April 2018	31 March 2025	9
Mr A M Mahanjana	Organised Employers	01 April 2020	31 March 2025	9
Mr A Kriel	Organised Labour	01 April 2020	31 March 2025	7
Mr A Rabe	Organised Employers	01 April 2018	31 March 2025	8
Ms B Cele	Organised Labour	01 April 2020	31 March 2025	10
Ms L Gqokoma	Organised Labour	01 April 2018	31 March 2025	10
Ms Kgadi Senyatsi	Organised Employers	01 April 2020	31 March 2025	10
Adv T Mhlongo	Community Organisation	01 April 2020	31 March 2025	10
Ms S Mthembu	Organised Employers	01 April 2020	31 March 2025	10
Ms M Burger	Organised Labour	01 July 2021	31 March 2025	9

Accounting Authority Committees

1. Accounting Authority Executive Committee
2. Audit and Risk Committee
3. Risk Management Committee
4. Governance and Strategy Committee
5. Finance and Remuneration Committee
6. Grants and Quality Assurance Committee

Accounting Authority Executive Committee

Member	Meetings held	Meetings attended
Ms GS Sepeng	9	9
Ms L Gqokoma	9	9
Mr C van der Rheede	9	9
Mr M Mngomezulu	9	9
Ms P Luwaca	9	9

Audit and Risk Committee

Member	Meetings held	Meetings attended
Ms DM Matlala	10	10
Dr G Buys	10	10
Ms M Phiri	10	10
Mr K Maja	10	10
Mr V Chonco	10	10

Governance and Strategy Committee

Member	Meetings held	Meetings attended
Mr C van der Rheede	3	3
Ms B Cele	3	3
Ms K Senyatsi	3	2
Mr K Tsimatsima	3	3

Finance and Remuneration Committee

Member	Meetings held	Meetings attended
Ms P Luwaca	8	8
Adv T Mhlongo	8	8
Mr A Rabe	8	7
Mr E Mmako	8	4
Ms B Cele	8	8

The Grants and Quality Assurance Committee

Member	Meetings held	Meetings attended
Mr M Mngomezulu	3	3
Mr A M Mahanjana	3	2
Mr A Kriel	3	2
Mr A Rabe	3	3
Ms K Senyatsi	3	2
Ms S Mthembu	3	2
Adv T Mhlongo	3	3
Ms L Gqokoma	3	3

Remuneration of Board members

1. The remuneration of Board members is determined by the National Treasury Regulations with amendments to the rate determined annually for a financial year.
2. All Board members of AgriSETA are remunerated as per the National Treasury Regulations.
3. Refer to the table for remuneration of Board members.

Board Members

MEMBERS OF THE ACCOUNTING AUTHORITY (BOARD MEMBERS)	MEETING ATTENDANCE ALLOWANCE	EXPENSES	TOTAL
Ms GS Sepeng	-	18	18
Mr M Mahanjana	147	-	147
Ms S Mthembu	134	-	134
Mr MS Mngomezulu	255	1	256
Ms LV Gqokoma	245	-	245
Mr K Tsimatsima	147	-	147
Mr EL Mhlongo	227	5	232
Ms M Burger	203	-	203
Ms K Senyatsi	138	-	138
Mr CO Van Der Rheede	131	-	131
Ms B Cele	227	-	227
Mr A Kriel	67	-	67
Mr ME Mmako	116	1	117
Ms PS Luwaca	-	1	1
	2,035	**28**	**2,063**

Ms M Phiri
(Chairperson)

Dr G Buys

Mr K Maja

Mr V Chonco

Ms D Matlala

ARC Members in a group

Remuneration of Audit and Risk Committee Members

The remuneration of Board members is determined by the National Treasury Regulations with amendments to the rate determined annually for a financial year.

MEMBERS OF THE AUDIT AND RISK REMUNERATION	MEETING ATTENDANCE ALLOWANCE	EXPENSES	TOTAL
Mr V Chonco	98	12	**110**
Ms MM Phiri (Chairperson)	215	-	**215**
Mr K Maja	146	-	**146**
Ms DM Matlala	107	-	**107**
Dr GF Buys	98	-	**98**
	789	**12**	**801**

5. RISK MANAGEMENT

The risk management process is guided by the enterprise risk management strategy framework. The strategy provides a process to identifies threats and activities and that, should these arise, may negatively affect the entity's ability to achieve its objectives. The process also creates an environment where management can prioritise risks and develop a risk response. Risk Management has been enhanced with the Risk Management Committee fully functional and providing oversight over governance documents and to monitor progress on risk management activities. During the reporting period, risk management reviewed its business continuity assessment across AgriSETA to protect the entity from potential threats of disruptive incidents that may hinder the provision of core mandated services.

6. INTERNAL CONTROLS

Internal controls were reviewed and monitored by the management team.

Internal controls are processes put into place by management to help AgriSETA operate efficiently and effectively to achieve its objectives. The purposes of internal controls are to: (1) protect organisational assets; (2) ensure reliability and integrity of financial and operational information; (3) promote effective and efficient operations; (4) achieve organisational objectives and goals; and (5) ensure compliance with laws, regulations, policies, procedures, contracts and other adopted best practices. Management is therefore, charged with the responsibility to ensure that internal controls are set up, followed, and reviewed regularly. The Audit and Risk Committee (ARC) is responsible for the oversight function to ensure the effectiveness of the controls in place.

7. AUDIT AND RISK COMMITTEE

The ARC is established as an oversight body, providing independent oversight over governance, risk management and control processes within AgriSETA, in terms of section 77 of the Public Finance Management Act (PFMA). It functions include oversight and review of the following:

- Internal audit function;
- External audit function (Auditor-General);
- Accounting and reporting on the Finances of the SETA;
- Risk management;
- Internal controls;
- Information and Communications technology;
- Fraud and fraud hotline matters;
- In-year Monitoring, including quarterly performance.

INTERNAL AUDIT

The role of the Internal Audit Function (IAF) is to independently assess the efficiency and effectiveness of the controls in place to mitigate and reduce the key risks, which will result in the eventual improvement in the control framework maturity of AgriSETA. It contributes to the strengthening of AgriSETA's accountability by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. It provides robust and practical strategic advice and recommendations founded on aligning the business with best practice.

The IAF is governed by the Internal Audit Charter as approved by the ARC and adheres to the International Standards for the Professional Practices of Internal Audit, to execute it deliverables. The following key activities are performed in this regard: Assess and make appropriate recommendations for improving the governance processes in achieving the AgriSETA's objectives; Evaluate the adequacy and effectiveness of operations, and systems; and Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

To achieve the Internal Audit Plan for the 2023/24 financial year (FY), as tabled by the Chief Audit Officer and approved by the Audit and Risk Committee, Bonakude Internal Auditors were co-sourced to carry out the audit activities as per the Plan. During the year under review, the IAF completed the following audit activities:

No	Internal Audit Activity
Mandatory Audit Activities	
1.	IA Charter – March 2024
2.	Development of the three-year rolling and annual coverage plan – September 2023
3.	ARC Participation (Q1 to Q4 of FY2023/24)
4.	Audit of Predetermined Objectives (Q1 to Q4 of FY2023/24)
5.	Follow Up on Internal Audit and Auditor General Reports (Q1 to Q4 of FY2023/24)
6.	Review of Annual Performance Report – May 2024 (rolled over to Q1 of FY2024/25 due to readiness of reports for IA to review)
7.	Review of Annual Financial Statements – May 2024 (rolled over to Q1 of FY2024/25 due to readiness of reports for IA to review)
Assurance Activities	
8.	Fraud and Corruption Review – January 2024
9.	Cyber Security Review – January 2024
10.	Supply Chain Management – January 2024
11.	Revenue Management – January 2024
12.	Internal Financial Controls Review - January 2024
13.	Contract Management – January 2024
14.	Grants Management – March 2024
15.	Information and Communications Technology Review – February 2024
16.	Grants Management – March 2024
17.	Educational Training Quality Assurance – March 2024
18.	Learning Programmes and Projects – March 2024
Advisory Audit Activities	
19.	FY2022/23 Irregular Expenditure Investigation - October 2023
20.	Value Add: 1. Annual Report Review – October 2023
21.	Value add 2: Annual Performance Plan, Service Level Agreement and Strategic Plan Review – October 2023
22.	Value add 3: POPI Act Compliance – January 2024
23.	Risk Workshop – April 2023

COMPLIANCE WITH LAWS AND REGULATIONS

AgriSETA is a public entity tasked with the control of certain public funds. The entity is required to act in compliance with public prescripts: during the period under review, the following pieces of legislation were assessed for compliance, and it is our assessment that we have complied with:

1. The National Treasury Regulations
2. The National Skills Development Plan (NSDP)
3. The New SETA Grants Regulations
4. National Development Plan (NDP) 2030
5. Medium Term Strategic Framework 2014-2019
6. Human Resources Development Strategy for South Africa, 2030
7. The Skills Development Act, 1998 (Act No.97 1998) as amended in 2008.
8. The Skills Development Levies Act, 199 (Act No.9 of 1999)
9. The Public Finance Management Act, 1999 (Act No.1 of 1999) as amended by Act No.29 1999
10. Protection of Personal Information Act (POPIA)

FRAUD AND CORRUPTION

AgriSETA has an approved Anti-Fraud and Corruption Policy and Fraud Prevention Plan (FPP). The FPP encompasses controls that have objectives to prevent instances of fraud and corruption from occurring, detect instances of fraud and corruption when they do occur, and respond appropriately, and take corrective action when fraud and corruption happens.

All alleged cases of Fraud and Corruption are investigated and followed up by the application of all remedies available, within the full extent of the law, and the implementation of appropriate prevention and detection measures. All these cases are then reported at the subsequent Audit and Risk Committee Meetings.

Whistle-blowers are encouraged to report suspected fraud and corruption using the following platforms.

- Fraud hotline toll-free number: 0800 101 070
- SMS: 30916
- Mobile APP: Vuvuzela Mobile app
- E-mail: agriseta@thehotline.co.za
- Fax: 0867 261 681
- Post: PO Box 10512, Centurion, 0047

8. MINIMISING CONFLICT OF INTEREST

AgriSETA has established a fraud hotline system that deals with the management of complaints and the allegations of abuse in the Supply Chain Management (SCM) System. The system provides for written, verbal or anonymous reporting of complaints.

The CEO investigates the complaints or allegations and ensures that the investigation reports are securely stored. The CEO informs the AA, through the ARC, of the outcome of the investigations, together with proposed remedial actions.

The AA will handle the financial misconduct process, if applicable.

9. CODE OF CONDUCT

AgriSETA's Code of Conduct, set out in the organisation's Constitution, is applicable to its AA and Board sub-committees. A Code of Conduct for staff members is also in place. The constitution and code of conduction policies were reviewed in the reporting year.

During the period under review, there was no case of misconduct or negligence of duty from the AA members that required removal from office or termination of membership.

10. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Health and safety officers were appointed in terms of the internal governance policies.

11. COMPANY/BOARD SECRETARY

The company secretary provides AA Members with guidance and advice about matters of good governance and ethics as well as nature, and extent of their duties and responsibilities and how the duties should be discharged. The company secretary plays an active role in coordination and submission of the annual report in line with PFMA.

The company secretary is empowered with the necessary skill and authority, to carry out all his duties including the following:

- ensuring Board induction, training, and development of Board members;
- ensuring that Board members receive adequate information on time in order to make informed decisions;
- maintaining all statutory records;
- reviewing the Board Charter and Committee Charters, annually; and
- assisting the Board to discharge its responsibilities efficiently and effectively.

12. SOCIAL RESPONSIBILITY

Corporate social responsibility is not a prerequisite for a public entity, as it serves the public by the nature of its work. However, AgriSETA's CEO, in his personal capacity, along with the management team makes quarterly donations of food and other basics to charities, particularly the elderly and those with disabilities. Non-Profit Organisations (NPOs) are identified in the communities where AgriSETA does its work.

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following tables have been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to AgriSETA
Developing and implementing a preferential procurement policy?	Yes	AgriSETA has developed a Preferential Procurement Policy which is implemented within the confines of the Constitution of the Republic of South Africa, Act 108 of 1996, particularly section 217 (2) and (3) of the Act. The Constitution is then supported by the Preferential Procurement Policy Framework Act; Act No. 5 of 2000 and its Regulations. The policy outlines the framework for the preference points system to be utilised when procuring goods or services. The 80/20 (80 = Price and 20 = Specific Goals) and 90/10 (90 = Price and 10 = Specific Goals) preference points system is utilised, and the preference points system is applied to all procurement equal to or above R2 000.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not Applicable to AgriSETA
Developing criteria for entering into partnerships with the private sector?	Yes	AgriSETA does have Criteria backed up by the Discretionary Grants Policy on matters concerning Projects and Programmes including Partnerships related to the Core Business scope.
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	AgriSETA does have Criteria and Guidelines backed-up by the Discretionary Grants (DG) Policy on matters concerning the awarding of DG Projects and Programmes, including partnerships.

Executive Management

14. AUDIT AND RISK COMMITTEE REPORT

I am pleased to present the Audit and Risk Committee Report for the financial year ended 31 March 2024.

14.1 LEGISLATIVE REQUIREMENTS

The audit and risk committee is pleased to report that it is properly constituted as required by the Public Financial Management Act, (PFMA) and has complied with its responsibilities arising from the PFMA. The audit and risk committee also reports that it has adopted appropriate formal terms of reference as its charter and has managed and regulated its affairs in compliance with this charter. The audit and risk committee held meetings with the executive and senior management, internal audit function and the Auditor-General, collectively and individually, on matters related to governance, internal control and risk in the AgriSETA throughout the period. The audit and risk committee reported quarterly to the Board.

14.2 AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

The audit and risk committee consists of the members listed below. The audit and risk committee meets at least four times per annum in line with its approved charter. Ten meetings, including special meetings, were held during the year.

Name of the Member	Number of meetings attended
Ms. M Phiri – Independent Chairperson	10
Mr. K Maja – Independent member	10
Dr. G Buys – Organised Employer	10
Mr. V Chonco – Organised Labour Representative	10
Ms. Moseme Matlala – Independent Member	10

14.3 REVIEW OF EFFECTIVENESS OF INTERNAL CONTROLS

The audit and risk committee obtains assurances from management, internal audit and the Auditor-General on the effectiveness of governance, risk management and internal controls in the areas of financial management, performance management, compliance management and information communication and technology (ICT). There were no significant weaknesses identified by external and internal auditors in the system of internal controls.

14.4 RISK MANAGEMENT

The audit and risk committee is responsible for the oversight of the risk management function. The Board has adopted a risk management framework, strategy and relevant policies for the AgriSETA, in line with the PFMA. The AgriSETA has established a risk management committee, chaired by an independent audit and risk committee member, that reports quarterly to the audit and risk committee. The risk management processes are reviewed by internal audit. The audit and risk committee is satisfied with the overall risk management function.

14.5 INTERNAL AUDIT

The PFMA requires that the entity has a system of internal audit under the control and direction of the audit and risk committee. The AgriSETA established an internal audit function and appointed a Chief Audit Officer during the year under review. The internal audit unit was previously outsourced. The independence of internal audit was monitored throughout the period. Internal audit follows a risk based approach, which incorporates management's risk assessment. The internal audit plans and reports issued for the period under review were reviewed and approved by the audit and risk committee. All planned internal audits for the year were completed and reported on. The audit and risk committee is satisfied that internal audit effectively discharged it's responsibility for the period under review.

The internal audit reviews concluded that whilst in some areas of financial, performance and compliance management there has been an improvement in the internal control environment, there are some internal controls in financial and performance management that require attention from management.

For the year under review, the following audits were undertaken by internal audit:

- Audit of Predetermined Objectives
- Follow Up on Internal Audit and Auditor General Reports
- Review of Annual Performance Report
- Review of Annual Financial Statements
- Fraud and Corruption Review
- Cyber Security Review
- Supply Chain Management

- Revenue Management
- Internal Financial Controls Review
- Contract Management
- Grants Management
- Information and Communications Technology Review
- Grants Management
- Educational Training Quality Assurance
- Learning Programmes and Projects
- Irregular Expenditure Investigation
- POPI Act Compliance

14.6 IN-YEAR MANAGEMENT QUARTERLY REPORT IN TERMS OF THE PFMA

Management presented quarterly financial, performance and compliance reports to the audit and risk committee during the year. The reports were reviewed and interrogated by the committee for accuracy and reliability. The Committee is satisfied with the quality of the quarterly reports.

14.7 PERFORMANCE MANAGEMENT

The responsibilities of the audit and risk committee include the review of performance management. The audit and risk committee has in terms of the performance of the AgriSETA performed the following functions:

- Significant financial reporting judgements and estimates contained in the annual financial statements.
- Clarity and completeness of disclosures and whether disclosures made have been set properly in context.
- Quality and acceptability of, and any changes in, accounting policies and practices.
- Compliance with accounting standards and legal requirements.
- Significant adjustments resulting from the audit.
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
- Reasons for major year-on-year fluctuations, including variances of actual versus budget.
- Asset valuations and revaluations.
- Levels of general and specific provisions.
- Write-offs and reserve transfers.
- The basis for the going concern assumption, including any financial sustainability risks and issues.

14.8 EXTERNAL AUDITORS REPORT

We have reviewed the entity's implementation plan for audit issues raised in the prior year and noted that audit findings reported during the prior year have been addressed.

The audit and risk committee concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. The committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors.

The audit and risk committee concurs with the outcomes on the reported performance information and compliance with legislation.

14.9 APPRECIATION

The audit and risk committee wishes to acknowledge the commitment, dedication and work performed by the Chief Executive Officer, Chief Financial Officer, Executive Management, Management and Officials of the AgriSETA. The audit and risk committee congratulate AgriSETA for obtaining an unqualified (clean) audit opinion The audit and risk committee wishes to express its appreciation to the AGSA and the Internal Audit Function for the co-operation and information they have provided to enable the ARC to discharge its responsibilities.

Ms MM Phiri
Chairperson of the Audit Committee
31 July 2024

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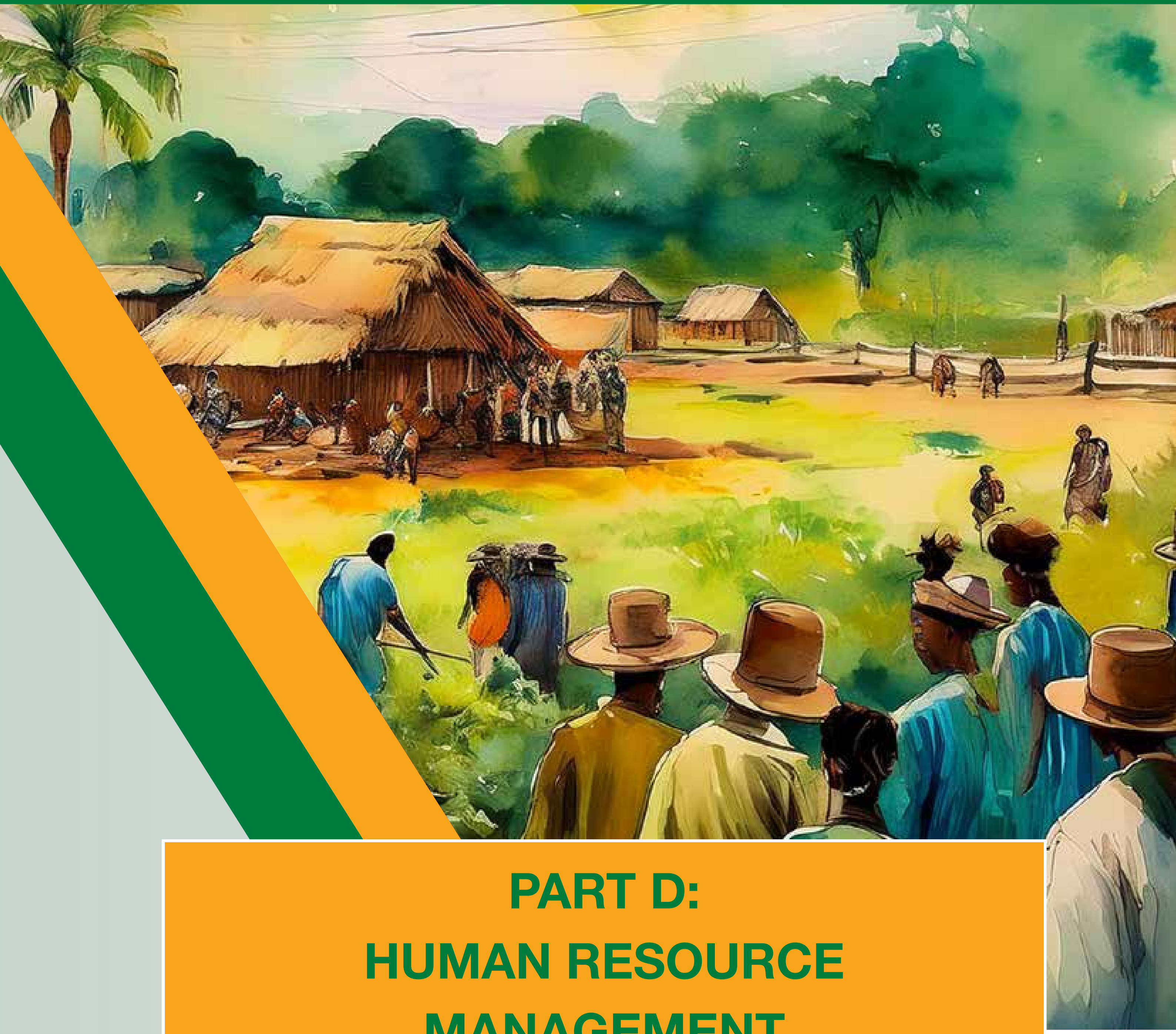

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The human resources management division remains focused on attracting and retaining talented and skilled and attraction of passionate employees that is critical to meeting AgriSETA's mandate and strategic goals.

Organisational Structure Review and Recruitment drive

AgriSETA embarked on process to review the organisational structure from the previous financial year 2022/2023 from 85 to a total headcount of 89 positions. This was driven by the in-sourcing of the internal audit function, which was previously fulfilled by an external audit firm, effective 1 April 2023.

Employee Wellness Programme

The AgriSETA Employee Health and Wellness programme is effectively and impactfully operating and encompasses physical, mental, and emotional well-being with the aim of improving the lives of employees. However, currently the entity does not have inhouse wellness services. A new service provider has been appointed to facilitate the Wellness Programme since 01 November 2023 for a period of 3 years. The utilisation and reports issued by the service provider indicated a satisfactory utilisation of the service.

The entity believes that a safe and healthy workplace is a fundamental right and an adherence to health and safety standards purports AgriSETA to maintain a productive workplace by minimising the risk of accidents, injury, and exposure to health hazards. Furthermore, the organisation appointed an Occupational Health and Safety Committee responsible for implementing the requirements of the Occupational Health and Safety Act, 1993.

The Employee Wellness Programme remained active during the year under review, to provide employees with confidential assistance with regards to personal and/or work-related problems potentially impacting their job performance, health, mental and emotional well-being

Human Resource (HR) Policy Development and Management

The policy review committee, led by the Executive Manager: Corporate Services contributed to the review, development, and approval of a total of sixteen HR policies through the finance and remuneration committee and the Accounting Authority (AA) as of 31 March 2024. The policies are:

- Acting Policy
- Bereavement Policy
- Bursary Policy
- Career Management and Retention Policy
- Code of Conduct Policy
- Disciplinary Policy
- Grievance Policy
- Incapacity Policy
- Induction Policy
- Internship and Experiential Policy
- Leave Management Policy
- Overtime Policy
- Performance Management Development and Systems Policy
- Parking Policy
- Recruitment and Placement Policy
- Succession Planning Policy
- Sexual Harassment Policy
- Termination of Employment Policy

The above-mentioned policies will be supplemented by the approved HR policy manual, which is in place and until all remaining policies are finalised in the 2023/2024 financial year. As has been the practice throughout the policy review process, there will be various sessions conducted to ensure compliance and a thorough understanding of the policies by all layers of AgriSETA employees.

Future HR Plans 2023/2024

The HR unit's strategic objectives for the new financial year are to develop the HR procedure manual to ensure that all HR-related functions are aligned to the approved policies, whilst supporting the achievement of the divisional strategic goals towards key business areas, which include:

- enhancing operational and strategic efficiencies by implementing an optimal organisational structure for AgriSETA;
- automation of performance contracting and appraisal processes on the SAGE 300 People System;
- implementing the feasibility study and building leasing under facilities management;
- implementing the employee recognition programme and succession strategies, through the approved succession and retention policy, whilst retaining high-flyers by creating promotional opportunities within the organisation; and
- implementing training initiatives and bursaries as part of AgriSETA Workplace Skills Plan.

Corporate Services Division

Skills Planning & Research Division

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel related expenditure by programme/activity/objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	76 783	35 374	46%	42	842
Skills Planning	107 427	12 204	11%	18	678
Learning programme and projects (LPP)	450 625	21 176	5%	31	683
Quality Assurance	25 994	7 429	29%	9	825
	660 828	**76 183**	**12%**	**100**	**762**

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 525	3%	1	2 525
Senior Management	11 698	15%	7	1 671
Professional qualified	20 570	27%	14	1 469
Skilled	17 537	23%	22	797
Semi-skilled	19 395	25%	31	626
Unskilled (includes interns)	4 753	6%	25	190
TOTAL	**76 478**	**100%**	**100**	**7 278**

Performance Rewards

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	307	2 525	12%
Senior Management	1 194	11 698	10%
Professional qualified	1 277	20 570	6%
Skilled	1 121	17 537	6%
Semi-skilled	1 280	19 395	7%
Unskilled	132	4 753	3%
TOTAL	**5 311**	**76 478**	

Quality Assurance Division

Training Costs

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee (R'000)
Administration	33 062	489	2%	33	15
Skills Planning	14 516	242	2%	13	19
Learning programme and projects (LPP)	19 627	288	1%	19	15
Quality Assurance	8 978	51	1%	5	10
	76 183	**1 070**		**70**	**59**

Employment and vacancies

Programme/activity/objective	2022/2023 No. of Employees	2022/2023 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Top Management	1	1	1	0	0%
Senior Management	6	7	8	0	0%
Professional qualified	13	14	14	0	0%
Skilled	22	24	23	2	8%
Semi-skilled	32	34	31	5	14%
Unskilled	9	9	9	0	0%
TOTAL	**84**	**89**	**86**	**7**	**8%**

The above illustration is the total vacancies and approved positions as per the approved organisational structure by AA as of 31 March 2024.

Finance Division

Marketing and Communication

Employment changes

The following is the breakdown of the changes in employment over the financial year. Turnover rates provide an indication of trends in employment profile of the public entity.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	7	1	0	8
Professional qualified	14	0	1	13
Skilled	22	2	1	23
Semi-skilled	31	2	2	31
Unskilled	9	1	1	9
TOTAL	**84**	**6**	**5**	**85**

Mitigation plans are in place to fill critical positions to enhance productivity and ensure continuity in service delivery. Some of the critical vacancies that were filled during the year under review include amongst others, the Chief Audit Officer.

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	5	5.88%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	**5**	**5.88%**

AgriSETA did not experience significant terminations in the 2023/24 financial year as there were only five terminations due to resignations. There were no deaths, dismissals, ill-health or retirements reported.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0

No misconduct of employees was recorded for the period under review.

Equity Target and Employment Equity Status

Below is a breakdown of vacancies according to occupational levels and genders.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	4	0	0	0	0	1	1	0
Professional qualified	4	0	0	0	0	0	0	0
Skilled	8	0	0	0	1	0	0	0
Semi-skilled	10	0	0	0	0	0	0	0
Unskilled	3	0	0	0	0	0	0	0
TOTAL	**30**	**0**	**0**	**0**	**1**	**1**	**0**	**0**

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	1	0	0
Professional qualified	7	0	1	0	0	0	0	0
Skilled	11	0	2	0	0	0	0	0
Semi-skilled	21	0	1	0	0	0	1	0
Unskilled	5	0	0	0	0	0	0	0
TOTAL	**46**	**0**	**4**	**0**	**0**	**1**	**1**	**0**

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	1	0	0
TOTAL	**0**	**1**	**0**	**1**

AgriSETA had 89 filled positions, with a vacancy rate of 8% at the end of the 2023/2024 financial year.

The women at senior management service (SMS) level constitutes 33.3% of the total number of posts at SMS level. AgriSETA's Employment Equity target improved but still faces non-compliance as a challenge, in terms of the target set by the government. For the period under review, the entity did not employ people living with disabilities.

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IRREGULAR EXPENDITURE

Reconciliation of Irregular Expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	77 868	2 528
Add: Irregular expenditure confirmed	-	77 868
Less: Irregular expenditure written off	-77 733	-2 663
Closing balance	**-**	**77 733**

Reconciling notes to the annual financial statement disclosure

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure for the current year	-	77 868
Closing balance	**-**	**77 868**

In the current year the SETA has not incurred any irregular expenditure.

The Irregular Expenditure that was incurred in the previous comparative period (2022/23) for R77 733 000 related to AgriSETA exceeding the 2022/23 budget to settle valid invoices from previous years contracts only implemented by the training providers in the current year therefore utilising retained surpluses.

Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	-	77 733
Closing balance	**-**	**77 733**

AgriSETA incurred no Irregular Expenditure in 2023/24 financial year.

The previous comparative year (2022/23) amount of R77.7 million was due to AgriSETA having exceeded the budget by R77,7 million.

Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	-77 733	-2 663
Closing balance	**-77 733**	**-2 663**

The Irregular Expenditure that was incurred in the previous comparative period (2022/23) for R77 733 000 was approved for write-off by the Accounting Authority in 2023/24. This amount related to AgriSETA exceeding the 2022/23 budget to settle valid invoices from previous years contracts only implemented by the training providers in the current year therefore utilising retained surpluses.

INFORMATION OF SUPPLY CHAIN MANAGEMENT

Procurement by other means: Format Disclosure

Project description	Name of the Supplier	Type of procurement of other means	Contract number	Value of the Contract
Case Ware	Adapt IT	Sole Provider	AS/2022/Dev/01	R 86 841,10
Plumbing Services	Ndoko Projects (Pty) Ltd	Emergency	AS/2022/Dev/02	R 3 450,00
Governance, Risk, and compliance training	The institute of Risk Management South Africa	Sole Provider	AS/2022/Dev/03	R 4 264,20
Plumbing Services	Dlamsa Enterprise (Pty) ltd	Emergency	AS/2022/Dev/04	R 8 648,00
Dewatering and lift repairs	Urban Lifts	Emergency	AS/2022/Dev/05	R 43 631,00
CIO Advert	Media 24	Single Source	AS/2022/Dev/06	R 45 632,00
CIO Advert	Arena Holdings	Single Source	AS/2022/Dev/06	R 63 204,00
AGM Advert	Media 24	Single Source	AS/2022/Dev/07	R 22 984,00
AGM Advert	Arena Holdings	Single Source	AS/2022/Dev/07	R 55 913,00
ARC Vacant Position	Arena Holdings	Single Source	AS/2022/Dev/08	R 51 353,35
ARC Vacant Position	Media 24	Single Source	AS/2022/Dev/08	R 37 076,00
Business Resilience training	Institute of Risk Management of South Africa	Single Source	RFQS102210012	R 8 528,40
Chief Audit Officer Advert	Arena Holdings	Single Source	AS/2023/Dev/09	R 51 353,35
Chief Audit Officer Advert	Media 24	Single Source	AS/2023/Dev/09	R 37 076,00
Board Training, Directors Part 2	Institute of Directors South Africa	Sole Provider	S102303REQ00000006	R 92 979,80

Contracts variation and expansion: Format of disclosure

Project Description	Name of the Supplier	Contract Modification type (Expansion or Variation)	Contract Number	Original Contract value	Value of the previous contract (Expansion or variation)	Value of the current contract (expansion or variation)
Internet Connectivity services, Telephone services and APN data connectivity services	Liquid Telecommunication	Expansion	AGRISETA/2019/07	R 2 591 394,36	N/a	R2 970 101,55
Supply and delivery of cleaning Material	Keewave CC	Contract Extension	AgriSETA/2019/RFP/03	R 912 130,00	N/a	N/a
Wellness services	Centre of Occupational Wellness Services	Expansion	AgriSETA/2019/17	R 323 138,55	N/a	R 371 609,33
Travel Management Services	Travel Touch (Pty) Ltd	Contract Extension	AgriSETA/2019/RFP/04	R 99 099,00	N/a	N/a
Travel Management Services	Travel with Flair (Pty) Ltd	Contract Extension	AgriSETA/2019/RFP/04	R 116 167,00	N/a	N/a

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PART F: FINANCIAL INFORMATION

Report of the auditor-general to Parliament on the Agriculture Sector Education and Training Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Agriculture Sector Education and Training Authority set out on pages 79 to 121, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts 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 Agriculture Sector Education and Training Authority as at 31 March 2024 and financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of 1999 (PFMA) and the Skills Development Levy Act 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 responsibilities of the auditor-general 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.

Responsibilities of the for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
7. 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.

Responsibilities of the auditor-general for the audit of the financial statements

8. 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 75, forms part of our auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes measure the public entity's performance on its primary mandated functions and are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: skills planning	28	This programme aims to address the challenges resulting from the lack of institutional mechanisms, to provide credible information and an analysis of the supply and demand for skills, thus informing the skills planning and delivery processes. It also looks at the gap in terms of the capacity to conduct and coordinate professional research and the dissemination of information.
Programme 3: learning programmes and projects	31	To impact vibrant entrepreneurship and self-reliance, especially for rural economies, through skills development, on the productivity and profitability of the agricultural sector and to contribute to food security.
Programme 4: quality assurance	35	To ensure that there are sufficient, high-quality skills development institutions serving the agricultural sector

12. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
14. I performed the procedures for reporting material findings only; and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information for the selected programmes.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.
18. The tables that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 25 to 36.

Targets for key indicators not achieved – Programme 3 Learning Programmes and projects

Targets achieved: 86% Budget spent: 89%		
Key indicators not achieved	**Planned target**	**Reported achievement**
Indicator 3.1.4 Number of employed learners entering learnerships programmes	910	747
Indicator 3.1.13 Number of TVET students entering graduate placement programmes	1 040	263
Indicator 3.1.15 Number of universities students entering graduate placement programmes	271	65
Indicator 3.1.19 Number of employed learners completing bursary programmes	70	10
Indicator 3.1.26 Number of learners who completed workplace-based learning interventions absorbed into employment or self-employment	1 550	471
Indicator 3.3.11 Number of CBOs/ NGOs/ NPOs supported with training interventions or funded	40	25

Targets for key indicators not achieved – Programme 4 Quality Assurance

Targets achieved: 90% Budget spent: 22.5%		
Key indicators not achieved	**Planned target**	**Reported achievement**
Indicator 4.1.2 Number of learners entered into RPL programmes	1 200	909

Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
22. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

23. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
24. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, annual performance report, and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
28. I did not identify any significant deficiencies in internal control.

Auditor - General.

Auditor-general
Pretoria

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 programmes and on the public entity's compliance with selected requirements in key legislation.

Financial statements

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.
- conclude on the appropriateness of the 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

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.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Selected legislation and regulations	Consolidated firm level requirements
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
SETA grant regulation	Regulations 2 (1),(2),(3) Regulations 3 (3) and (4) Regulations 4 (3) and (8) Regulations 6(9)(iii)

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Abbreviations used:

QCTO	Quality Council for Trades and Occupations
PFMA	Public Finance Management Act
GRAP	Generally Recognised Accounting Practice
TVET	Technical and Vocational Education and Training
Minister	Minister of Higher Education, Science and Technology
ASB	Accounting Standard Board

Board Members' Responsibilities and Approval

The Board is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Board to ensure that the annual financial statements fairly present the state of affairs of the AgriSETA as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledge that it isultimately responsible for the system of internal financial control established by the AgriSETA and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the AgriSETA and all employees are required to maintain the highest ethical standards in ensuring the AgriSETA's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the AgriSETA is on identifying, assessing, managing and monitoring all known forms of risk across the AgriSETA. While operating risk cannot be fully eliminated, the AgriSETA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

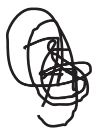
The Board have reviewed the AgriSETA's cash flow forecast for the year to 31 March 2024 and, in light of this review and the current financial position, it is satisfied that the AgriSETA has access to adequate resources to continue in operational existence for the foreseeable future.

The AgriSETA is wholly dependent on itself for continued funding of operations. The annual financial statements are prepared on the basis that the AgriSETA is a going concern and that the AgriSETA has neither the intention nor the need to liquidate or curtail materially the scale of the AgriSETA.

Although the Board is primarily responsible for the financial affairs of the AgriSETA, it is supported by the AgriSETA's external auditors.

The external auditors are responsible for independently reviewing and reporting on the AgriSETA's annual financial statements. The annual financial statements have been examined by the AgriSETA's external auditors and their report is presented on page 72.

The annual financial statements set out on page 79 to 121, which have been prepared on the going concern basis, were approved by the Board on 26 July 2024 and were signed on its behalf by:



Ms Gaitsiwe Sharon Sepeng
Chairperson of the Board

Statement of Financial Position as at 31 March 2024

Figures in Rand thousand	Note(s)	2024	2023
Assets			
Current Assets			
Cash and cash equivalents	8	478 738	532 229
Inventories	5	383	383
Receivables from exchange transactions	6	333	273
Receivables from non-exchange transactions	7	7 904	8 218
		487 358	**541 103**
Non-Current Assets			
Property, plant and equipment	3	9 103	9 030
Intangible assets	4	4 400	4 767
		13 503	13 797
Total Assets		**500 861**	**554 900**
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	6 895	5 532
Payables from non-exchange transactions	13	50 325	89 621
Provisions	11	32 079	24 011
		89 299	119 164
Total Liabilities		**89 299**	**119 164**
Net Assets		**411 562**	**435 736**
Reserves Capitalisation reserves		3 107	3 107
Discretionary reserves		394 952	418 832
Administration reserves		13 503	**13 797**
Total Net Assets		**411 562**	**435 736**

Statement of Financial Performance

Figures in Rand thousand	Note(s)	2024	2023
Revenue			
Revenue from exchange transactions			
Proceeds from Insurance	14	23	119
Other Income	14	1 900	26
Income from Public Works : Administration	14	-	1 238
Interest received - investment	17	38 568	30 378
Total revenue from exchange transactions		**40 491**	**31 761**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and Donor Funded Income	16	6 914	8 793
Skills Development Levy : Income	15	591 401	562 752
Skills Development Levy : Penalties and Interest	14	5 107	8 030
Total revenue from non-exchange transactions		**603 422**	**579 575**
Total revenue	14	**643 913**	**611 336**
Expenditure			
Employee related costs	20	(47 578)	(43 121)
Depreciation and amortisation	3	(1 816)	(2 175)
Impairment losses on receivables	6	(109)	(7)
Operating lease expense	10	(129)	(281)
Employer grants and projects expenditure	18	(571 839)	(612 161)
Government grants and donor funded expenditure	19	(7 263)	(8 970)
Loss on disposal of assets and theft of assets	3	(164)	(33)
General expenses	21	(39 191)	(36 694)
Total expenditure		**(668 091)**	**(703 439)**
(Deficit)/surplus for the year		**(24 178)**	**(92 103)**

Statement of Changes in Net Assets

Figures in Rand thousand	Capitalisation reserve	Discretionary Grant reserves	Employer Grant (mandatory reserve)	Administration reserves	Total reserves	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2022	**3 107**	**509 495**	**-**	**15 237**	**527 840**	**-**	**527 840**
Changes in net assets							
Deficit for the year	-	-	-	-	-	(92 103)	(92 103)
Transfer between reserves	-	(101 390)	45 676	(36 389)	(92 103)	92 103	-
Excess Reserves transferred to discretionary reserves	-	10 727	(45 676)	34 949	-	-	-
Changes in net assets	-	(90 663)	-	(1 440)	(92 103)	-	(92 103)
Balance at 01 April 2023	**3 107**	**418 833**	**-**	**13 798**	**435 736**	**-**	**435 736**
Changes in net assets							
Deficit for the year	-	-	-	-	-	(24 178)	(24 178)
Transfer between reserves	-	(69 606)	52 850	(7 422)	(24 178)	24 178	-
Excess Reserves transferred to discretionary reserves	-	45 724	(52 850)	7 126	-	-	-
Changes in net assets	-	(23 882)	-	(296)	(24 178)	-	(24 178)
Balance at 31 March 2024	**3 107**	**394 951**	**-**	**13 502**	**411 562**	**-**	**411 562**
Note(s)							

Cash Flow Statement

Figures in Rand thousand	Note(s)	2024	2023
Cash flows from operating activities			
Receipts			
Cash receipt from stakeholders and customers		613 843	583 729
Interest income		38 410	30 378
		652 253	**614 107**
Payments			
Cash paid to stakeholders, suppliers and employees		(704 083)	(718 230)
Net cash flows from operating activities	22	**(51 830)**	**(104 123)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 163)	(428)
Purchase of intangible assets	4	(521)	(341)
Proceeds from insurance		23	119
Net cash flows from investing activities		**(1 661)**	**(650)**
		(53 491)	**(104 773)**
Net increase/(decrease) in cash and cash equivalents		**(53 491)**	**(104 773)**
Cash and cash equivalents at the beginning of the year		532 229	637 002
Cash and cash equivalents at the end of the year	8	**478 738**	**532 229**

The accounting policies on pages 84 to 99 and the notes on pages 100 to 121 form an integral part of the annual financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basi	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Proceeds from Insurance	-	-	**-**	23	**23**	
Other Income	1 980	-	**1 980**	1 900	**(80)**	
Government grants and Donor Funded Income	-	-	**-**	6 914	**6 914**	32.7
Interest received - investment	30 897	11 202	**42 099**	38 568	**(3 531)**	32.3
Total revenue from exchange transactions	**32 877**	**11 202**	**44 079**	**47 405**	**3 326**	
Revenue from non-exchange transactions						
Transfer revenue						
Skills Development Levy : Income	575 542	11 435	**586 977**	591 401	**4 424**	32.1
Skills Development Levy : Penalties and Interest	-	-	**-**	5 107	**5 107**	32.2
Total revenue from non- exchange transactions	**575 542**	**11 435**	**586 977**	**596 508**	**9 531**	
Total revenue	**608 419**	**22 637**	**631 056**	**643 913**	**12 857**	
Expenditure						
Employee related costs	(49 405)	-	**(49 405)**	(47 578)	**1 827**	32.5
Depreciation and amortisation	(2 613)	1 097	**(1 516)**	(1 816)	**(300)**	
Impairment loss/ Reversal of impairments	-	-	**-**	(109)	**(109)**	
Operating lease expense	(255)	(500)	**(755)**	(129)	**626**	
Employer grants and projects expenditure	(527 032)	(120 629)	**(647 661)**	(571 839)	**75 822**	32.4
Government grants and donor funded expenditure	-	-	**-**	(7 263)	**(7 263)**	32.7
General Expenses	(29 114)	(22 657)	**(51 771)**	(39 191)	**12 580**	32.6
Total expenditure	**(608 419)**	**(142 689)**	**(751 108)**	**(667 925)**	**83 183**	
Operating deficit	**-**	**(120 052)**	**(120 052)**	**(24 012)**	**96 040**	
Loss on disposal of assets and theft of assets	-	-	**-**	(164)	**(164)**	
Surplus/(deficit) for the year	**-**	**(120 052)**	**(120 052)**	**(24 178)**	**95 874**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**(120 052)**	**(120 052)**	**(24 178)**	**95 874**	

AgriSETA had anticipated to have a deficit of R120 million in the current year, with the actual deficit amounting to R24.2 million. The deficit has been funded by Retained Surplus funds of R421.5 million approved by National Treasury.

Significant Accounting Policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

The annual financial statements present fairly, in all material respects, the state of affairs of AgriSETA as at end of the financial year and the results of its operations and cash flows for the reported period.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These Annual financial statements are presented in South African Rand, which is the functional currency of the AgriSETA. All amounts in the Annual financial statements are rounding to the nearest thousands.

1.3 Going concern assumption

The SETA is currently established until 31 March 2030. There are no known instances which cast doubt on the SETA's ability to continue as a going concern for the next 12 months.

The Audited Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

1.4 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1.4.1 Property, plant and equipment.

The SETA reviews the estimated useful lives of property, plant and equipment and intangible assets at each reporting date.Property, plant and equipment is initially measured at its cost, subsequently either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life. Refer to note 3 and 4.

1.4.2 Segment reporting

AgriSETA does not have an activity or unit that meets the definition of a 'Segment as defined, as AgriSETA administrative units and functional department do not undertake activities that generate economic benefits or services potential separately from the AgriSETA as a whole. Management have assessed that AgriSETA operates as one segment both from services and geographical point of view. Management have not divided the financial information into different segments as required by GRAP 18.

1.4.3 Receivables from exchange transactions

The AgriSETA assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the AgriSETA makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Significant Accounting Policies (continued)

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.4.4 Receivables from non-exchange transactions

A receivable relating to overpayments made in earlier periods is recognised at the amount of the grant over payment, net of bad debts and allowance for irrecoverable amounts.

1.4.5 Payables from exchange transactions

Payables from exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

1.4.6 Payables from non-exchange transactions

Payables from non-exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

1.4.7 Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Leave and bonus provision

The liability for accumulated leave and bonus provision is recognised and measured at the estimated future cash flows to be made in respect of all employees at the reporting date.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is 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 initially measured at cost.

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged to write off the cost of assets over their estimated useful lives, using the straightline method. Land is not depreciated as it is deemed to have indefinite useful life.The estimated useful life for the building is twenty years, however the AgriSETA building has a depreciation charge of zero because the residual value is above carrying amount.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight-line	20
Plant and machinery	Straight-line	15
Furniture and fixtures	Straight-line	20
Motor vehicles	Straight-line	5
Office equipment	Straight-line	15
IT equipment	Straight-line	3

The residual value, the useful life and depreciation method of each asset is reviewed at least at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss on disposal of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount, and are considered in determining operating surplus. Where the carrying amount of an item of property, plant and equipment is greater than its estimated recoverable service amount, it is written down immediately to recoverable amount (i.e. impairment losses are recognised)

Significant Accounting Policies (continued)

The AgriSETA assesses at each reporting date whether there is any indication that the AgriSETA expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the AgriSETA revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the AgriSETA holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The AgriSETA separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

The AgriSETA discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the AgriSETA or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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 AgriSETA; and
- the cost or fair value of the asset can be measured reliably.

The AgriSETA assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

The AgriSETA discloses relevant information relating to assets under construction or development, in the notes to the financial statements(see note 4).

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Significant Accounting Policies (continued)

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Licenses	Straight-line	12 months
Computer software, other	Straight-line	1 - 8 years
Intangible assets under development	Straight-line	1 - 8 years

1.7 Financial instruments

1.7.1 Initial recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

AgriSETA recognises the financial instruments using trade date accounting when the SETA becomes a party to the contractual provision of the instrument.

1.7.2 Initial Measurement

Financial assets and financial liabilities are measured at fair value plus, in case of a financial asset or financial liability not subsequently measured at fair value, transaction costs directly attributable to the acquisition or issue of financial instruments.

1.7.3 Subsequent measurement

AgriSETA measures all financial assets and financial liabilities after initial recognition using the following categories:

a) Financial instruments at fair value,
b) Financial instruments at amortised cost,
c) Financial instruments at cost.

All financial assets measured at amortised cost or cost are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an AgriSETA's statement of financial position.

1.7.4 Financial assets

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

The AgriSETA's principal financial assets are trade receivables and other receivables, and cash and cash equivalents.

1.7.4.1 Trade and other receivables

Trade and other receivables are measured at amortised costs using the effective interest method less provision of impairment. A provision for impairment of receivables is recognised when there is objective evidence that AgriSETA will not be able to collect all amounts due according to the original terms. The amount of the provision is a difference between the receivable carrying amount and the present value of future cash flows discounted at the effective interest rate. Movement in the provision is recognised in the statement of financial performance.

Significant Accounting Policies (continued)

1.7.4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, investments and deposits held by AgriSETA at South African Reserve Bank, Corporation for Public Deposits (CPD) and domestic banks. Cash and cash equivalents are measured at amortised costs. Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments held with registered banking institutions with a period maturity of three months or less and subject to insignificant risk of change.

1.7.5 Derecognition of financial assets

The SETA derecognises financial assets using trade date accounting, only when:

a) the contractual rights to the cash flows from the financial asset expire, are settled, or waived.
b) the SETA transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
c) the SETA, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party. It can exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the SETA derecognises the asset, and separately recognises any rights and obligations created or retained in the transfer.

On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds received shall be recognised in surplus or deficit.

1.7.6 Financial liabilities

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

The AgriSETA's principal financial liabilities are trade and other payables. All financial liabilities are subsequently measured at amortised cost, using the effective rate method comprising original debts less principal payments and amortisations.

1.7.6.1 Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. On derecognition, the difference between the carrying amount of the financial liability and the amount paid is included in the surplus or deficit.

Liquidity risk is the risk encountered by an AgriSETA in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the SETA designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or

Significant Accounting Policies (continued)

- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.7.7 Fair value considerations

The fair values at which financial instruments are carried at the reporting date have been determined using available market values. Where market values are unavailable fair value will be calculated by discounting expected future cash flows at prevailing interest rates.

The fair values will be estimated using available market information and appropriate valuation methodologies but are not necessarily indicative of the amounts that the AgriSETA could realise in the ordinary course of business. The carrying amounts of financial assets and liabilities with a maturity of less than one year are based on cost as fair value due to the short-term trading cycle of these items.

1.7.8 Offsetting financial instruments

Financial assets and liabilities are offset if there is any intention to either settle on a net basis or realise the asset and settle the liability simultaneously. A legally enforceable right to offset exists.

1.8 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The AgriSETA recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The AgriSETA initially measures statutory receivables at their transaction amount.

Subsequent measurement

The AgriSETA measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Significant Accounting Policies (continued)

Accrued interest

The AgriSETA does not charge interest on mandatory receivables because the collecting agent (SARS) charges interest on late payments of levies.

Classification

AgriSETA has the following class of statutory receivables as reflected on the face of the statement of financial position and in the notes thereto :

- Departmental levy receivables
- Mandatory grants overpaymets
- Employer receivables (SARS adjustments)

Impairment losses

The AgriSETA assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the AgriSETA considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescuSETAe or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the SETA measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an SETA considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The AgriSETA derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the AgriSETA transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the AgriSETA, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

Significant Accounting Policies (continued)

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Finance leases consistent with the definition set out in terms of GRAP refer to a contract that transfers the risks, rewards, rights and obligations incident to ownership to the lessee and is

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.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Inventory consists of consumables on hand at there porting date. Inventories are initially measured at cost and subsequently measured at the lower cost and net replacement value.

IThe cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.11 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

The cost of employee benefits is recognised during the year 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 Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for leave (based on the current salary rates) and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an AgriSETA's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Significant Accounting Policies (continued)

Defined benefit cost

Service cost comprises: (a) current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period; (b) past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan); and (c) any gain or loss on settlement.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Remeasurements of the net defined benefit liability (asset) comprise: (a) actuarial gains and losses; (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Leave

AgriSETA recognises a liability and an expense for accumulating leave as and when employees render services that entitle them to leave days. The amount of the liability and expense is determined as the additional amount payable because of unused leave days owed to employees at the end of the period.

Pension fund

The AgriSETA provides a Pension fund for all its employees through a defined contribution plan. Payments to the fund are charged as part of salary expenses as they fall due.

Performance bonus

The performance bonus is recognised when the entity has a constructive obligation to pay bonuses and when a reliable estimate can be made. AgriSETA provides for the upcoming year's bonus payments, which is amortised in the following year for usage and write-off residual balance.

1.12 Provisions and contingencies

1.12.1 Provision

Recognition

Provisions are recognised when:

- the SETA has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Measurement

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.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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 provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus .

1.12.2 Contigencies

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25. A contingent liability is:

- a possible obligation that arises from past events 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.

Significant Accounting Policies (continued)

Amounts disclosed in respect of contingent liabilities are measured on the basis of the best estimate of the outcome of the possible obligation that may arise, using experience of similar transactions or reports from independent experts.

A contingent assets 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.

Amounts disclosed in respect of contingent assets are measured on the basis of the best estimate of the outcome of the possible asset that may arise, using experience of similar transactions or reports from independent experts

1.13 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. A commitment is an agreement or a pledge to assume a financial obligation at a future date. The AgriSETA has two types of commitments :

- The receipt of goods or services from suppliers; and
- Lease commitments to render or receive to or from a customer.

The commitments arises out of a contractual agreement between the entity and another party which entitles the entity or the third party to enforce the delivery of the agreed upon goods or services at an agreed amount. Contractual commitments are not recognised but are disclosed in the notes to the financial statements.

The entity measures and discloses the amount of contractual commitments at the stated contract amount.

Where there are changes in the estimate determined by Management at a future date, the change is accounted for in accordance with GRAP 3 - Accounting policies, Accounting estimates and errors.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Investment income

Interest income from investments including Corporation for Public Deposits and cash held in current accounts, is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Other income

Other income from rendering of services is recognised as revenue when the outcome of a transaction can be estimated reliably, and this occurs when:

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Other income from rendering of services is recognised as revenue when the outcome of a transaction can be estimated reliably, and this occurs when:

- The amount of revenue can be measured reliably,
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- The stage of completion of the transaction at the reporting date can be measured reliably, and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably. Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the AgriSETA, and
- The amount of the revenue can be measured reliably.

Significant Accounting Policies (continued)

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the SETA's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the SETA, which represents an increase in net assets, other than increases relating to contributions from owners.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transactions, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Skills Development Levy (SDL) Income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999) registered member companies of AgriSETA pay 1% of the total payroll cost as Skills Development Levy (SDL). The levies paid to the South African Revenue Services (SARS) that collects the levies on behalf of the Department of Higher Education and Training (DHEST).

Eighty percent (80%) of SDL contributions by companies in the mining and minerals sector are transferred to AgriSETA and 20% to the National Skills Fund (NSF) by the Department of Higher Education and Training. SDL income received by AgriSETA is set aside in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended and the Skills Development Levy Grant Regulations (Grant Regulations), issued in terms of this Act, for the purposes of:

- Administration costs (includes 0.5% to QCTO) 10,5%
- Mandatory Grants 20,0%
- Discretionary Grants 49,5%

In addition to these amounts, employers that fail to file their returns and pay skills development levies within the prescribed time limits as set by SARS, are charged interest and penalties at rates prescribed by SARS from time to time. The said regulation regulating the 20% mandatory grant was set aside, however the court did not indicate what mandatory grant percentage should be paid. AgriSETA continued measuring mandatory grants at 20% since it's the best available information. The interest and penalties charged are remitted to the DHEST, which in turn transfers them to AgriSETA. The interest and penalties are disclosed separately as Skills Development Levy penalties and interest. With effect from 01 August 2005 companies with an annual payroll cost by DHEST of less than R500 000, are exempted in accordance with section 4(b) of the Skills Development Levies Act, 1999, as amended.

Also included in the Skills Development Levy income is Departmental levy received/receivable from the Provincial departments of Agriculture. Their contributions are accounted for as follows:

- Administration Grants 1/3 (33,3%)
- Discretionary Grants 2/3 (66,6%)

Inter-SETA transfers.

Revenue is adjusted for transfers of employers between SETAs that arise due to incorrect allocation to a SETA on registration for Skills Development Levy or changes to their business that result in a need to change SETAs. Such adjustments are disclosed separately as Inter-SETA transfers. The amount of Inter-SETA adjustments is calculated according to the most recent Standard Operating Procedure as issued by the DHEST.

When transfers from other SETAs to AgriSETA occur, the levies transferred are recognised as revenue and allocated between the respective categories as reflected above to maintain their original identity. For transfers from AgriSETA to other SETAs, the levies in the respective categories are reduced by the amounts transferred or transferable to other SETAs.

Significant Accounting Policies (continued)

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Skills Development Levy income is recognised when it is probable that future economic benefits will flow to AgriSETA and these benefits can be measured reliably. This occurs when the DHEST either makes an allocation or payment to AgriSETA, whichever occurs first, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No.9 of 1999).

Levy contributions from employers with an annual payroll of less than R500,000, are not recognised as revenue but as a provision, as they represent an obligation as they are due to be refunded to such employers because the employers are exempted from paying skills development levies. Previously, this provision was accumulated indefinitely, but with effect from the 25 August 2013, the DHEST advised SETAs that this provision may be utilised for discretionary grants purposes after the expiry of 5 years in terms of section 109(4) of the Tax Administration Act, as the employers may not claim the moneys back after 5 years

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the AgriSETA.

When, as a result of a non-exchange transaction, the SETA recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

SDL income is measured at the fair value of the consideration received or receivable and that is the amount of the increase in net assets recognised by AgriSETA. Unconditional grants received are recognised as revenue when the amounts are received or become receivable. Funds for special projects transferred from government grants and other donors are recognised as a liability until the related eligible special project expenses are incurred, when the liability is extinguished, and revenue is recognised. Adjustments to revenue already recognised, arise from the completion of internal review process, and/or the outcome of an external appeal or objection process undertaken by employers.

Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly returns and are reflected as a net reversal per scheme year on the revenue details provided by DHEST. The SETA recognises revenue monthly on net basis per scheme as after taking into account monthly net reversals per scheme year. The SETA has no access to or control to the appeal or review process carried on by SARS, and hence could not reasonably be expected to have access to reliable information at the initial stage of recognition. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process are therefore accounted for as a change in an accounting estimate.

Government grants and donor funding income

Funds transferred by the government and other donor funding are accounted for in the financial statements of the AgriSETA as a liability until the related eligible expenses are incurred and the relevant conditions of the grant are met when the liability is utilised, the revenue is recognised as other income in the statement of financial performance.

Conditional government grants and other conditional donor funds received are recorded as deferred income when they are receivable and then recognised as income when the conditions attached to the grant are met. Unconditional grants are recognised as other income when the amounts have been received.

Significant Accounting Policies (continued)

1.16 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.17 Irregular, fruitless and wasteful expenditure

Irregular,fruitless and/or wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular,fruitless and/or wasteful expenditure incurred, unless it is impractical todetermine, in which case reasons therefore must be provided in the notes

Irregular,fruitless and/or wasteful expenditure receivables are measured at the amount that is expected to be recovered and are de-recognised when settled or written-off as irrecoverable.

Irregular,fruitless and/or wasteful expenditure must be removed from the balance of the irregular,fruitless and/or wasteful expenditure notes when it is either

- condoned by the relevant authority if no official was found to be liable in law
- recovered from an official liable in law.
- written-off if it's irrecoverable from an official liable in law; or
- written-off if it's not condoned and not recoverable

Irregular,fruitless and/or wasteful expenditure that is not recoverable because no official was found to be liable in law for such a transgression and was also not condoned by the relevant authority must be de-recognised in the balance of the irregular,fruitless and/or wasteful expenditure note.The accounting officer or accounting authority must only de-recognise the irregular,fruitless and/or wasteful expenditure when he or she is satisfied that:

- reasonable steps have been taken to confirm that such irregular,fruitless and/or wasteful expenditure did not result in any loss or damages to the state and that the state did obtain value from such a transaction, condition, or event.
- the non-compliance that led to the irregular,fruitless and/or wasteful expenditure is being addressed; and
- transactions, conditions, or events of a similar nature are regularly reviewed to ensure that there are no possible future non-compliance cases reported.

The accounting officer or accounting authority may proceed with the "write-off" of the irregular,fruitless and/or wasteful expenditure after confirmation of the controls indicated in paragraph 25 above have been met and by informing the relevant delegated official in writing to de-recognise the irregular expenditure in the notes to the financial statements.

1.18 Budget information

The approved budget covers the fiscal period from 01 April 2023 to 31 March 2024.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.19 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Significant Accounting Policies (continued)

Management are those persons responsible for planning, directing, and controlling the activities of the AgriSETA, including those charged with the governance of the SETA in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the SETA.

The AgriSETA is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the SETA to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the SETA is exempt from the disclosures in accordance with the above, the SETA discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.20 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 SETA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The SETA 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.

Non-adjusting events which take place after the reporting date are not recognised in the financial statements.

1.21 Grants and Project Expenditure

A registered employer may recover a maximum of 20% of its total levy payment as a mandatory grant (excluding interest and penalties) by complying with the criteria in accordance with the skills Development Act, 1993 SETA Grant regulations regarding monies received and related matters (the SETA Grant Regulations)

Mandatory Grants

Grants equivalent to 20% of the total levies received by AgriSETA during the corresponding financial year are paid to employers who meet the criteria in the SETA Grant Regulations

Discretionary grants and Project Expenditure

The funding for discretionary grants and projects comprise 49.5% of the total levies paid by the employers, levy grants that are not claimed by employers, the surplus of administration levies not utilised, investment income, and other income generated by the SETA.

AgriSETA allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expenses in the period in which they are incurred, in which the conditions are met.

Project expenditure comprises:

- costs and/or credit adjustment that relate directly to the specific contract;
- costs that are attributable to contract 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 contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

Significant Accounting Policies (continued)

Retrospective adjustments by South African Revenue Services

There are instances where South African Revenue Services retrospectively amends the information on levies collected on behalf of AgriSETA. This amendment may result in grants that have been under/over paid to or from certain employers. This adjustment is accounted for retrospective by AgriSETA in the statement of financial performance. A receivable/payable relating to the over/underpayment to or from the employer in earlier years is raised at the amount of such grant over/underpayment, net of bad debts and provision for irrecoverable amounts.

Administration Expenditure

Administration expenditure is recognised on an accrual basis of accounting.Unless permitted by another standard of GRAP, Administration expenditure has not been offset against revenue.

Government grants and donor funded expenditure

Government grants and donor project expenditure are recognised as expenses in the Statement of Financial Perfomance in the period in which they are incurred. The expenditure for the project is recognised when the appointed service providers are eligible for payment, which is at the point when the deliverables are achieved according to predetermined project milestones and funds are received from Department of Public Works and Infrastructure.

1.22 Grants and Provisions

Collateral held includes financial assets, non-financial assets and other forms of collateral such as guarantees or encumbrances over assets.

The entity recognises assets relating to collateral held if it meets the recognition criteria in other accounting policies. The entity disclose the nature and amounts of collateral recognised or held, in the notes to the financial statements.

Mandatory grant provision

A liability is recognised for mandatory grant payments once the specific criteria set out in the SETA Grant Regulation has been complied with by member of companies, and it is probable that AgriSETA will approve the grant application for payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate , based on the amount of levies received.

Discretionary provision

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where the project has been approved, but has been accrued for or provided for, it is disclosed as commitments in the notes to the annual financial statements.

1.23 Reserves

Equity is classified based on the restrictions placed on the distribution of monies received in accordance with the Regulation issued in terms of the Skills Development Act, 1998 (Act 97 of 1998) statement of changes in equity as follows:

- Administration Reserves
- Employer Grant Reserves
- Discretionary Grant Reserves
- Unappropriated surplus

Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of :

	2023/24	2022/23
	%	%
Administration & QCTO costs of AgriSETA	10.5	10.5
Employer Grant Fund Levy	20	20
Discretionary Grants and Projects	49.5	49.5
Received by AgriSETA	**80**	**80**
Contribution to the National Skills Fund	20	20
	100	**100**

In addition, contributions received from public services employers in the national or provincial spheres of government may be used to fund AgriSETA's administration costs. One third of the amounts received from national and provincial spheres is allocated to administration costs.

Interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects.

Significant Accounting Policies (continued)

Discretionary grant reserve

- Surplus funds in the administration and unallocated funds in the employer grant reserves are moved to the discretionary fund reserve.

Mandatory grant reserve

- Provision is made in the mandatory grant reserve for newly registered companies, participating after the legislative cut-off date.

Capitalisation reserves

- The capitalisation reserves included in the net assets is related to building and is transferred directly to accumulated surplus or deficit when the building derecognised.

Administration reserves

- Administration reserve represents the net book value of property, plant and equipment and intangible assets.

Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The AgriSETA has not applied the following standards and interpretations, which have been published and are mandatory for the AgriSETA's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 107 Mergers	01 April 2024	Unlikely there will be a material impact
GRAP 106 Transfer of Functions Between Entities Not Under Common Control	01 April 2024	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	01 April 2024	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	01 April 2024	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2024	Unlikely there will be a material impact

3. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 288	-	1 288	1 288	-	1 288
Buildings	3 431	-	3 431	3 206	-	3 206
Plant and machinery	399	(111)	288	399	(84)	315
Furniture and fixtures	1 951	(708)	1 243	2 149	(704)	1 445
Motor vehicles	661	(265)	396	913	(384)	529
Office equipment	2 318	(845)	1 473	2 326	(762)	1 564
IT equipment	4 916	(3 932)	984	5 188	(4 505)	683
Other property, plant and equipment	42	(42)	-	111	(111)	-
Total	**15 006**	**(5 903)**	**9 103**	**15 580**	**(6 550)**	**9 030**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 288	-	-	-	1 288
Buildings	3 206	225	-	-	3 431
Plant and machinery	315	-	-	(27)	288
Furniture and fixtures	1 445	-	(96)	(106)	1 243
Motor vehicles	529	-	-	(133)	396
Office equipment	1 564	127	(61)	(158)	1 473
IT equipment	683	811	(7)	(503)	984
	9 030	**1 163**	**(164)**	**(927)**	**9 103**

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 288	-	-	-	1 288
Buildings	3 206	-	-	-	3 206
Plant and machinery	341	-	-	(26)	315
Furniture and fixtures	1 553	-	-	(108)	1 445
Motor vehicles	661	-	-	(132)	529
Office equipment	1 411	300	-	(147)	1 564
IT equipment	1 576	128	(33)	(988)	683
	10 036	**428**	**(33)**	**(1 401)**	**9 030**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

	2024	2023
Repairs and maintenance	165	164

Repairs and maintenance are separately disclosed hereunder, to comply with the requirements of GRAP 17, as well as to ensure a better presentation of the financial statements..

Property valuation

The building is situated at 529 Belvedere Street, Arcadia. There are no restrictions on the title of the property, plant and equipment and no items are pledged as security for liabilities.

The office building was re-valued on 31 March 2020 by an independent valuer who holds a qualification in property valuations and is a member of South African Council for Property Valuer's Profession. The valuation was carried out with reference to comparable market related sales and this method was used to determine the market related valuation. The building is due for another revaluation in 2025.

Depreciation - Land and building

Land is not depreciated as it is deemed to have indefinite useful life. The estimated useful life for the building is twenty years, however, AgriSETA has a depreciation charged at zero because the residual value is above the carrying value as per GRAP 17 paragraph 67.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

4. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	7 166	(2 766)	4 400	6 644	(1 877)	4 767

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	4 767	521	(889)	4 400

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	5 201	341	(775)	4 767

5. Inventories

Cleaning	14	27
Cartridges	226	224
Stationery	143	132
	383	**383**

6. Receivables from exchange transactions

Accrued interests and other receivables	321	273
Staff debtors	12	-
	333	**273**

Impairment on a Receivables from exchange transactions

An impairment loss of R109 456.00 (2023: R7 468.00)has been raised respectively against Other receivables. The current year impairment relates to a transfer that was initially made to SARS in 2021, and to date cannot be reovered as well as irrecoverable for amount owed from costs incurred from National valiation processes

7. Receivables from non-exchange transactions

DPW receivables (Donor funded project)	2 873	3 922
Mandatory grant SARS Adjustments	1 146	1 124
Provincial Departments of Agriculture Levy receivables	2 861	3 172
Discretionary grants receivables	1 024	-
	7 904	**8 218**

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

8. Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents include cash on hand and banks and investments in short-term deposits. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement can be reconciled to the related items in the balance sheet as follows

Cash on hand	1	1
Bank balances	64 208	53 627
Short-term deposits	414 529	478 601
	478 738	**532 229**

As required by National Treasury Regulations 31.2, National Treasury approved the banks where the bank accounts are held. The average interest rate for the year on short-term bank deposits is 8,25% (7,42% in 2023).

Paragraph 31.3.3 Unless exempted by the National Treasury, public entities that are listed in schedule 3A or 3C of the Act must, with effect from 1 July 2001, only :(a) invest surplus funds with the Corporation for Public Deposits, where such surplus exceed R1 million; and (b) invest surplus funds in an institution with an investment grade rating, where such surplus are less than R1 million.

For the period ending 31 March 2024, all surplus funds are kept at the Corporation for Public Deposits.

9. Allocation of Net Surplus for the year to reserves

Year ended 31 March 2024

	Administration Grant reserves	Employer grant (Mandatory reserves)	Discretionary grant reserves	Total
SDL Revenue	76 348	145 551	359 615	581 514
SDL Penalties and interest received	-	-	5 107	5 107
Levy from departments	3 296	-	6 591	9 887
Donor funded income	-	-	6 914	6 914
Investments income	-	-	38 568	38 568
Other income	1 923	-	-	1 923
Subtotal	81 567	145 551	416 795	643 913
Administration expenditure	(88 989)	-	-	(88 989)
Employer grants and project expenditure	-	(92 701)	(479 138)	(571 839)
Donor funded expenditure	-	-	(7 263)	(7 263)
Net surplus/(deficit) per statement of financial performance allocated	**(7 422)**	**52 850**	**(69 606)**	**(24 178)**

PART A: GENERAL INFORMATION
PART B: PERFORMANCE INFORMATION
PART C: GOVERNANCE
PART D: HUMAN RESOURCE MANAGEMENT
PART E: PFMA COMPLIANCE REPORT
PART F: FINANCIAL INFORMATION

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

Year ended 31 March 2023

	Administration Grant reserves	Employer grant (Mandatory reserves)	Discretionary grant reserves	Total
SDL Revenue	41 970	137 812	371 553	551 335
SDL Penalties and interest received	-	-	8 030	8 030
Levy from departments	3 806	-	7 611	11 417
Donor funded income	-	-	8 793	8 793
Investments income	-	-	30 378	30 378
Other income	145	-	1 238	1 383
Subtotal	45 921	137 812	427 603	611 336
Administration expenditure	(82 310)	-	-	(82 310)
Employer grants and project expenditure	-	(92 136)	(520 023)	(612 159)
Donor funded expenditure	-	-	(8 970)	(8 970)
Net surplus/(deficit) per statement of financial performance allocated	**(36 389)**	**45 676**	**(101 390)**	**(92 103)**

10. Operating lease

	2024	2023
Minimum lease payments due		
- within one year	304	91
- in second to fifth year inclusive	405	91
Present value of minimum lease payments	**709**	**182**
Present value of minimum lease payments due		
- Rental of printer machine	108	281

The monthly average operating lease payments of R9 000 consists of payments for the two printer machine, with the last lease contract ending 31 March 2025.

11. Provisions

	2024	2023
Provision for Performance bonus	4 943	4 785
Provision - Levies from small companies	23 781	15 651
Provision for leave pay	3 355	3 575
	32 079	**24 011**

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Total
Provision for Performance Bonus	4 785	5 469	(5 311)	4 943
Provision - Levies from small companies	15 651	8 130	-	23 781
Provision for Leave Pay	3 575	12	(232)	3 355
	24 011	**13 611**	**(5 543)**	**32 079**

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Provision for Performance Bonus	4 663	5 183	(5 061)	4 785
Provision - Levies from small companies	9 057	6 594	-	15 651
Provision for Leave Pay	2 758	1 015	(198)	3 575
	16 478	**12 792**	**(5 259)**	**24 011**

Provision for Performance bonus

Employees sign performance contracts as part of their conditions of service at the beginning of each financial year. Employees are assessed bi-annually and the bonus is paid in September each year. The amount is dependent on the outcome of individual performance evaluation.

Provision: Levies for small companies

The amount of R23.7 million (2022/23: R15.65 million) relates to levies contributed by employers who are exempted from contributing skills development levies. after being exempted from contributing SDL due to legislation changes which came into effect from 01 August 2005. The South African Revenue Services(SARS) collects the levies on behalf of DHEST and the responsibility to refund the employers remains with SARS. In terms of Skills Development Circular No. 09/2013, issued by the DHET on 25 August 2013, SETAs can utilise exempted amounts contributed after expiry date of five years as stipulated in terms of Section 190 (4) of the Tax Administration Act. These amounts are being transferred to discretionary funds in line with the aforementioned circular .

Provision for Leave

In terms of AgriSETA leave policy, the entity has an obligation to either pay out unused leave on termination of service or allow employees to carry over unused leave for the next six months. At each financial year end an obligation is recognized for the full leave pay entitlement due to employees..

12. Payables from exchange transactions

	2024	2023
Trade and other payables	5 020	3 848
Accruals Administration	729	615
Sundry creditors	5	5
Payables - structured salaries	1 141	1 064
	6 895	**5 532**

The Payables - structured salaries amount relates to salaries that were withheld from the employees from January to March 2024, and will be paid over to the employees in December 2024, or upon earlier resignation of an employee.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

13. Payables from non-exchange transactions

Trade Payables Discretionary Grants	28 649	73 382
Employer payables (Mandatory grants payables)	21 676	16 239
	50 325	**89 621**

14. Revenue

Proceeds from Insurance	23	119
Other Income	1 900	26
Government and Donor-funded income	6 914	8 793
Investment revenue (Interest received)	38 568	30 378
Government grants and Donor Funded Income	-	1 238
Skills Development Levy: Income	591 401	562 752
Skills Development Levy: Penalties and Interest	5 107	8 030
	643 913	**611 336**

15. Skills Development Levy: Income

Levy transfer -Administration	76 307	72 348
Levy transfer -Mandatory grants	145 424	137 812
Levy transfer -Discretionary grants	359 783	341 175
Levy transfer -Provincial Department of Agriculture (Administration)	3 296	3 806
Levy transfer -Provincial Department of Agriculture (Discretionary)	6 591	7 611
	591 401	**562 752**

16. Government grants and donor funding income

Income from public works : Projects	6 914	8 793

17. Investment revenue

Interest revenue

Interest received - investment	35 928	27 961
Interest received - Bank	2 640	2 417
	38 568	**30 378**

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

18. Employer grants and project expenditure

Discretionary Expenditure		
Discretionary Grants Project Expenditure	444 473	487 180
Discretionary Grants Administration Expenditure	6 060	6 313
Discretionary Grants Employee costs	28 605	26 531
	479 138	**520 024**
Mandatory Expenditure		
Mandatory Grants Expenditure	92 701	92 137
	571 839	**612 161**

19. Government grants and donor funded expenditure

Donor funded project expenditure : Public works	6 914	8 793
Project Admin expenditure : Public works	349	177
	7 263	**8 970**

Donor funded project expenditure : Public Works

AgriSETA has entered into contract for the implementation of a partnership Expanded Public Works Programme (EPWP) with Department of Public Works and Infrastructure on 02 July 2020 for the implementation of training of 400 EPWP participants at the total cost of R 66 million which includes R4,95 million project administration cost. In the current year, R7,2 million (2023 : 8,9 million) has been incurred and paid or payable to the service providers contracted for implementation of the programme.

The appointed service providers are paid as and when the deliverables are achieved according to predetermined project milestones and funds are received from Department of Public Works and Infrastructure.

20. Employee related costs

Basic salary	35 833	31 969
Structured salaries	2 814	2 477
Medical aid expense	423	224
UIF contributions	124	114
SDL contributions	384	372
Leave expense	12	882
Pension fund contributions	3 919	3 078
Overtime expense	406	343
Acting allowances	108	257
Performance bonus	3 522	3 384
Long-term benefits	33	21
	47 578	**43 121**

As at 31 March 2024, AgriSTA had 100 total number of employees, compared to a count of 102 employees as at 31 March 2023

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

21. General expenses

Information technology costs	13 782	7 981
Advertising and promotion	426	840
Audit fees - External	3 303	5 083
Bank charges	230	184
Consulting and professional fees	1 938	1 922
Audit fees - Internal	1 073	563
Catering	154	108
Quality Council for Trade and Occupations (QCTO)	3 770	3 277
Insurance	623	491
Postage and courier	269	130
Printing, stationery and cleaning	454	486
Fuel expense	59	38
Repairs and maintenance	157	185
Security (Guarding of SETA property)	496	399
Staff welfare	44	225
Subscriptions and membership fees	29	28
Telephone landlines	696	1 706
Training	1 459	1 340
Travel and accommodation	2 671	3 968
Small assets	14	30
Municipal costs (Rates, Water & Electricity)	1 659	2 094
License (Annual subscription)	1 008	1 212
Recruitment costs	48	243
Board and audit committee fees	3 102	2 914
Workmen's Compensation	114	102
Workshop costs (AGM)	1 613	1 145
	39 191	**36 694**

22. Cash used in operations

(Deficit)/surplus	(24 178)	(92 103)
Adjustments for:		
Depreciation and amortisation	1 816	2 175
Proceeds from insurance and assets Disposal	(23)	(119)
Loss on fixed assets	164	33
Impairment deficit	109	7
Movements in provisions	8 068	7 533
Changes in working capital:		
Inventories	-	(61)
(Increase)/Decrease in exchange and non exchange receivables current year	146	2 883
Increase /(Decrease) in payables from exchange,non-exchange, consumables andprovisions current year	(37 933)	(24 471)
	(51 830)	**(104 123)**

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

23. Financial instruments disclosure

AgriSETA operations are exposed to interest rate, credit, and liquidity risk. AgriSETA has developed a comprehensive risk strategy in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below. Financial instruments were not discounted as they will be settled or recovered within a short period. The effect of discounting was not considered material.

Market risk

AgriSETA is exposed to fluctuations in the employment market, for example, sudden increases in unemployment and changes in wage rates. No significant events occurred during the year in the market that AgriSETA is aware of. There are adequate procedures in place to address changes in the market when necessary.

Interest rate risk

The AgriSETA manages its interest risk by effectively investing surplus funds in short-term deposits and call accounts with different accredited financial institutions according to the SETA's investment policy. Any movement in the interest rates will affect interest income. Interest income is utilised for additional discretionary grants and therefore will not affect the operations of the AgriSETA adversely.

AgriSETA 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 8.25 % (Prior year: 7.42%).

The SETA's exposure to interest rate risk and the effective interest rates on financial instruments at the balance sheet date are as follows:

Year ended 31 March 2024

	Floating rate		Non-interest bearing		
	Amount R'000	Effective interest rate	Amount R'000	Weighted average period until maturity in years	Total
ASSETS	-		-	-	-
Cash and cash equivalents	478 738	8,25%	-	-	478 738
Trade and other receivables from exchange	-		333	-	333
Receivables from non-exchange transactions	-		6 758	-	6 758
Total financial assets	478 738		7 091	-	485 829
LIABILITIES	-		-	-	-
Payables from exchange transactions	-	-	(6 895)	-	(6 895)
Payables from non-exchange transactions	-		(28 649)	-	(28 649)
	478 738		**(28 453)**	**-**	**450 285**

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

Year ended 31 March 2023

	Floating rate		Non-interest bearing		
	Amount R'000	Effective interest rate	Amount R'000	Weighted average period until maturity in years	Total
ASSETS	-		-	-	-
Cash and cash equivalents	532 229	7.42%	-	-	532 229
Trade and other receivables from exchange	-		273	-	273
Receivables from non-exchange transactions	-		7 094	-	7 094
Total financial assets	532 229				
LIABILITIES	-		7 367	-	539 596
Trade and other payables from exchange	-		(5 532)	-	(5 532)
Payables from non-exchange transactions	-		(73 382)	-382)	(73 382)
	532 229		**(71 547)**	**-**	**460 682**

The Receivable from non-exchange transactions amount of R6.7 million (2023: R7.09 million) excludes the statutory Employer receivable (Mandatory Grant SARS adjustments) amount of R1,14 million (2023: R1.12 million) as this amount is not a financial asset to be treated in terms of GRAP 104 as a financial instrument.

The Payable from non-exchange transactions amount of R28.6 million (2023: R73.4 million) excludes the statutory Employer payable (Mandatory Grant payable) amount of R21.6 million (2023: R16.2 million) as this amount is not a financial liability to be treated in terms of GRAP 104 as a financial instrument.

Credit Risk

Financial asset, which potentially subject the AgriSETA to the risk of non-performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and account receivable.

The AgriSETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The AgriSETA's exposure is continuously monitored by the accounting authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The AgriSETA's concentration of credit risk is limited to the Agriculture sectors in which the SETA operates. No events occurred in the Agriculture industry during the financial period that may have an impact on the accounts receivable that has not been adequately provided for. The AgriSETA is exposed to a concentration of credit risk, as significant amounts is owed by the South African Revenue Services (SARS). This concentration of risk is limited as SARS is a government entity with sound reputation.

The ageing of trade and other receivable from exchange

	2023/24		2022/23	
Figures in Rand thousand	Gross	Impairment	Gross	Impairment
Past due 60 and above	442	(109)	280	(7)
Subtotal	**442**	**(109)**	**280**	**(7)**

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

The ageing of trade and other receivable from non-exchange

Figures in Rand thousand	2023/24		2022/23	
	Gross	Impairment	Gross	Impairment
Not past due	6 758	-	7 094	-
Subtotal	**6 758**	**-**	**7 094**	**-**

Cash and cash equivalents

Figures in Rand thousand	2023/24		2022/23	
	Gross	Impairment	Gross	Impairment
Not past due	478 738	-	532 229	-
Subtotal	**478 738**	**-**	**532 229**	**-**

The Receivable from non-exchange transactions amount of R6.7 million (2023: R7.09 million) excludes the statutory Employer receivable (Mandatory Grant SARS adjustments) amount of R1,14 million (2023: R1.12 million) as this amount is not a financial asset to be treated in terms of GRAP 104 as a financial instrument.

Liquidity risk

The AgriSETA manages liquidity risk through proper management of working capital, capital expenditure. Adequate reserves and liquid resources are maintained. The AgriSETA manages liquidity risk through forecasting, as well as monitor cash flows on a daily basis.

2023/24

	Carrying amount	6 months or less	6 to 12 months	Total
Payables from exchange transactions	(6 895)	-	-	(6 895)
Payables from non-exchange transactions	(28 649)	-	-	(28 649)
	(35 544)	**-**	**-**	**(35 544)**

2022/23

	Carrying amount	6 months or less	6 to 12 months	Total
Payables from exchange transactions	(5 532)	-	-	(5 532)
Payables from non-exchange transactions	(73 382)	-	-	(73 382)
	(78 914)	**-**	**-**	**(78 914)**

The Payable from non-exchange transactions amount of R28.6 million (2023: R73.4 million) excludes the statutory Employer payable (Mandatory Grant payable) amount of R21.6 million (2023: R16.2 million) as this amount is not a financial liability to be treated in terms of GRAP 104 as a financial instrument.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

24. Commitments

Discretionary Funded Project

Already contracted for but not provided for

• Adult Education and Training (AET)	584	1 643
• Agri College support	647	878
• Artisans Development	142 699	147 006
• Bursaries continuation	17 278	14 260
• Bursaries Post Graduate	924	7 825
• Bursaries Under Graduate	12 267	12 534
• Career Guidance	431	108
• Graduate Placements	37 574	30 027
• Internships	30 888	28 702
• Learnerships	41 000	51 120
• Lecture Development	-	75
• Mentorships	300	1 700
• Occupational Qualifications	4 975	3 509
• Partnerships	113 166	139 155
• Recognised Prior Learning (RPL)	-	2 470
• Skills programs	1 629	5 081
• Commodity organisations	125	998
• TVET/ATVET Office establishment	-	55
• Research, Monitoring and Evaluation	-	305
• Small Business Support	675	-
	405 162	**447 451**

Total operational commitments		
Already contracted for	405 162	447 451

Commitments for the year ended 31 March 2023 were restated from R448,2 million to R447,5 million due to prior period errors effected in the 2023/24 financial year.

25. Contingencies

25.1 Contigent Assets

InterSETA receivables

The SETA has Inter-SETA balances that did not fully meet the recognition criteria for interSETA receivables in alignment to the Standard Operating Procedure issued by the Department of Higher Education and Training. Amounts have not been confirmed as yet. A receivable will be raised once the criteria to trigger transaction(s) has been met.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

25.2 Contigents Liabilities

25.2.1 Retention of Surplus Funds

In terms of section 53 (3) of PFMA, constitutional institutions and public entities listed in schedules 3A and 3C to the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) may not accumulate surpluses that were realised in the financial year without obtaining prior written approval of the relevant Treasury.

On 02 September 2020, National Treasury issued a new instruction note 12 of 2020/21 effective for the surpluses realized in the 2019/20 financial years and beyond, this instruction note repealed Instruction note no. 06 of 2017/2018 on the retention of cash surpluses and introduced the revised provisions of the retention of surpluses to be followed by the public entities listed in Schedule 3A and 3C of the PFMA. According to this Instruction a Surplus is based on the Cash and Cash Equivalent at the End of the year add Receivables less Current liabilities

A submission has been made to the National Treasury to retain the following surplus :

	2024	2023
Cash and cash equivalent at the end of the year	478 738	532 229
Add : Receivables	8 236	8 491
Less : Current Liabilities	(89 299)	(119 164)
Surplus	**397 675**	**421 556**

Notwith standing the accumulated surplus of R397,7 million above, AgriSETA has at year end commitments in the form of contracts with various service providers as indicated in note 24,The commitment value on these contracts is R405,2 million. The Net deficit after taking into account these commitments is R7,5 million.

25.2.2 Outcome of the Minister of Higher Education and Training (DHET) and employers, represented by Business Unity South Africa (BUSA) case

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 other 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.

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 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.

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

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 2019/20 financial year which is also aligned to the approved annual performance plan. The mandatory grant expenditure in Note 18 as well as the mandatory grant liability in Note 13 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 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.

25.2.3 InterSETA payables

The SETA has Inter-SETA balances that did not fully meet the recognition criteria for InterSETA payables in alignment to the Standard Operating Procedure issued by the Department of Higher Education and Training. Amounts have not been confirmed as yet. A payable will be raised once an invoice has been received from the receiving SETA.

26. Prior period errors

In the current year some Disclosure Notes to the Annual Financial Statements as disclosed in the prior year have been restated due to errors which were identified. The errors were as a result of transactions erroneously omitted and or erroneously accounted for.

Below are disclosure notes which were restated as a result of errors

26.1 Financial Instruments (Disclosure note 22)

Interest rate risk and Liquidity risk

The following prior period errors adjustments occurred:

	2023 R'000
Payables from non-exchange transactions - as previously stated	89 621
Total adjustments erroneously presented in 2022/23	(16 239)
Payables from non-exchange restated balance as at 31 March 2023	**73 382**

The Payable from non-exchange transactions amount previously utilized to determine the Financial instrument related financial liability amount in 2022/23, had erroneously included an amount R16 239 000.00 that relates to the statutory Employer payable (Mandatory Grant payable).

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

26.2 Commitments (Disclosure note 24)

2023

R'000

	2023 R'000
Closing balance of commitments – as previously disclosed	448 228
Commitments total adjustments erroneously presented in 2022/23	(777)
Commitments restated balance as at 31 March 2023	**447 451**

Commitments for the year ended 31 March 2023 were restated from R448,2 million to R447,5 million which is a total reduction of R777 173.70 due to prior period errors effected in the 2023/24 financial year. The prior period errors relate to prior period projects which were closed and had zero remaining balances, but were erroneously included in the commitments closing balance as at 31 March 2023, reinstatement of projects which were closed during prior periods, contracts relating to prior periods captured in the current financial year, budget revisions done in the current financial year on contracts relating to prior periods.

27. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

SETA's has been re-established until 31 March 2030 as per Gazette No 42290 dated 7 March 2019.

28. Events after the reporting date

AgriSETA management has not identified any adjusting or non-adjusting event after reporting period date which would result in the financial statements being adjusted, or where such events required disclosure within the financial statements.

29. Material losses through criminal conduct

To the best of our knowledge, no material losses through criminal conduct, or irregular, fruitless and wasteful expenditure were incurred during the year

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

30. Irregular, fruitless and wasteful expenditure

	2024 R'000	2023 R'000
Irregular expenditure	-	77 733
Fruitless and wasteful expenditure	-	-
	-	**77 733**

The irregular expenditure of R77,7 million was condoned and written-off by the Board as required by the PFMA Compliance and Reporting framework after due processes where followed.

The Minister of Higher Education and Training approved a budget of R626,6 million for the previous financial period 1 April 2022 to 31 March 2023. A further approval for the AgriSETA's application of the retention of surpluses of R514 million was received on March 2023. The Actual expenditure of the AgriSETA amounts to R703,4 million.

The AgriSETA has not incurred any Irregular, fruitless and wasteful expenditure in the current financial year 2023/24.

31. Related parties

Relationships

Controlling entity

By virtue of the fact that AgriSETA is a national public controlled by Department of Higher Education, Science and Technology (DHET), it is considered related to other SETAs, TVETs, SAQA, Universities, the QCTO, NSFAS and the NSF. The transactions are consistent with normal operating relationships between the entiies and are undertaken on terms and conditions that are normal for such.

Related party balances

Transactions from related parties		
QCTO	3 770	3 276
Mandatory grants received		
ServiceSETA	(133)	(122)

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

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023
Related party transactions		
TVETS, Universities and Other entities (Included in Payables from non-exchange		
University of Limpopo	63	54
Durban University of Technology	-	155
Fort Cox College Agricultural & Forestry	-	1 233
University of Venda	-	1 356
University of Johannesburg	439	95
Coastal KZN TVET College	429	358
Vhembe FET College	-	40
University of Stellenbosch	1 378	24
Gert Sibande College	-	254
Cedara College	-	1 350
University of Pretoria	4 080	-
Tshwane University of Technology	4 038	-
Cape Peninsula University of Tech	119	-
Central University of Technology	178	-
University of Fort Hare	2 170	-
University of Limpopo(turfloop)	763	-
University of Free state tution	48	-
North-West University-Bursaries	22	-
Rhodes University	21	-
Majuba Tvet College	2 950	-
Tshwane South Tvet College	2 020	-
Umfolozi TVET College	2 143	-
Lephalale Tvet College	470	-
Vuselela TVET College	1 805	-
Mopani South East TVET College	258	-
Ekurhuleni East Tvet College	2 063	-
Orbit TVET College	516	-
Ingwe TVET College	420	-
King Hintsa TVET College	420	-

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

Non-executive : Accounting authority

Accounting authority: Board members

2024

Name	Fees for services as a member	Travel reimbursement	Total
Ms G Sepeng (Chairperson)	-	18	18
Mr A Kriel	67	-	67
Ms B Cele	226	-	226
Mr E.L Mhlongo	227	6	233
Ms M.E Mmako	116	1	117
Ms E Pitzer	203	-	203
Ms K.L Senyatsi	138	-	138
Mr K Tsimatsima	147	-	147
Mr M Mahanjana	147	-	147
Ms S Mthembu	134	-	134
Mr M.S Mngomezulu	254	1	255
Ms L.V Gqokoma	245	1	246
Ms PS Luwaca	-	1	1
Mr C Van Der Rheede	131	-	131
	2 035	**28**	**2 063**

2023

Name	Fees for services as a member	Travel reimbursement	Total
Ms G Sepeng (Chairperson)	150	31	181
Mr A Kriel	107	6	113
Ms B Cele	222	-	222
Mr E.L Mhlongo	214	1	215
Ms M.E Mmako	178	1	179
Ms E Pitzer	195	2	197
Ms K.L Senyatsi	125	-	125
Mr K Tsimatsima	116	9	125
Mr M Mahanjana	116	3	119
Ms S Mthembu	80	-	80
Mr M.S Mngomezulu	259	25	284
Ms L.V Gqokoma	204	2	206
	1 966	**80**	**2 046**

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

Accounting authority: Audit risk committee

2024

Name	Fees for services as a member	Travel reimbursement	Total
Dr G. Buys	98	-	98
Ms M. Phiri (Chairperson)	214	-	214
Mr K. Maja	146	-	146
Mr V. Chonco	98	12	110
Dr P Dala	126	-	126
Ms DM Matlala	107	-	107
	789	**12**	**801**

2023

Name	Fees for services as a member	Travel reimbursement	Total
Ms E. Pilay (Chairperson)	103	1	104
Dr G. Buys	80	-	80
Ms M. Phiri	108	-	108
Mr K. Maja	126	-	126
Mr V. Chonco	80	-	80
Dr P Dala	149	-	149
	646	**1**	**647**

Stakeholders : Companies related to Accounting Authority

2024

Name	Levies received fromthe employer	Member feepaid to Employers	DG Expenditure	MG Expenditure	Total
Hortgro Services (Mr A Rabe)	-	100	3 059	-	3 159
Agri SA (Mr C Van Der Rheede)	(70)	180	325	11	516
	(70)	**280**	**3 384**	**11**	**3 675**

2023

Name	Levies received fromthe employer	Member feepaid to Employers	DG Expenditure	MG Expenditure	Total
Hortgro Services (Mr A Rabe)	-	169	1 204	-	1 373
Agri SA (Mr C Van Der Rheede)	(96)	133	695	19	847
	(96)	**302**	**1 899**	**19**	**2 220**

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

Management class: Executive management

2024

Name	Basic salary	Bonuses and performance related payments	Travel reimbursement	Total
Dr K.I Sirovha (Chief Executive Officer)	2 191	307	3	2 501
Ms M. Sebela (Chief Financial Officer)	2 011	245	32	2 288
Mr M. Dlanga (Company Secretary)	1 536	158	2	1 696
Ms K.N Ndlovu (Chief Risk Officer)	1 242	122	6	1 370
Mr M. Shabangu (Executive Manager : LPP)	1 676	165	2	1 843
Mr M.F Phetla (Executive Manager : Quality Assurance)	1 676	219	15	1 910
Mr J.F Fouche (Executive Manager : SP&R)	1 676	188	2	1 866
Dr M.B Letsoalo (Executive Manager : Corporate Service)	1 495	219	68	1 782
Ms LK Phateng (Chief Audit Officer)	1 349	-	-	1 349
Mr NO Mofokoane (Chief Information Officer)	1 349	-	-	1 349
	16 201	**1 623**	**130**	**17 954**

2023

Name	Basic salary	Bonuses and performance related payments	Travel reimbursemen	Total
Dr K.I Sirovha (Chief Executive Officer)	2 049	287	36	2 372
Ms M. Sebela (Chief Financial Officer)	1 881	254	57	2 192
Mr M. Dlanga (Company Secretary)	1 437	146	15	1 598
Ms K.N Ndlovu (Chief Risk Officer)	1 162	106	15	1 283
Mr M. Shabangu (Executive Manager : LPP)	1 567	98	12	1 677
Mr M.F Phetla (Executive Manager : Quality Assurance)	1 567	197	24	1 788
Mr J.F Fouche (Executive Manager : SP&R)	1 567	189	12	1 768
Dr M.B Letsoalo (Executive Manager : Corporate Service)	1 567	-	64	1 631
	12 797	**1 277**	**235**	**14 309**

32. Comparison of budget and actual amounts Notes to comparison of actual and budget amounts

Legislation requires that the SETA on an annual basis, in September, submit a budget to the Minister for approval. Explanations have been provided below for significant variances.

32.1 Skills Development Levy (SDL) Income

In the current financial year, AgriSETA collected (0,7%) more levies from both private levy payers and provincial departments of Agriculture, which is R4,4 million more than the budgeted amount. The overcollection is due to the increase in number of employers joinig AgriSETA and also transfering from other SETA's to AgriSETA

Notes to the Annual Financial Statements (continued)

Figures in Rand thousand	2024	2023

32.2 Penalties and Interest

Income from penalties and interest arise when employers fail to submit their returns as required by legislation. These amounts typically vary year on year. Penalties and interest on SDL is not budgeted for.

32.3 Investment income - Interest received

Investment income is comprised of interest received on the CPD investment account. The budgeted return on investment was R42,1 million, however actual yield was R38,5 million.The increase is mainly attributed to consistent investment balances held during the year. The AgriSETA earned less interest due to the withdrawal of funds of R100 million from the investment account during the 2023/24 financial year.

32.4 Employer grants and project expenditure

Actual Employer grants and projects expenditure were less than the budget by R75,8 million, This is due to the adjustment of budget as approved by the minister. The phase of implementation of projects was the driver for discretionary grants expenditure payments. The mandatory grants paid was marginaly higher in 2023/24 and the major contributer was the 100% approval of Work Skills Programme.

32.5 Employee related costs

Personnel expenditure is R1,8 million below the budget. The administration employee costs in 2023/24 increase marginally with a variance of 6% due to Salary increases as well as increase in the expenditure due to provisions raised for leave and performance bonus by R11 000 and R5,4 million respectively

32.6 General expenses

General expenses are limited to 10,5% of Employer collected SDL revenue. During the current year AgriSETA exercised strict control over general expenditure to ensure cost containment and that expenditure does not exceed budget. There was a spending of R12,6 million below budget. Any unspent funds are transferred to the discretionary reserves.

32.7 Government grants and donor funded projects

During 2020/21, AgriSETA entered into an agreement to implement an Artisans project for the Department of Public Works over a period of 3 years, the project costs amounted to R7,2 million in the current financial year 2023/24.

NOTES

Team AgriSETA is proud to wear its ‘clean audit’ on their sleeves

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RP103/2024

ISBN: 978-0-621-52003-3

Title of Publication: AGRISETA