ETDP SETA

Education, Training and Development Practices
Sector Education and Training Authority

2023/24 Annual Report

AT THE CUTTING EDGE OF SKILLS DEVELOPMENT

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

2030 NDP

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PART A

General Information

1. ETDP SETA's Information

Name:

Education, Training and Development Practices Sector Education and Training Authority

Referred to in this report as ETDP SETA

Physical Address:

Hosken's House

45 Mooi Street

Johannesburg

2091

Postal Address:

Private Bag X105

Melville

2109

Contact details:

Contact Person: Ms Sesi Nombulelo Nxesi

Telephone Number: +27(0)11 372 3302

Email Address: nombulelon@etdpseta.org.za

Website Address: www.etdpseta.org.za

Addresses of the nine provincial offices are presented on the back cover of the report.

External Auditors:

The Auditor-General of South Africa (AGSA)

4 Daventry Street

Lynwood Bridge Office Park, Lynwood Manor

PRETORIA, RSA

0081

Banker:

Standard Bank of South Africa

5 Simmonds Street

JOHANNESBURG

2000

2. List of Abbreviations/Acronyms

Abbreviation/ Acronym	Description
4IR	Fourth Industrial Revolution
AA	Accounting Authority
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
APPETD	Association of Private Providers of Education, Training and Development
ATR(s)	Annual Training Report(s)
B.Ed.	Bachelor of Education
CBO	Community-Based Organisation
CDO(s)	Career Development Officer(s)
CEO	Chief Executive Officer
CET	Community Education and Training
CFO	Chief Financial Officer
COO	Chief Operations Officer

Abbreviation/ Acronym	Description
CS	Constituency Support
DBE	Department of Basic Education
DoE	Department of Education
DHET	Department of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
ECD	Early Childhood Development
ETD	Education, Training and Development
ETDP SETA	Education, Training and Development Practices Sector Education and Training Authority
ETDQA	Education Training and Development Quality Assurance
EWP	Employee Wellness Programme
EXCO	Executive Committee
FET	Further Education and Training
GRAP	Generally Recognised Accounting Practice
HEI	Higher Education Institution
HERC	Higher Education and Research Chamber
HESI	Higher Education Science and Innovation
HSRC	Human Sciences Research Council
HR	Human Resources

Abbreviation/ Acronym	Description
IA	Internal Audit
ICT	Information and Communication Technology
KZN	KwaZulu-Natal
LP	Limpopo Province
M&E	Monitoring and Evaluation
MIS	Management Information System
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MSc	Master of Science
MTSF	Medium Term Strategic Framework
NEHAWU	National Education, Health and Allied Workers' Union
NGO	Non-Governmental Organisation
NLPE	Non-Levy Paying Entity
NPO	Non-Profit Organisation
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSDP	National Skills Development Plan
NSF	National Skills Fund

Abbreviation/ Acronym	Description
NTEU	National Tertiary Education Union
OHSA	Occupational Health and Safety Act
PDoE	Provincial Departments of Education
POPIA	Protection of Personal Information Act
PhD	Doctor of Philosophy
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
PWD	People with Disabilities
QAC	Quality Assurance Committee
QCTO	Quality Council for Trades and Occupations
RMC	Risk Management Committee
RPL	Recognition of Prior Learning
SACECD	South African Congress for ECD
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SDA	Skills Development Act
SDI	Skills Development Intervention

Abbreviation/ Acronym	Description
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SOPs	Standard Operating Procedures
SP	Strategic Plan
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training
USAf	Universities South Africa
WIL	Work Integrated Learning
WPE	Workplace Experience
WSP	Workplace Skills Plan
WSPRs	Workplace Skills Plans Reports

3. Foreword by the Chairperson

Mr Duncan Hindle
Accounting Authority Chairperson

Introduction

The ETDP SETA continues to strive to meet the skills development needs of the ETD Sector. In doing so, it remains guided by the national priorities articulated in the National Skills Development Plan and the National Development Plan.

The ETDP SETA is mandated to promote and facilitate the delivery of education, training and development to enhance the skills profile of people working in this large and broad sector. Additionally, the SETA aims to contribute towards the creation of employment opportunities, especially for youth, women and people with disabilities. In 2023/24, the SETA has implemented the final phase of the five-year Strategic Plan, approved by Parliament and the Minister of Higher Education, Science and Innovation.

Overview of performance

Detailed reports on the performance of each programme are included in Part B: Performance Information. For the year under review, and based on the revised APP for the year, an achievement level of 83% is recorded, compared to 89% in the previous financial year. The contributory factors to the decline are provided in Part B. Management and staff are hard at work to avoid performance regression in future.

The Financial Statements and Audit Report are included in Part F of the Report. The complexities of accurate financial and performance reporting, especially where third parties are involved, has resulted in audit findings. None of these are related to fraud or involve financial irregularities, and arise from the performance report. Internal Audit, as well as the Finance and Audit Committees of the Board, have continued to monitor and advise on improving these audit outcomes, and this has assisted in achieving an unqualified audit outcome, which is an improvement from the previous financial year.

Strategic Relationships

In order to promote growth and address the challenges of unemployment, poverty, and inequalities in the sector, the SETA has formed strategic partnerships with most of its constituent organisations to ensure that the sector's needs are met. These partnerships involve universities, teacher unions, non-governmental organisations, political parties, and trade unions. Additionally, the SETA supports private and public employers, particularly the Department of Education, in offering relevant work-based learning opportunities.

Challenges faced by the Board

A Board evaluation has been conducted in the year under review and will be reported on in the next Annual Report. The Board remains conscious of the persistent challenges of unemployment, poverty and inequality, which the education sector confronts daily. The Board has therefore continued to support programmes and initiatives that will assist the unemployed, especially the youth, to become active participants in society and in the economy.

The SETA has recently been able to digitise several of its processes, which should be of benefit to the many service providers who offer training and development. Other processes will follow, and the Board will continue to pursue innovative measures to ensure that the SETA is more streamlined, more agile and more effective in its operations.

Medium to long term goals of the entity

In the coming year, the Performance Plans of the ETDP SETA indicate a commitment to provide training support for more than 30 000 people, both the employed and unemployed. In addition, it will enter into many partnership agreements with the government departments and with the public and private institutions to provide training and development relevant to their needs.

The particular focus areas will include:

- The delivery of learning programmes for both the employed and unemployed
- The increase of Recognition of Prior Learning (RPL) enrolments and completions
- The support of partnership with other organisations, institutions and constituencies on various skills development interventions, and
- The ongoing provision of Career Development Services.

The SETA will also continue to strengthen its research capacity, with a view to further refining the skills planning work that it is mandated to do.

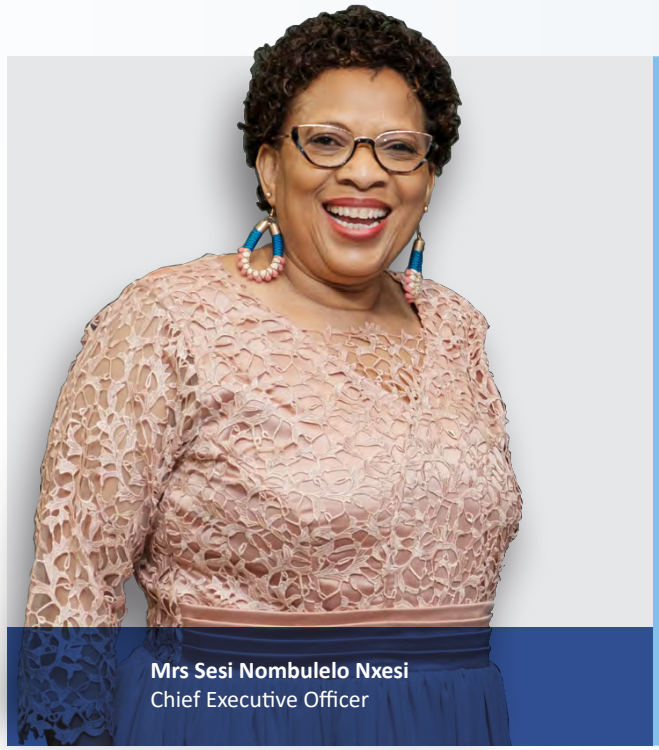
Acknowledgements, appreciation and conclusion

I wish to first acknowledge and thank both the public and private employers for their continued commitment to support and contribute towards skills development in the ETD Sector. The levy contributions are the lifeblood of the SETA and are used in support of education and training.

I would also like to appreciate the contribution of every member of the Accounting Authority, the Chairpersons and members of the Committees and Chambers. I would also like to thank management and staff for the efforts made and encourage them to improve performance and audit outcomes in the following financial year.

Mr Duncan Hindle
Accounting Authority Chairperson
31 July 2024

4. Chief Executive Officer's overview



Mrs Sesi Nombulelo Nxesi
Chief Executive Officer

General financial overview of the organisation

The ETDP SETA programmes and activities are funded through the skills development levies from ETD sectoral organisations, the financial contribution from the Departments of Education and the interest income. Interest income pertains to interest earned on a positive bank balance during the year.

Revenue analysis

The financial outlook for the year under review reflects an overall increase across all sources of revenue. The constituent levy-paying organisations and the Departments of Education continue to be the pillars of financial support to the ETDP SETA and play a pivotal role in ensuring that the mandate of ETDP SETA is achieved.

Levies from employers in the sector account for 58% of the total revenue. The revenue for the 2023/24 financial year increased by R55,7 million (8%) compared to the prior year.

Contributions from the Departments of Education account for 31% of the total revenue and the contributions increased by R17,5 million (4,7%) compared to the prior year.

The Departments of Education continue to provide much needed financial support to the ETDP SETA, as required by the Department of Public Service and Administration (DPSA) Circular No. HRD 1 of 2013. The receipts from some of the provincial departments are, however, below the percentage contribution stipulated in the DPSA circular, thus resulting in less revenue received by the ETDP SETA, compared to the budgeted revenue for the year.

Interest income increased by R56 million (63%) compared to the prior year. This accounts for 11% of the total revenue.

The table below shows the revenue received over the past three financial years:

Revenue items	2023/24 R'000	2022/23 R'000	2021/22 R'000
Levies from levy paying organisations	749 749	690 037	644 415
Departments of Education	392 459	374 952	369 808
Interest income	145 395	89 126	45 403
TOTAL	**1 283 603**	**1 154 115**	**1 059 626**

Spending trends

Expenditure on mandatory grants increased by R4,3 million (3.1%) from the prior year. There was also an improvement in the disbursement of discretionary grants which increased by 15% from the prior year. ETDP SETA, working closely with its stakeholders, continues to engage in ways to fast track implementation of projects, which would in turn improve disbursement of funds. Expenditure on administration expenses was within the approved budget and has increased by 8.9% compared to the prior year. ETDP SETA continues to apply strict cost-containment measures in its business conduct.

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

Expenditure items	2023/24 R'000	2022/23 R'000	2021/22 R'000
Mandatory grants	144 071	139 736	126 529
Discretionary grants	672 891	581 595	486 342
Administration	225 267	206 598	178 808
Quality Council for Trades and Occupations (QCTO) transfers	4 733	4 050	2 686

Capacity constraints and challenges faced by the organisation.

The following capacity constraints were experienced:

- Internal control deficiencies were identified by the internal auditors on performance information reporting.
- The organisation did not operate at a full staff complement, as per the approved organisational structure, due to some vacancies not having been filled timeously. Some of the vacancies were deliberately delayed in order to complete the project to align structure with strategy.

Strategies to address challenges experienced.

Mitigation plans to improve internal controls deficiencies on performance information reporting were developed. The project to align the organisational structure with the organisational strategy is concluded and the plans are in place to ensure timely filling of vacancies to enhance productivity and service delivery.

Discontinued activities/activities to be discontinued

There are no discontinued activities or an intention to discontinue any activities of the ETDP SETA.

New or proposed activities

There were no new or proposed activities.

Request for rollover of funds

The National Treasury approved utilisation of surplus funds of R1.329 billion from the prior financial year to fund commitments from discretionary grants projects, as well as other areas of priority in the sector.

Supply Chain Management processes and systems

ETDP SETA complied with National Treasury Regulation 16A4.1 The Supply Chain Management Unit is operational and effective under the leadership of the Chief Financial Officer. The SETA always strives to ensure adherence with its policies, as well as compliance with all relevant legislative prescripts. In the last financial year, there were no material findings during the AGSA audit on supply chain management processes. ETDP SETA is committed to ensuring the maximum value for its funds.

Concluded unsolicited bids for 2023/24

The organisation did not award any unsolicited bid proposals in the 2023/24 financial year.

Audit report matters from the prior year

For the 2022/23 financial year, the ETDP SETA received a qualified audit outcome on financial statements. The qualification was on the completeness of discretionary grants expenditure and related components. This was resolved in the current financial year.

There were also material misstatements identified in the reported performance information for Programme, which were subsequently corrected.

Plans to address financial challenges

For 2023/24, the SETA obtained an unqualified audit opinion with material adjustments to the financial statements which were subsequently corrected. The ETDP SETA has not experienced serious financial challenges in the year under review, however, there are still few Departments of Education that were not able to pay the full financial contribution, as expected. Continuous engagements with the Departments of Education are taking place and are aimed at ensuring that there is adherence to the payable contribution amounts, that the payments are made and that the expected contributions are made in full and on time.

The slow implementation of the projects resulted in slow disbursement of funds, and this has led to increased financial commitments. The SETA continues to devise strategies that would ensure improvement in the implementation of projects and in turn resulting to improvement in the disbursement of funds.

Events after the reporting date

On 24 July 2024, the Johannesburg Labour Court handed down a judgement on application of the leave to appeal the labour court judgement handed down on 10 January 2024 where the court had ordered the SETA to pay the former employee an amount of R1,5 million as remuneration for the period 01 March 2019 to 30 June 2020. Refer to note 21.3.2 (first bullet) of the annual financial statements. The Judge dismissed the ETDP SETA's application for leave to appeal with costs.

As at the report date, the SETA had filed a petition at the Labour Appeal Court for leave to appeal both the judgments of the Labour Court.

Economic viability

The ETDP SETA remains solvent and liquid with improved viability.

Acknowledgements

I would like to express my gratitude for the support received from the Chairperson of the Accounting Authority, members of the Accounting Authority, the Chairpersons and members of the Accounting Authority Sub-Committees and Chambers.

My sincere gratitude also goes to management and staff for their effort towards the implementation of programmes and the decline in performance achievement is regrettably noted. We will in future ensure that there are appropriate measures in place to improve performance achievement levels.

Appreciation also goes to our partners in the implementation of the programmes and projects, as well as the beneficiaries of the programmes and projects. Our constituencies and stakeholders play a critical role in supporting service delivery.

We continue to receive support from the Ministry of Higher Education, Science and Innovation, the Department of Higher Education and Training, the Department of Basic Education and the Provincial Departments of Education. We greatly appreciate the support received.

Mrs Sesi Nombulelo Nxesi
Chief Executive Officer
31 July 2024

5. Statement of Responsibility & Confirmation of Accuracy of the Annual Report

To the best of my knowledge and belief, I 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 (Standards of GRAP), applicable to the ETDP SETA.

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

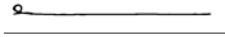
The Accounting Authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The AGSA 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.

Yours sincerely

Mrs Sesi Nombulelo Nxesi
Chief Executive Officer
31 July 2024



Mr Duncan Hindle
Accounting Authority Chairperson
31 July 2024

6. Strategic Overview

Vision

The vision of the ETDP SETA is to be a promoter and facilitator in the development and improvement of the skills profile of the sector's workforce to benefit employers, workers, and employees in the sector.

Mission

The ETDP SETA holds as its mission, the promotion, facilitation, and development of an education, training, and development sector in which:

- the skill levels of employees and workers are raised
- there is a healthy balance between supply and demand in the labour market
- there are diverse, flexible routes for initial and in-service education and training
- a variety of career paths are available
- the quality of education and training provision is improved
- the levy grant scheme is efficiently administered
- there is regular liaison with providers, other SETAs, the Department of Labour, the Department of Education (DoE), the National Skills Authority (NSA) and the South African Qualifications Authority (SAQA) and its structures.
- internal and external communication is effective to advance national human resource and skills development.
- dialogue and interaction between public and private entities in the sector about skills transfer and training delivery is encouraged; and
- employers, workers, and employees in the sector benefit from quality training, higher productivity, and harmonious mutual dependencies.

Values

The ETDP SETA's values include a commitment to:

- transparency and fair conduct
- honesty and integrity
- courteousness and caring
- honouring deadlines
- promoting equity amongst all our stakeholders
- cooperative governance; and
- striving for continuous improvement.

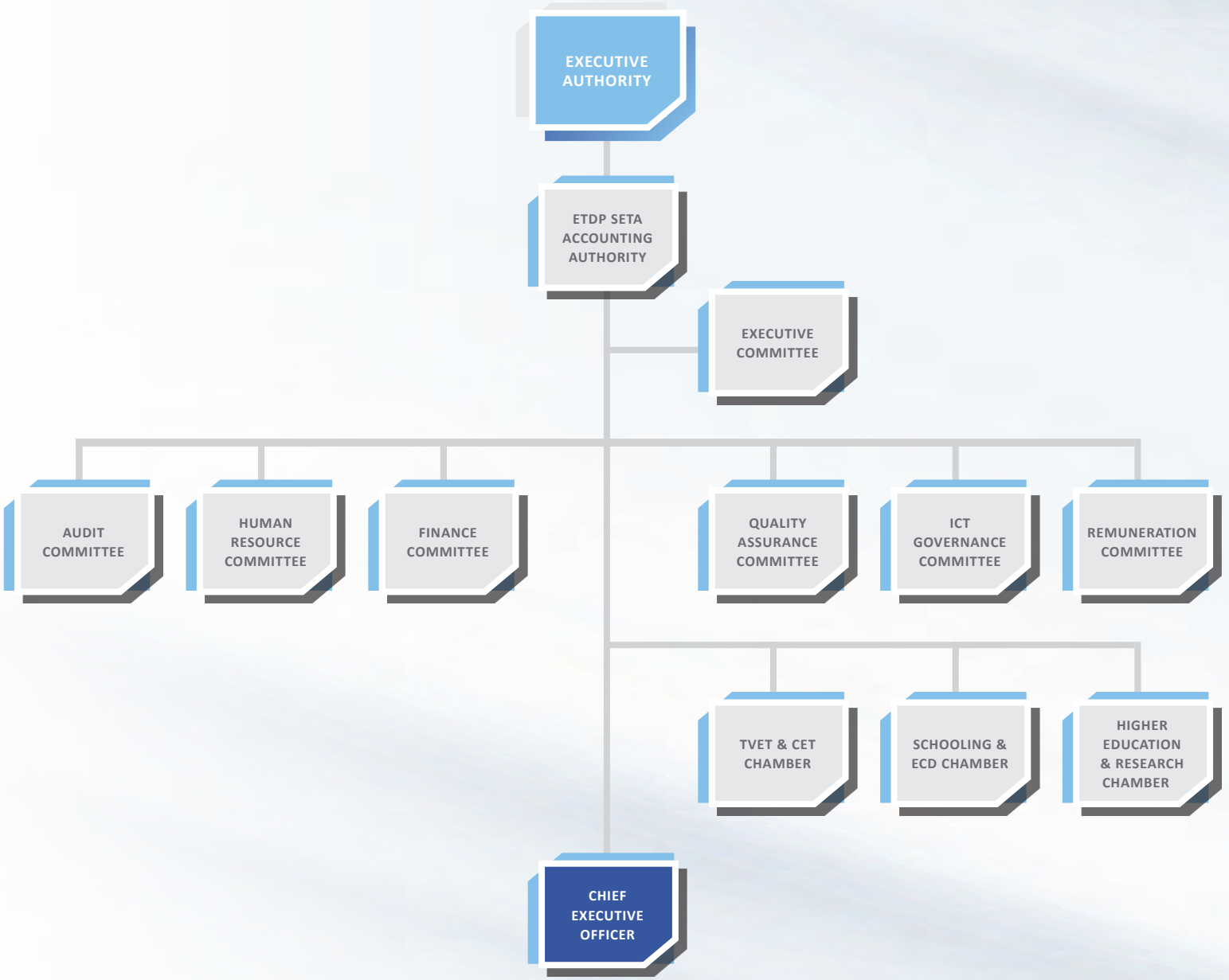
7. Legislative and Other Mandates

The ETDP SETA is a PFMA's schedule 3A entity that derives its establishment and mandate from the Skills Development (Act 97 of 1998). The following are some of the key legislative mandates which guide SETAs in the execution of their mandates:

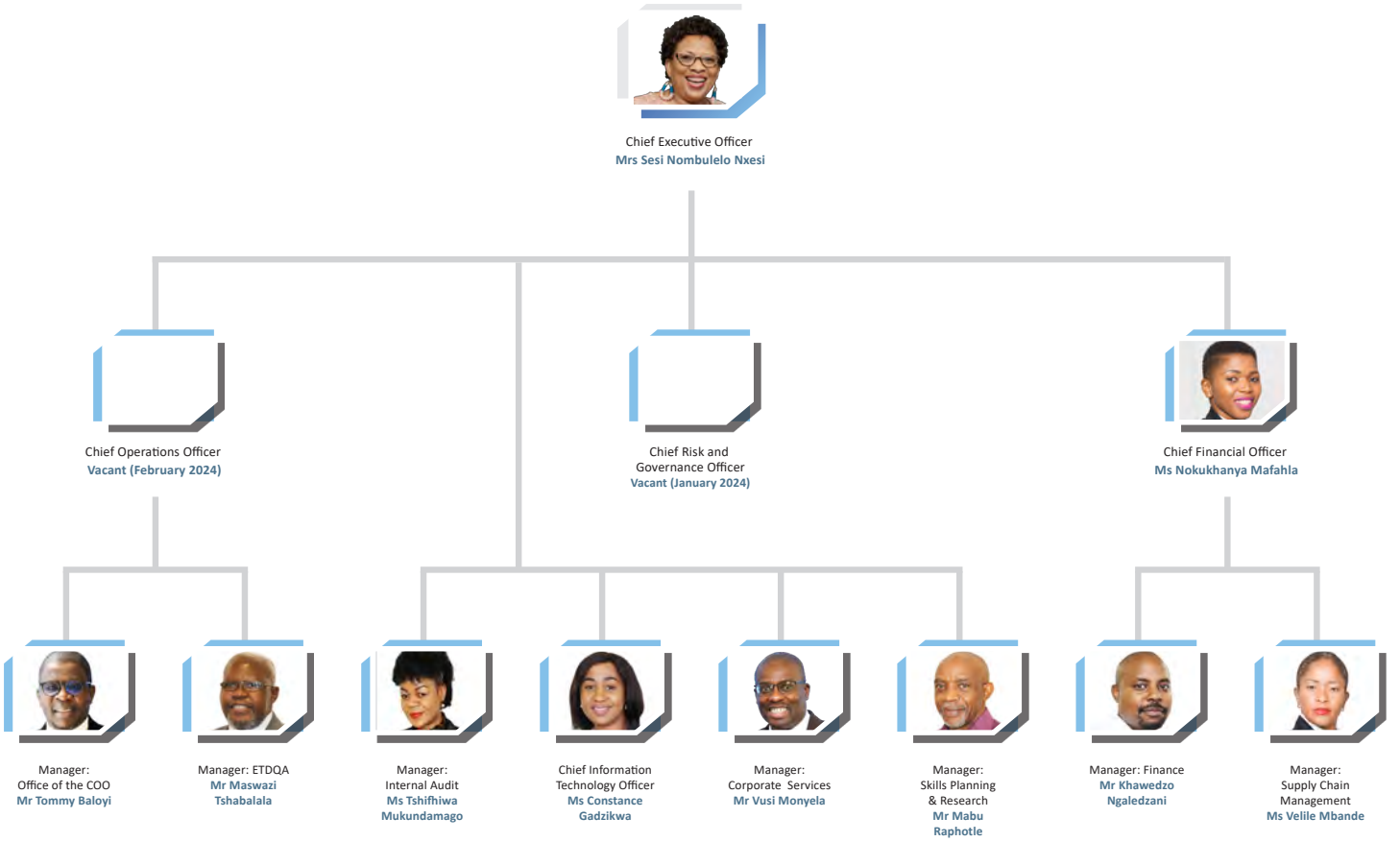
- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Skills Development Levies Act (Act No. 9 of 1999)
- Public Finance Management (Act No. 1 of 1999) as amended
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- National Qualifications Framework (Act No. 67 of 2008)
- Labour Relations Act (Act No. 66 of 1995)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Protection of Personal Information Act (Act No. 4 of 2013)
- Disaster Management Act (Act No. 5 of 2002)

Over and above the above legislative mandates, the ETDP SETA is guided by National and Organisational policies.

8. Organisational Structure: Governance



High Level Management Structure



PART B

Performance Information

9. Auditor-General's Report

Predetermined Objectives

The Auditor-General of South Africa (AGSA) did not identify material findings on the reliability on the reported annual performance report.

Material misstatements were identified in the annual performance report submitted for auditing by 31 May 2024. Management has subsequently corrected the misstatements.

The full AGSA Report is included in pages **121 - 131.**

10. Situational Analysis

Service delivery environment

The ETDP SETA has a mandate to facilitate the implementation of skills development programmes in accordance with the Skills Development Act, Act 97 of 1998 as amended. The implementation of such targets set is outlined in the APP and Service Level Agreement (SLA).

The SETA identified four target-driven programmes to achieve its APP and SLA targets. Of the four, one (i.e. Programme 3) is the largest with 75% (27 out 36) of the APP targets rendering services directly to the public. While the overall SETA performance is 83% in the year under review, Programmes 1 and 4 achieved 100%; while Programmes 2 and 3 recorded an under-achievement of 75% and 81% respectively. The reasons for this under-achievement include weaknesses in the project management and implementation of targets; and lack of capacity in the Operations Division.

Consequently, five targets within Programme 3 were not achieved, namely:

- Number of unemployed learners enrolled in entrepreneurial and digital skills programmes
- Number of unemployed learners who completed Skills programmes
- Number of students granted bursaries who completed their studies
- Number of bursaries awarded to students (Renewals)
- Number of partnerships established with private HEIs

The first five targets are critical interventions targeting young people to contribute to economic growth and job creation.

Towards the end of the 2023/24 financial year, corrective measures were undertaken to mitigate against the above-mentioned challenges. There is notable progress in strengthening the business operations by updating SoPs and recruiting three Regional Managers for project planning for the 2024/25 financial year.

Organisational environment

Previously, there were delays in the filling of vacancies, however mitigation plans were put in place to fill critical positions to enhance productivity and ensure continuity in service delivery. One of the critical vacancies that was filled during the year under review included the appointment of a Manager: Corporate Services on a fixed-term contract. Management is putting in place a strategy to ensure timeous filling of vacancies, especially for the recruitment of Regional Managers.

The organisation did not experience significant resignations in the 2023/24 financial year. However, the organisation lost the COO, who succumbed to a short illness.

Key policy developments and legislative changes

There were no key policy developments and legislative for the year under review.

Progress towards Achievement of Strategic Institutional Impacts and Outcomes

Programme 1

Outcome	Outcome Indicators	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress (As at 31 March 2024)
Capable human capital for improved service delivery	Number of employees and governance structure members trained and professionally capacitated for improved service delivery	-	133	394 (296%) [Staff 358 members and 36 Governance Structure members]
Digitalised business environment for improved performance	Number of automated business processes implemented for improved organisational efficacy by year end	-	15	15 (100%)

- Denote that the outcome indicator is new hence there is no baseline.

Programme 2

NSDP Outcome 1	Outcome Indicators	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress (As at 31 March 2024)
Increased production of Occupations In High Demand	Number of Occupations in High Demand identified and reported through Sector Skills Plans process	20	30	53 (177%)
	Number of research studies conducted to inform skills planning	-	15	15 (100%)
	Percentage of WSPs and ATRs evaluated and feedback provided to employers	1 000	100%*	100%
Effectiveness of implementation of skills programmes and projects	Number of evaluation studies conducted	4	5	3 (60%)

- Denote that the outcome indicator is new hence there is no baseline.

*Denotes that this is non-cumulative target over a five-year period.

Programme 3

NSDP Outcome 2	Outcome Indicators	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress (As at 31 March 2024)
Linking education and the workplace	Number of young persons accessing work-based learning opportunities to enhance employability	15 566	20 205	12 343 (61%)
	Increased number of students receiving financial assistance from the ETDP SETA bursary scheme and/or ETDP SETA funded skills development initiatives	13 837	20 105	5 007 (25%)

NSDP Outcome 3	Outcome Indicators	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress (As at 31 March 2024)
Improving the level of skills in the South African workforce	Increased number of teachers and government officials who are competent in digital skills to facilitate digital learning, e-learning, blended learning and other new digital skills transfer to learners	48 700	51 844	19 586 (38%)
	Constituent organisations supported, through skills development, to enhance employees' capabilities on digital skills	-	14	44 (314%)
NSDP Outcome 5				
Support the growth of the public college system	CET Colleges funded to implement digital learning platforms	-	9	9 (100%)
	Increased number of TVET and CET College lecturers, managers, practitioners, and council members trained in specialised fields and lecturers exposed to relevant industries	4 039	5 000	257 (5%)
NSDP Outcome 6				
Skills development support for entrepreneurship and cooperative development	Increased number of emerging cooperatives especially in rural areas to acquire the new skills required in the 4IR	42	100	45 (45%)
NSDP Outcome 7				
Encourage and support worker-initiated training	Increased number of worker-initiated training supported	-	10	7 (70%)

NSDP Outcome 8	Outcome Indicators	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress (As at 31 March 2024)
Support career development services	Career Development Services: Increase in the number of career development practitioners trained	-	300	405 (135%)

- Denote that the outcome indicator is new hence there is no baseline.

Programme 4

NSDP Outcome 4	Outcome Indicators	Baseline (2015-2020)	Five Year Target (2020-2025)	Progress (As at 31 March 2024)
Increase access to occupationally directed programmes	Occupational qualifications that promote Occupations in High Demand to increase employability are developed	8	17	11 (65%)
	Accredited quality learning programmes for priority skills in the sector are offered through various modes of learning programme delivery	2 301	1 549	1 916 (124%)
	Increase in the number of work-integrated learning sites promoted and supported for Occupations in High Demand to increase employability	10	300	125 (42%)

11. Institutional Programme: Performance Information

Programme 1: Administration

Purpose

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

Sub-programmes

The following are the three sub-programmes:

- Human Resources: The purpose of the sub-programme is to ensure the recruitment of capable human capital and their continuous development to enhance organisational performance.
- Governance and Risk Management: The purpose of the sub-programme is to ensure good corporate governance and strengthen internal controls.
- Information Communication Technology: The purpose of the sub-programme is to provide information technology capability for the efficient running of core business processes of the ETDP SETA in a manner that increases value, enhances quality, and improves productivity.

Outcomes

- Capable human capital for improved service delivery
- Digitalised business environment for improved performance

Actual Achievements

There were two targets for the financial year, and both were achieved, translating to 100% achievement.

- 1 (a) Number of employees trained and professionally capacitated for improved service delivery.
- 1 (b) Number of automated business processes implemented for improved organisational efficacy by end of the financial year.

The following four business processes were automated:

Grants and levies

The process seeks to automate the management of skills development levies and facilitate smooth processing of mandatory grants. It enables generation of levy reports and processing of mandatory grants payments and provides easy access to mandatory grants information to Skills Development Facilitators (SDFs).

Quality Assurance – Provider Accreditation

As part of the ETDP SETA Information Management System, Quality Assurance processes have been automated. Provider Accreditation provides a platform where accreditation processes are handled electronically, including issuance of accreditation letters and the linking of assessors and moderators to providers, thereby speeding up processing of applications and enabling training providers to track their applications.

Document and Records Management

The ETDP SETA implemented Microsoft SharePoint. SharePoint is a document management and collaboration platform, which enables the organisation to manage documents, records, reports, and other content that are vital to the business. Through SharePoint, the ETDP SETA was able to implement its File Plan, Document Retentions and Classifications for effective document and records management and enable compliance with regulations such as POPIA Act of 2013.

Corporate LAN Advertising (CLA)

To ensure effective communication, the ETDP SETA implemented a CLA system. CLA provides effective branding, effective engagement capabilities and a central administrative platform where communication can be issued to all ETDP SETA staff regardless of their location through corporate screensavers, desktop background images, and lock screen visuals. It enables easy disseminating of information such as newsletters, corporate announcements, and marketing materials, which is crucial for effective communication in an organisation.

Programme 1: Outcomes, Outputs, Output indicators, Targets and Actual Achievements

Programme 1: Administration								
Outcome	Output	Output indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Trained employees and governance structure members for professional development	70[1] trained employees and governance structure members	Number of employees trained and professionally capacitated for improved service delivery.	94	163	70	86	+16	Additional staff members joined training on Risk and Contract hence the variance of +16
Digitalised Business environment for improved performance	Digital transformation strategy in place and implemented	Number of automated business processes implemented for improved organisational efficacy by year end	6	5	4	4	-	-

Linking Performance with Budgets

Sub-programme	Budget (2022/23)	Actual expenditure (2022/23)	(Over)/ Under-expenditure (2022/23)	Budget (2023/24)	Actual expenditure (2023/24)	(Over)/ Under-expenditure (2023/24)
	R'000	R'000	R'000	R'000	R'000	R'000
Human Resources	3 435	2 572	863	2 939	1 294	1 645
Information Communication Technology	15 916	12 855	3 061	11 710	8 315	3 395
Governance and Risk	-	-	-	-	-	-
Total:	**19 351**	**15 427**	**3 924**	**14 649**	**9 609**	**5 040**

Strategy to Overcome Areas of Underperformance

None

Programme 2: Research and Skills Planning

Purpose

The purpose of this programme is to obtain accurate information on the supply of and demand for skills in the labour market to address current and future skills gaps in the ETD sector.

Sub-programmes

This programme has three sub-programmes:

- Research: This sub-programme aims to coordinate research projects for the skills planning process to identify interventions required by the ETD sector.
- Workplace Skills Plans and Annual Training Reports: This sub-programme aims to facilitate the submission and evaluation of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) to inform the Sector Skills Plan.
- Performance Monitoring, Evaluation and Reporting: The purpose of this sub-programme is to monitor organisational performance to ensure alignment between planning and implementation, detect deviations and slack in the implementation and ensure that corrective measures are in place. Coordination of the evaluation studies, as well as ensuring accurate performance reporting.

Outcomes

- NSDP Outcomes
- Increased production of Occupations in High Demand.
- Effectiveness of implementation of skills programmes and projects

Actual Achievements

There were four targets for the financial year, and three were achieved, translating to 75% achievement.

2(a) Number of Occupations in High Demand identified and reported through Sector Skills Plans process.

- The final submission of 2024 – 2025 Sector Skills Plan (SSP) was made to DHET on 1 August 2023.
- This SSP process has identified a list of 10 Occupations in High Demand (OIHD), which correlates with the published national list for 2020 OIHD (See below table):

2021-233107 FET Phase School Teacher Grades 10-12 2021-234102 Intermediate Phase School Teacher Grades 4-6 2021-234201 Early Childhood Development Practitioner 2021-235201 Special Needs Teacher 2021-122301 Research and Development Manager	2021-233108 Senior Phase School Teacher Grades 7- 9 2021-134501 School Principal 2021-231101 University Lecturer 2021-232130 TVET Educator 2021-121202- Business Training Manager

2(b) Number of research studies conducted to inform skills planning.

The following indicates the achievement of this target using the reports from the Research Chairs projects:

- Early Childhood Development (ECD) Research Chair by NWU: This is a 5-year project, which started in 2021. The final report of Phase 3 on "The ECD function shift and its Implications for Skills Planning" has been concluded.
- "Building a resilient skills ecosystem" by HSRC: This is a 3-year project started in 2021. The two final reports of Phase 3 have been concluded and produced:
    - Situational Analysis Report on the Forward Path of Education and Training considering the Pandemic and 4IR/5IR Shifts in the Schooling subsector.
    - Situational Analysis Report on the Forward Path of Education and Training considering the Pandemic and 4IR/5IR Shifts in the Higher Education subsector.
- Work Integrated Learning (WIL) Research Chair by CPUT: This is a 5-year project, which started in 2021. A final report of Phase 3 report on "Barriers that prevent 10 selected TVET Colleges to conduct the 5 WIL elements effectively and efficiently" has been concluded.

2(c) Percentage of WSPs and ATRs evaluated, and feedback provided to employers: 100%

- The submission process was concluded on 31 May 2023. There were 1135 submissions received on the closing date. The evaluation process was concluded on 31 August 2023. The feedback was provided to all the employers who submitted their WSPRs.
- The analysis shows the following with regards to employer sizes and SLA:

Table 2: WSPR Process

Number of WSPRs Submissions and Evaluation Results				
Employer Sizes	SLA Targets	Number of Submissions	Evaluation Results	
			Approved	Rejected
Small	685	651	649	02
Medium	293	299	298	01
Large	172	185	184	01
Total	**1 150**	**1 135**	**1 131**	**04**

2(d) Number of evaluation studies conducted: 1

The target was not achieved.

Programme 2: Outcomes, Outputs, Output indicators, Targets and Actual achievements

Programme 2: Research and skills planning								
Outcome	Output	Output indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Increased production of Occupations In High Demand	Occupations In High Demand identified to inform future skills development initiatives	2 (a) Number of Occupations In High Demand identified and reported through Sector Skills Plans process	14	14	10	10	-	-
	Research conducted to inform skills planning	2 (b) Number of research studies conducted to inform skills planning	4	4	4	4	-	-
	100% WSPs and ATRs received and evaluated	2 (c) Percentage of WSPs and ATRs evaluated and feedback provided to employers	1 150	100%	100%	100%	-	-
Effectiveness of implementation of skills programmes and projects	Evaluation report on studies conducted with recommendations for areas of improvements	2 (d) Number of evaluation studies conducted	1	1	1	0	-1	The target has not been met, as the tender was cancelled due technical errors on the ToR

Linking Performance with Budgets

Sub-programme	Budget (2022/23)	Actual expenditure (2022/23)	(Over)/ Under-expenditure (2022/23)	Budget (2023/24)	Actual expenditure (2023/24)	(Over)/ Under-expenditure (2023/24)
	R'000	R'000	R'000	R'000	R'000	R'000
Sector Skills Plan	-	-	-	-	-	-
Research	8 562	8 562	-	17 332	16 460	872
Workplace Skills Plans and Annual Training Reports	-	-	-	-	-	-
Performance Monitoring, Evaluation and Reporting	4 124	419	3 705	3 000	-	-
Total	**12 686**	**8 981**	**3 705**	**20 332**	**16 460**	**872**

Strategy to overcome areas of underperformance

OI#	Output Indicator	Strategy to Overcome Areas of Under-performance			
		What is to be done?	How?	By When?	Responsible Official
2(d)	Number of evaluation studies conducted	Timeous development of the ToR	Subject the ToR to M&E technical experts for best practice	September 2024	Monitoring and Evaluation Unit

Programme 3: Learning Programmes and Projects

Purpose

The purpose of the programme is to facilitate skills development programmes and projects to both the employed and the unemployed people in the sector to enhance occupational mobility, organisational productivity for the employed people and graduation and employment rates (including self- employment) for the unemployed people.

Sub-programmes

This programme has five sub-programmes:

- Implementation of learning programmes as per NSDP outcomes (for both employed and unemployed): The purpose of this sub-programme is to facilitate skills development programmes for both employed and unemployed people in the ETD Sector.
- Recognition of Prior Learning (RPL) enrolments: The purpose of this sub-programme is to enrol candidates in Recognition of Prior Learning programme to fast track the award of qualifications.
- Recognition of Prior Learning (RPL) completions: The purpose of this sub-programme is to fast track the award of qualifications through Recognition of Prior Learning processes.
- Partnership projects: The purpose of this sub-programme is to collaborate with other organisations, institutions and constituencies on various skills development interventions for a better impact.
- Career development services: The purpose of this sub-programme is to support career development services.

Outcomes

The following NSDP outcomes are incorporated into programme 3:

- Outcome 2: Linking education and the workplace.
- Outcome 3: Improving the level of skills in the South African workforce.
- Outcome 5: Supporting the growth of the public college system.
- Outcome 6: Supporting skills development for entrepreneurship and cooperative development.
- Outcome 7: Encouraging and supporting worker-initiated training; and
- Outcome 8: Supporting career development services

Actual Achievements

The programme had 27 targets and 22 were achieved, translating to 81% achievement. Five targets, relating to enrolments of the unemployed in entrepreneurial and digital skills programmes; unemployed learners who completed skills programmes; students granted bursaries who completed their studies; bursary renewals and partnerships with private HEIs respectively, were not achieved.

The delays in the allocation of targets to some constituencies, as Discretionary Grant SoPs were not yet finalised, and late implementation of training by constituencies, resulted in many projects being implemented late in Quarter 4.

The under-achieved KPIs are as follows:

- Number of unemployed learners enrolled in entrepreneurial and digital skills programmes
- Number of unemployed learners completed Skills programmes
- Number of students granted bursaries completed their studies
- Number of bursaries awarded to students (Renewals)
- Number of partnerships established with private HEIs

Programme 3: Outcomes, Outputs, Output Indicators and Actual Achievements

Originally tabled APP (April 2023)									
Programme 3: Learning programmes and projects									
NSDP Outcome 2	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	*Actual Achievement (2023/24) until date of re-tabling	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Linking education and the workplace	800 unemployed learners placed in internships programmes to acquire workplace experience and exposure	3.5 Number of unemployed learners placed in internships programmes to acquire workplace experience and exposure	865	1 505	800	703	-97	Delays in the placement of 97 outstanding interns	The revision of annual targets and budget for these three (3) APP Output Indicators done after the approval of the ETDP SETA's business case to retain allocated funds by the National Treasury and the approval of the amended APP by the Minister in line with the DPME's Circular 4 of 2023. This circular encouraged national and provincial institutions; including SETAs to revise their 2023/24 APP to contribute towards the achievement of national priorities of the 6th Administration as reflected in the performance agreements of the respective Ministers and Presidency.
	1 000 unemployed learners enrolled in entrepreneurial and digital skills programmes	3.7 Number of unemployed learners enrolled in entrepreneurial and digital skills programmes	1 127	150	1 000	0	-1 000	Late implementation of the programme resulted in no achievement which was due in Q1 and Q2	
	1 000 bursaries awarded to the students (Renewals)	3.12 Number of bursaries awarded to students (Renewals)	524	220	1 000	0	-1 000	Achievement not due for reporting as at the date of re-tabling	

Re-tabled APP (January 2024)								
Programme 3: Learning programmes and projects								
NSDP Outcome 2	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Linking education and the workplace	1 300 TVET students requiring work-integrated learning to complete their qualifications placed in workplaces	3.1 Number of TVET students requiring work-integrated learning to complete their qualifications placed in workplaces	509	1 303	1 300	1 307	+7	The over-achievement is attributed to terminations and replacements
	750 University students requiring work- integrated learning to complete their qualifications placed in workplaces	3.2 Number of University students requiring work-integrated learning to complete their qualifications placed in workplaces	-	636	750	755	+5	The over-achievement is attributed to some programmes that had shorter duration resulting in more students participating in the programme

Re-tabled APP (January 2024)								
Programme 3: Learning programmes and projects								
NSDP Outcome 2	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Linking education and the workplace	910 TVET college students completed their work-integrated learning placements	3.3 Number of TVET college students completed their work-integrated learning placements	223	356	910	1 036	+126	The over-achievement is attributed to more students than the projected 70% of the students placed in the prior year completed their work-integrated learning placements
	525 University students completed their work-integrated learning placements	3.4 Number of University students completed their work-integrated learning placements	-	-	525	702	+177	The over-achievement is attributed to more students than the projected 70% of students placed completed their work-integrated learning placements
	956 unemployed learners placed in internships programmes to acquire workplace experience and exposure	3.5 Number of unemployed learners placed in internships programmes to acquire workplace experience and exposure	865	1 505	956	967	+11	This over-achievement is attributed to high demand for internships

Re-tabled APP (January 2024)								
Programme 3: Learning programmes and projects								
NSDP Outcome 2	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Linking education and the workplace	220 unemployed learners completed Internships programmes	3.6 Number of unemployed learners completed Internships programmes	1 343	591	220	495	+275	The over-achievement is attributed to internships completions that were funded from the partnerships related APP output indicators placed in the prior years
	2 000 unemployed learners enrolled in entrepreneurial and digital skills programmes	3.7 Number of unemployed learners enrolled in entrepreneurial and digital skills programmes	1 127	150	2 000	1 070	-930	Late implementation of the programme resulted in under-achievement
	700 unemployed learners completed Skills programmes	3.8 Number of unemployed learners completed Skills programmes	1 466	991	700	385	-315	The under-achievement on skills programme training for the unemployed persons in 2022/23 led to the underachievement on completions of the same training programme

Re-tabled APP (January 2024)								
Programme 3: Learning programmes and projects								
NSDP Outcome 2	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Linking education and the workplace	500 unemployed learners enrolled in relevant learnerships programmes	3.9 Number of unemployed learners enrolled in relevant learnerships programmes	-	200	500	503	+3	This over-achievement is attributed to terminations and replacements
	800 Bursaries awarded to students for high and intermediate level skills required by the ETD sector (New Intake)	3.10 Number of bursaries awarded to the students for high and intermediate level skills required by the ETD sector (New Intake)	1 258	622	800	861	+61	The over-achievement is attributed to more students with lower qualifications levels which cost less awarded bursaries within the allocated budget
	300 students granted bursaries completed their studies	3.11 Number of students granted bursaries completed their studies	233	291	300	122	-178	Dropouts and students opting for other sources of funding
	1 300 bursaries awarded to the students (Renewals)	3.12 Number of bursaries awarded to students (Renewals)	524	220	1 300	344	-956	At the time of reporting, fewer applications for renewals than expected were received

Re-tabled APP (January 2024)								
Programme 3: Learning programmes and projects								
NSDP Outcome 2	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Linking education and the workplace	500 people with disabilities enrolled in skills programmes	3.13 Number of people with disabilities enrolled in skills programmes	250	250	500	513	+13	This over-achievement is attributed to high demand for relevant skills programmes for PWDs
Improving the level of skills in the South African workforce	10 DBE and other Department Skills Development Projects implemented	3.14 Number of DBE and other Departments Skills Development Partnership Projects in place	12	10	10	10	-	None
	450 workers from constituent employers enrolled in skills programmes	3.15 Number of workers from constituent employers enrolled in skills programmes	-	587	450	727	+277	More workers than projected were enrolled in skills programmes due to demand within the allocated budget
	500 workers from constituent employers granted Bursaries (New Entries)	3.16 Number of workers from constituent employers granted Bursaries (New Entries)	-	1 295	500	568	+68	More workers than projected were awarded bursaries due to demand within the allocated budget
	280 workers completed skills programmes	3.17 Number of workers completed skills programmes	5 173	8 426	280	2 915	+2 635	The over-achievement is attributed to completions that were funded from the partnerships related APP output indicators placed from the prior year

Re-tabled APP (January 2024)								
Programme 3: Learning programmes and projects								
NSDP Outcome 3	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Improving the level of skills in the South African workforce	400 candidates enrolled in RPL programme	3.18 Number of candidates enrolled in RPL programme	200	250	400	680	+280	More candidates than projected completed the programme due to demand within the allocated budget
	175 candidates completed RPL programme	3.19 Number of candidates completed RPL programme	166	185	175	178	+3	This over-achievement is attributed to more students than the projected 70% of the prior year enrolments completed their RPL programme
	26 partnerships established with public HEIs	3.20 Number of partnerships established with public HEIs	26	26	26	26	-	None
	20 partnerships established with private HEIs	3.21 Number of partnerships established with private HEIs	23	21	20	16	-4	Four private HEIs were not registered with DHET

Re-tabled APP (January 2024)								
Programme 3: Learning programmes and projects								
NSDP Outcome 5	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Support the growth of the public college system	50 TVET partnerships established	3.22 Number of TVET partnerships established	50	50	50	50	-	None
	45 CET college lecturers trained in the use digital learning platforms	3.23 Number of CET college lecturers trained in the use of digital learning platforms	-	-	45	46	+1	One more lecturer participated in the programme within the allocated budget
NSDP Outcome 6								
Skills development support for entrepreneurship and cooperative development	15 CBOs/ NGOs/ NPOs supported with training interventions	3.24 Number of CBOs/ NGOs/ NPOs supported with training interventions	15	9	15	15	-	None
	15 cooperatives supported with training interventions	3.25 Number of cooperatives supported with training interventions	20	10	15	15	-	None

Re-tabled APP (January 2024)								
Programme 3: Learning programmes and projects								
NSDP Outcome 7	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Encourage and support worker-initiated training	3 worker-initiated training programmes supported	3.26 Number of worker-initiated training programmes supported	-	3	3	4	+1	One worker-initiated training programme was implemented within the allocated budget
NSDP Outcome 8								
Support career development services	140 Career development practitioners trained	3.27 Number of career development practitioners trained	50	50	140	280	+140	The programme was split into full qualifications and skills programme to enable the learners to complete within the same reporting period due to demand

Changes to planned targets

2023/24 Originally tabled APP (March/April 2023)			2023/24 Re-tabled APP (January 2024)			
OI#	Output Indicator (OI) Title	Target	OI#	Output Indicator (OI) Title	Target	Comment
3.5	Number of unemployed learners placed in internships programmes to acquire workplace experience and exposure	800	3.5	Number of unemployed learners placed in internships programmes to acquire workplace experience and exposure	956	The revision of annual targets and budget for these three (3) APP Output Indicators was done after the approval of the ETDP SETA's business case to retain allocated funds by the National Treasury and the approval of the amended APP by the Minister
3.7	Number of unemployed learners enrolled in entrepreneurial and digital skills programmes	1 000	3.5	Number of unemployed learners enrolled in entrepreneurial and digital skills programmes	2 000	
3.12	Number of bursaries awarded to students (Renewals)	1 000	3.5	Number of bursaries awarded to students (Renewals)	1 300	

Linking Performance with Budgets

Sub-programme	Budget (2022/23)	Actual expenditure (2022/23)	(Over)/ Under-expenditure (2022/23)	Budget (2023/24)	Actual expenditure (2023/24)	(Over)/ Under-expenditure (2023/24)
	R'000	R'000	R'000	R'000	R'000	R'000
Implementation of learning programmes, as per NSDP outcomes:						
Employed Learning programmes	73 000	12 976	60 024	44 200	12 373	31 827
Unemployed Learning programmes and student programmes	401 750	124 619	277 131	672 133	147 477	524 656
CBOs/NGOs/NPOs Partnership Projects	1 000	604	396	1 501	279	1 222
TVET and CET Colleges Partnership Projects	12 700	4 677	8 023	11 350	6 441	4 909
Public HEIs Partnership Projects	50 151	6 971	43 180	54 321	14 574	39 747
Private HEIs Partnership Projects	15 017	2 910	12 107	13 000	4 347	8 653
DBE and other departments' Partnership Projects	166 750	36 918	129 832	172 032	37 558	134 474
Cooperatives	5 019	286	4 733	4 888	115	4 773
Grand Total (DG)	725 387	189 961	535 426	973 425	223 165	750 261

Strategy to overcome areas of underperformance

OI#	Output Indicator		Strategy to Overcome Areas of Under-performance			
		Why	What is to be done?	How?	By When?	Responsible Official
3.7	Number of unemployed learners enrolled in entrepreneurial and digital skills programmes	Late implementation results in under-achievement at the end of the financial year	Timeous recruitment of service providers to ensure timeous implementation of projects	Adhere to the procurement plan	30 June 2024	
3.8	Number of unemployed learners completed skills programmes	Late implementation results in under-achievement for completions at the end of the financial year	Timeous recruitment of service providers to ensure timeous implementation of projects	Effective monitoring of implemented projects	31 Dec 2024	Operations Division led by the Regional Managers
3.11	Number of students granted bursaries completed their studies	Inadequate monitoring of the projects during the year	Put proper mechanism for monitoring of projects	Effective monitoring of implemented projects	31 March 2024	Monitoring and Evaluation, as well as the Research Units
3.12	Number of bursaries awarded to students (Renewals)	Inadequate monitoring of the projects during the year	Put proper mechanism for monitoring of projects	Effective monitoring of implemented projects	31 March 2024	Monitoring and Evaluation, as well as the Research Units
3.21	Number of partnerships established with private HEIs	Some privates HEIs did not meet the DHET registration requirements	An audit of registered private HEIs, which pay levies and submit WSPs, should be conducted to set the right target in future	Conduct an audit of DHET registered private HEIs	31 June 2024	WSP Management Unit and Operations Division

Programme 4: Quality Assurance

Purpose

The purpose of this programme is to ensure quality provisioning of occupationally directed programmes for Occupations in High Demand.

Sub-programmes

The programme has five sub-programmes:

- Qualification development: The purpose of this sub-programme is to develop quality occupational qualifications, which are responsive to Occupations in High Demand.
- Learning programme evaluation: The purpose of this sub-programme is to ensure quality provisioning of learning programmes delivered through various modes of delivery approaches.
- Workplace learning site approval: The purpose of this sub-programme is to create an enabling environment for the implementation of workplace learning opportunities for Occupations in High Demand.

Outcomes

Increase access to occupationally directed programmes.

Actual Achievements

Qualification Development: Four occupational qualifications, which aim to increase the absorption of employees in the labour market for Occupations In

High Demand, were developed. The details of these occupational qualifications are as follows:

- Occupational Qualification: Labour Market Analyst
- Occupational Qualification: Records and Archives Practitioner
- Occupational Qualification: Teacher's Aide (Blind and Partially Sighted Learners)
- Occupational Qualifications: Teacher Aide (Inclusive Education)

Learning Programme Evaluation: Four hundred and thirty-eight learning programmes from various skills development providers were evaluated to increase the number of accredited learning programmes that will support the delivery of learnerships and skills programmes.

Workplace learning site approval: One hundred workplace learning sites were approved to ensure that they are conducive for structured work experience programmes that will provide opportunities for the students to acquire on-the-job experience.

Programme 4: Outcomes, Outputs, Output Indicators and Actual Achievements

Programme 4: Quality Assurance								
Outcome	Output	Output Indicator (OI)	Audited Actual Achievement (2021/22)	Audited Actual Achievement (2022/23)	Planned Annual Target (2023/24)	Actual Achievement (2023/24)	Deviation from planned Target to Actual Achievement (2023/24)	Reasons for deviations
Increase access to occupationally directed programmes	4 occupational qualifications promoting Occupations in High Demand are developed	4.1 Number of occupational qualifications promoting Occupations in High Demand are developed	3	4	4	4	-	None
	400 learning programmes evaluated	4.2 Number of learning programmes evaluated	740	738	400	438	+38	More applications were received and evaluated within allocated budget.
	100 work integrated learning sites for Occupations in High Demand are approved	4.3 Number of work integrated learning sites for Occupations in High Demand are approved	10	15	100	100	-	None

Linking Performance with Budgets

Output Indicators	2022 - 2023			2023 - 2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Number of occupational qualifications promoting Occupations in High Demand are developed	1 600	920	680	2 138	1 238	900
Number of learning programme evaluated	2 361	2 361	-	1 318	1 318	-
Number of work integrated learning sites for Occupations in High Demand are approved	500	391	109	656	-	656
Total	**4 461**	**3 672**	**789**	**4 112**	**2 556**	**1 556**

Strategies to overcome areas of underperformance

None.

Summary of ETDP SETA's Performance Against Service Level Agreement signed with DHET

ETDP SETA Performance Against the 2023/24 Service Level Agreement (Q1 - Q4)											
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	2023-24 SLA ANNUAL TARGETS	TOTAL ACHIEVED (Q1)	TOTAL ACHIEVED (Q2)	TOTAL ACHIEVED (Q3)	TOTAL ACHIEVED (Q4)	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE	2023/24 APP OUTPUT INDICATOR #
1. Identify and increase production of Occupations in High Demand	1.1 National enrolment and resource ratios for high level skills	Percentage of discretionary grant budget allocated at developing high level skills	77%	77%			0%	77%	100%	0%	3.2, 3.5 (a), 3.5 (d) & 3.5 (e), 3.10, 3.12, 3.14, 3.15, 3.18, 3.120, 3.21 & 3.22
	1.2 National enrolment and resource ratios for intermediate level skills.	Percentage of discretionary grant budget allocated at developing intermediate level skills	23%	23%			0%	23%	100%	0%	3.1, 3.5 (b), 3.5(c), 3.7, 3.9,.3.13, 3.23, 3.24 & 3.25
		Percentage of discretionary grant budget allocated at developing elementary level skills	-	-	-	-	-	-	-	-	-
	1.4 Identification of interventions required to improve enrolment and completion of priority occupations:	Number of WSPs and ATRs approved for Small firms	685	0	648	0	0	648	95%	-37	2 (c)
		Number of WSPs and ATRs approved for Medium firms	293	0	298	0	0	298	102%	5	2 (c)
		Number of WSPs and ATRs approved for Large firms	172	0	184	0	0	184	107%	12	2 (c)

ETDP SETA Performance Against the 2023/24 Service Level Agreement (Q1 - Q4)											
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	2023-24 SLA ANNUAL TARGETS	TOTAL ACHIEVED (Q1)	TOTAL ACHIEVED (Q2)	TOTAL ACHIEVED (Q3)	TOTAL ACHIEVED (Q4)	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE	2023/24 APP OUTPUT INDICATOR #
1. Identify and increase production of Occupations in High Demand	1.4 Identification of interventions required to improve enrolment and completion of priority occupations:	Number of sector research agreements signed for TVET growth occupationally directed programmes	1	0	0	0	1	1	100%	0	2 (b)
		Number of learners who completed workplace based learning programmes absorbed into employment or self-employment	-	-	-	-	-	-	-	-	-
		Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	-	-	-	-	-	-	-	-	-
		Number of small and emerging enterprises trained on sector and national identified priority occupations or skills.	-	-	-	-	-	-	-	-	-
		Number of people trained on entrepreneurship supported to start their business.	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2023/24 Service Level Agreement (Q1 - Q4)											
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	2023-24 SLA ANNUAL TARGETS	TOTAL ACHIEVED (Q1)	TOTAL ACHIEVED (Q2)	TOTAL ACHIEVED (Q3)	TOTAL ACHIEVED (Q4)	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE	2023/24 APP OUTPUT INDICATOR #
2. Linking education and the workplace	2.1: Opening of workplace based learning opportunities increased	Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	1,300	974	269	52	12	1,307	101%	7	3.1
		Number of TVET students completed their work integrated learning placements.	910	0	27	388	843	1258	138%	348	3.3
		Number of universities students requiring work integrated learning to complete their qualifications placed in workplaces	750	0	703	2	50	755	101%	5	3.2
		Number of university students completed their Work Integrated Learning placements	525	0	458	233	11	702	134%	177	3.4
		Number of unemployed learners enrolled Internships	956	415	242	187	482	1,326	139%	370	3.5
		Number of unemployed learners completed Internship	220	157	117	131	155	560	255%	340	3.6
		Number of unemployed learners enrolled in Skills programmes	2,000	0	0	0	1583	1,583	79%	-417	3.7

ETDP SETA Performance Against the 2023/24 Service Level Agreement (Q1 - Q4)											
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	2023-24 SLA ANNUAL TARGETS	TOTAL ACHIEVED (Q1)	TOTAL ACHIEVED (Q2)	TOTAL ACHIEVED (Q3)	TOTAL ACHIEVED (Q4)	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE	2023/24 APP OUTPUT INDICATOR #
2. Linking education and the workplace	2.1: Opening of workplace based learning opportunities increased	Number of unemployed learners completed Skills programmes	700	86	0	137	302	525	75%	-175	3.8
		Number of unemployed learners enrolled in Learnerships programmes	500	0	0	259	245	504	101%	4	3.9
		Number of unemployed learners completed Learnerships programmes	-	-	-	-	-	-	-	-	-
		Number of unemployed learners enrolled for Candidacy programmes	-	-	-	-	-	-	-	-	-
		Number of unemployed learners completed Candidacy programmes	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2023/24 Service Level Agreement (Q1 - Q4)											
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	2023-24 SLA ANNUAL TARGETS	TOTAL ACHIEVED (Q1)	TOTAL ACHIEVED (Q2)	TOTAL ACHIEVED (Q3)	TOTAL ACHIEVED (Q4)	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE	2023/24 APP OUTPUT INDICATOR #
3. Improving the level of skills in the South African workforce	3.1: To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy.	Number of workers enrolled in learnerships	-	-	-	-	-	-	-	-	-
		Number of workers completed learnerships	-	0	419	0	0	419			-
		Number of workers granted Bursaries (New Entries)	500	0	0	68	1,122	1,190	238%	690	3.16
		Number of workers granted Bursaries (Continuing)	-					-	-	-	-
		Number of workers granted Bursaries completed their studies	-					-	-	-	-
		Number of workers enrolled in Skills programmes	450	0	128	677	2889	3694	821%	3244	3.15
		Number of workers completed Skills programmes	280	171	1,223	1032	489	2915	1041%	2635	3.17
		Number of workers enrolled AET programmes	-	-	-	-	-	-	-	-	-
		Number of workers completed AET programmes	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2023/24 Service Level Agreement (Q1 - Q4)											
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	2023-24 SLA ANNUAL TARGETS	TOTAL ACHIEVED (Q1)	TOTAL ACHIEVED (Q2)	TOTAL ACHIEVED (Q3)	TOTAL ACHIEVED (Q4)	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE	2023/24 APP OUTPUT INDICATOR #
4. Increase access to occupationally directed programmes	4.2: Increase access for Intermediate and high level skills	Number of artisan learners enrolled	-	-	-	-	-	-	-	-	-
		Number of artisan learners completed	-	-	-	-	-	-	-	-	-
		Number of unemployed learners granted Bursaries (New Enrolments)	800	0	6	0	861	867	108%	67	3.10
		Number of unemployed learners granted Bursaries (Continuing)	1,300	0	0	0	428	428	33%	-872	3.12
		Number of unemployed learners granted Bursaries completed their studies	300	1	0	3	118	122	41%	-178	3.11
		Number of learners enrolled in RPL	400	0	0	0	680	680	170%	280	3.18
		Number of learners completed RPL	175	0	0	178	0	178	102%	3	3.19
		Number of TVET partnerships established	50	0	0	11	39	50	100%	0	3.22
		Number of public HEI partnerships established	26	0	1	3	22	26	100%	0	3.20
		Number of private HEI partnerships established	20	0	1	5	10	16	80%	-4	3.21
		Number of SETA-Employer partnerships established	10	0	1	1	8	10	100%	0	3.14

ETDP SETA Performance Against the 2023/24 Service Level Agreement (Q1 - Q4)											
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	2023-24 SLA ANNUAL TARGETS	TOTAL ACHIEVED (Q1)	TOTAL ACHIEVED (Q2)	TOTAL ACHIEVED (Q3)	TOTAL ACHIEVED (Q4)	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE	2023/24 APP OUTPUT INDICATOR #
5. Support the growth of the public college system	5.1: Support the TVET Colleges	Number of SETA offices established and maintained in TVET colleges	3	3	0	0	0	3	100%	0	-
		Number of Centres of Specialisation supported	10	10	0	0	0	10	100%	0	-
		Number of TVET Lecturers exposed to the industry through Skills Programmes	-	-	-	-	-	-	-	-	-
		Number of Managers receiving training on curriculum related studies	-	-	-	-	-	-	-	-	-
		Number of TVET colleges Lecturers awarded Bursaries	-	-	-	-	-	-	-	-	-
		TVET colleges infrastructure development (equipment/workshops)	-	-	-	-	-	-	-	-	-
	5.2 Support the CET Colleges	Number of CET colleges lecturers awarded skills development programmes	45	0	0	0	46	46	102%	1	3.23
		CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT)	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2023/24 Service Level Agreement (Q1 - Q4)											
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	2023-24 SLA ANNUAL TARGETS	TOTAL ACHIEVED (Q1)	TOTAL ACHIEVED (Q2)	TOTAL ACHIEVED (Q3)	TOTAL ACHIEVED (Q4)	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE	2023/24 APP OUTPUT INDICATOR #
5. Support the growth of the public college system	5.2 Support the CET Colleges	Number of Managers receiving training on curriculum related studies	-	-	-	-	-	-	-	-	-
		Number of CET learners accessing AET programmes	-	-	-	-	-	-	-	-	-
6. Skills development support for entrepreneurship and cooperative development	6.1: To increase skills development support for entrepreneurial activities and the establishment of new enterprises and cooperatives	Number of cooperatives funded for skills that enhance enterprise growth and development	15	0	0	0	15	15	100%	0	3.25
		Number of small businesses funded for skills that enhance growth and development	-	-	-	-	-	-	-	-	-
		Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities.	15	0	0	0	15	15	100%	0	3.24
7. Encourage and support worker initiated training		Number of Federations / Trade Unions supported through the relevant skills training interventions	3	0	0	0	4	4	133%	1	3.26
8. Support career development services		Number of Career Development Events in urban areas on Occupations in High Demand	-	-	-	-	-	-	-	-	-
		Number of Career Development Events in rural areas on Occupations in High Demand	-	-	-	-	-	-	-	-	-

ETDP SETA Performance Against the 2023/24 Service Level Agreement (Q1 - Q4)											
NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	2023-24 SLA ANNUAL TARGETS	TOTAL ACHIEVED (Q1)	TOTAL ACHIEVED (Q2)	TOTAL ACHIEVED (Q3)	TOTAL ACHIEVED (Q4)	TOTAL ACHIEVED	ACHIEVEMENT IN %	VARIANCE	2023/24 APP OUTPUT INDICATOR #
8. Support career development services		Number of Career Development Practitioners trained	140	0	0	0	280	280	200%	140	3.27
		Number of capacity building workshops on Career Development Services initiated	-	-	-	-	-	-	-	-	-
9. Governance		Quarterly SETA Good Governance report	4	1	1	1	1	4	100%	0	-
10. Rural Development		Number of Rural Development Projects initiated	3	0	0	0	3	3	100%	0	3.1, 3.2, 3.7, 3.9, 3.13 & 3.18
		Number of SLA targets	**36**								
		Number of SLA targets achieved	**30**								
		Overall Achievement in %	**83%**								

12. Revenue Collection

Detailed below is how the ETDP SETA derives its revenue:

Based on section 3(1) and 3(4) of the Skills Development Levies Act (SDLA) No. 9 of 1999, as amended, registered member companies of the ETDP SETA pay a skills development levy of 1% of the total payroll cost to SARS, which collects the levies on behalf of the DHET. Companies with an annual payroll cost of less than R500 000 are exempted, in accordance with section 4(b) of the SDLA (1999), as amended, effective 1 August 2005.

In terms of the DPSA circular, circular HRD 1 of 2013, all government departments are required to set aside a minimum of 1% of the total department's annual personnel budget for training and development of personnel and potential employees. A total of 30% of the 1% is appropriated to the SETA under which the department belongs. For departments belonging to more than one SETA, a 30% levy contribution is apportioned proportionally amongst those SETAs.

The ETDP SETA receives contributions from the Department of Basic Education, nine Provincial Departments of Education, and the Department of Higher Education and Training to cover levy contributions pertaining to Technical, Vocational Education and Training Colleges (TVETs) and Community Education and Training Colleges (CETs).

The table below depicts the revenue collection status of the SETA for the year:

	2023/24 R'000			2022/23 R'000		
Sources of revenue	Estimate	Actual amount collected	Over/Under collection	Estimate	Actual amount collected	Over/Under collection
Levies from employers	677 214	745 750	(68 536)	532 153	690 037	(157 884)
Departmental contributions	498 280	392 459	105 821	519 114	374 952	144 162
Interest income	87 673	145 395	(57 722)	45 234	89 126	(43 892)
Total	**1 263 167**	**1 283 604**	**(20 437)**	**1 096 501**	**1 154 115**	**57 614**

ETDP SETA collected 1.6% more revenue than anticipated. There was a shortfall in revenue collected from the government Departments of Education, which was augmented by the increased revenue from levy paying employers. This is the same trend, as in previous years. Interest income has significantly increased due to increased reserve funds and increase in interest rates.

13. Capital investment

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

PART C

Governance

14. Governance

Introduction

The ETDP SETA is a Schedule 3A public entity in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), as amended, and is governed by several legislations, which include the Skills Development Act of 1998 and the Skills Development Levies Act of 1999. In 2011, the Minister of Higher Education and Training published the gazette on Sector Education and Training Authorities (SETAs Standard Constitution) to provide directives on SETA governance and operations (Government Notice R1399 in Government Gazette No. 24035).

Furthermore, the ETDP SETA has an effective corporate governance system that embodies processes and systems by which public entities are directed and held to account. In the execution of its duties, the Accounting Authority (AA) of ETDP SETA and its structures are guided by corporate governance principles that are embodied in King IV™ Report. Parliament, the Executive and the Accounting Authority of the ETDP SETA are responsible for corporate governance.

Portfolio Committees

The Portfolio Committee on Higher Education, Science and Innovation (HESI) and the Select committee on Education of the National Council of Provinces (NCOP) exercise oversight responsibility over the 21 SETAs, in addition to the Department of Higher Education, Science and Innovation. The committees may at any time invite the SETA to account for issues related to its operations, for example, the strategic plan and APPs, from time to time.

For the year under review, ETDP SETA was called to appear before the Portfolio Committee on Higher Education, Science and Innovation (HESI) committees on 18 October 2023. The PC Committee requested a presentation on the Annual Report 2022/2023.

Executive Authority

The Executive Authority of the ETDP SETA is the Minister of Higher Education, Science and Innovation and is responsible for the appointment of Accounting Authority members. The Executive Authority appointed the ETDP SETA Accounting Authority effective from 1 April 2020 to 31 March 2025.

The Executive Authority requires the ETDP SETA to submit on an annual basis a sector skills plan (SSP), a strategic plan (SP) and an annual performance plan (APP). Furthermore, the ETDP SETA enters

into a Service Level Agreement with the Director General of the Department of Higher Education, which outlines objectives and targets to be achieved on an annual basis.

The Quarterly reports tabled below were submitted on the dates, as stipulated by the Compliance Calendar of 2023/2024. The reports detail performance against set targets, as required by the National Treasury Instruction Note 33 amended part five (5) and 30 of the Treasury Regulations, 2005.

The table below reflects reports submitted by AA to the Executive Authority:

Report	Date Submitted
Quarterly Monitoring Report Quarter 1	31 July 2023
Quarterly Monitoring Report Quarter 2	31 October 2023
Quarterly Monitoring Report Quarter 3	31 January 2024
Quarterly Monitoring Report Quarter 4	30 March 2024

The Accounting Authority (The Board)

Introduction

The Accounting Authority of the ETDP SETA is responsible for providing strategic leadership and oversight. This is to ensure that the ETDP SETA fulfils its mandate and realises its vision and mission in the attainment of the targets, as set in the NSDP and SLA entered into with DHET.

The AA execute its functions and powers, as outlined in the Standard Constitution of the SETAs (2019), as follows:

- Governs and manages the SETA
- Ensures that the SETA achieves the objectives found in clause 5 of the Constitution and performs the functions in clause 6 of the Constitution
- Provides effective leadership and ensures that the SETA implements the goals of the NSDP
- Sets a strategic direction for the SETA
- Liaises with stakeholders
- Ensures that the SETA complies with the relevant statutory requirements and the requirements of the Constitution
- Manages institutional risk
- Monitors the performance of the SETA; and
- Applies for the establishment of the SETA in terms of section 9(1) of the Act, read together with the Regulations Regarding the Establishment of Sector Education and Training Authorities, 7 September 1999, as amended by General Notice R106 in the Government Gazette 27254 of February 2005.

In the year under review, the ETDP SETA commissioned an External Evaluation of the Accounting Authority and Committees. Members of the AA and Committees were expected to:

1. Complete a questionnaire pertaining to all elements of Governance in the SETA

2. Be interviewed by the evaluator.

The evaluation yielded positive results and highlighted areas of focus for training of its Governance Structure members.

Accounting Authority Charter

The ETDP SETA Accounting Authority prescribes to the SETA Governance Charter approved by the Minister of Higher Education Science and Innovation on 30 March 2016. The approved charter outlines the following areas:

- Board composition
- Board roles and functions
- Board powers
- Delegation of authority
- Board's terms of office
- Establishment of committees
- Board meetings

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

Composition of the Board

The ETDP SETA is comprised of fifteen members. The composition is as follows:

- Chairperson of the Accounting Authority
- Six representatives from Organised Employers
- Six representatives from Organised Labour – one vacancy occurred in Organised Labour; the SETA is awaiting the nomination of a replacement from the Minister of Higher Education Science and Innovation.
- Two Ministerial appointees

The table below covers the details of the AA members:

Constituency	Organisation
Ministerial Appointees	Accounting Authority Chairperson (1)
Organised Labour	SADTU (3); COSATU (1); NEHAWU (1); NTEU/PEU/other Federations (1)
Government Departments and Organised Levy Paying Employers	DHET (1); DBE (2); USAF (1); APPETD (1); NAISA (1)
Professional Bodies and NGOS	SACE (1); SACECD (1)

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

The Accounting Authority utilises certain governance structures that are established in terms of its Constitution, they are:

a. The Executive Committee
b. The Audit Committee
c. The Finance Committee
d. The Human Resource Committee
e. The ICT Governance Committee
f. Quality Assurance Committee

and Three Advisory Chambers

a. Schooling/ECD Chamber
b. TVET/CET Chamber
c. Higher Education and Research Chamber

Furthermore, the ETDP SETA has an effective corporate governance system that embodies processes and systems by which public entities are directed and held to account.

Qualifications and Expertise of the AA members

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees
Duncan Hindle AA Chairperson	1 April 2020	-	Bachelor of Education Honours	Education Governance	ETDP SETA UMALUSI	EXCO
Simoné Geyer AA Member	1 April 2020	-	Master of Laws (Labour Law)	Education, Labour Law, Human Resource Development and Negotiations	ETDP SETA	EXCO
Thembisa Futshane AA Member HR Chairperson	1 April 2020	-	Master of Social Change and Development Post Graduate Certificate in Social Change and Development	Higher and Basic Education. Training and Development. Strategic and Operational Planning. Policy Development and Implementation. Organisational Development. Change Management. Human Development.	ETDP SETA	Human Resource
Hellen Ntlatleng AA Member	1 April 2020	-	Bachelor of Arts, Education Diploma, Post Graduate Programme in International Leadership GIBBS	CET and TVET Sectors, Basic Education, Quality Management, Strategic Management and Operational Planning, Innovation Management	ETDP SETA University of Limpopo	-
Mandla Mthembu AA Member QAC Chairperson	1 April 2020	-	Master of Arts (Kent University. UK), Bachelor of Arts (Hons)-Applied Linguistics UKZN, EASL (Canterbury Christ-Church University. UK)	Policy Analysis and Development; Strategic Management; OD and Scenario Planning; Research, Training and Development; Operations Management.	ETDP SETA Fundisa Isizwe Trust	EXCO Quality Assurance

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees
Vijayanthimala Singh (Dr) AA Member Higher Education and Research Chamber Chairperson	1 April 2020	-	Doctor of Education (Psychology)	Human Resource Strategy, Higher Education Policy Development, Governance, Risk Management, Research and Leadership	ETDP SETA	Higher Education and Research Chamber
Linda Ingram AA Member	1 April 2020	-	Higher Certificate in Education	Online Learning and Integrated Systems Education Business Processes	ETDP SETA APPETD The Education Scene (Pty) LTD Bridge 2 Loan (Pty) LTD Round of Applause (Pty) Ltd Director on the CIPPT Board (Chartered Institute of Professional Practitioners and Trainers	-
Amos Vusi Monyela AA Member TVET/CET Chamber Chairperson	1 April 2020	8 January 2024	Master of Public Administration	Human Resource Management	ETDP SETA	EXCO TVET/CET Chamber
Faseega Solomon AA Member Schooling Chamber Chairperson	1 April 2020	-	Bachelor of Arts; Advanced Certificate in Education in Biological Sciences Diploma in Education	Teacher Professional Development, Curriculum and Assessment	ETDP SETA	Schooling Chamber

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees
Lindiwe Motshwane AA Member Finance Committee Chairperson	1 April 2020	-	Postgraduate Diploma in Public Management, Advanced Certificate in Education, Diploma Labour Law	Trade Unionism, Education, Labour Law, Public Management, Finance	ETDP SETA	EXCO Finance
Nolitha Mboniswa AA Member	1 April 2020	-	Bachelor of Arts, Higher Diploma in Education, Certificate in Human Resource Management, Certificate in Project Management, Advanced Certificate in Labour Law	Education, Trade Unionism	ETDP SETA	Audit
Nkosiphendule Ntantala AA Member ICT Governance Chairperson	1 April 2020	-	Bachelor of Arts in Education; Bachelor of Education (Hons)	Teaching, Leadership, Management and Administration, Public Speaking, Microsoft Office, Labour Matters.	ETDP SETA	ICT Governance
Dimakatso Moses Peo AA Member Remuneration Committee Chairperson	1 April 2020	-	Master of Business Administration and Trade (Industrial Instrumentation) National Diploma Commercial Practice; Diploma Projects Management; Postgraduate Certificate in Management. Bachelor of Technology (Management)	Education, Trade Unionism, Labour	ETDP SETA	Remuneration

Name & Surname	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorship	Other Committees
Thokozani Mathebula (Dr) AA Member	1 April 2020	-	Doctor of Philosophy, Master in Education, Bachelor in Education & Bachelor of Arts in Education	Democracy and Citizenship Education, African Philosophy, School Governance, Social Justice, Research in Education	ETDP SETA	-
Patricia Chiloane AA Member	1 April 2020	-	Master of International Business Administration National Diploma and further education qualifications Extended Diploma in Global Business Management (Level 11)	Entrepreneur specialises in Skills Development with a particular passion for Community Development, Ensuring Previously Disadvantaged Communities are employable.		-

Meeting Attendance for Accounting Authority

Name & Surname	Date Appointed	Date Resigned	Total number of meetings held	Total number of meetings attended
Duncan Hindle AA Chairperson	1 April 2020	-	8	8
Simoné Geyer AA Member	1 April 2020	-	8	8
Thembisa Futshane AA Member HR Chairperson	1 April 2020	-	8	7
Hellen Ntlatleng AA Member	1 April 2020	-	8	7
Mandla Mthembu AA Member QAC Chairperson	1 April 2020	-	8	8

Name & Surname	Date Appointed	Date Resigned	Total number of meetings held	Total number of meetings attended
Vijayanthimala Singh (Dr) AA Member Higher Education and Research Chamber Chairperson	1 April 2020	-	8	8
Linda Ingram AA Member	1 April 2020	-	8	6
Amos Vusi Monyela AA Member TVET/CET Chamber Chairperson	1 April 2020	8 January 2024	8	3
Faseega Solomon AA Member Schooling Chamber Chairperson	1 April 2020	-	8	8
Lindiwe Motshwane AA Member Finance Committee Chairperson	1 April 2020	-	8	7
Nolitha Mboniswa AA Member	1 April 2020	-	8	8
Nkosiphendule Ntantala AA Member ICT Governance Chairperson	1 April 2020	-	8	6
Dimakatso Moses Peo AA Member Remuneration Committee Chairperson	1 April 2020	-	8	8
Thokozani Mathebula (Dr) AA Member	1 April 2020	-	8	8
Patricia Chiloane AA Member	1 April 2020	-	8	7

Number of Meetings comprise of the following: AA Meetings (5), Special AA Meetings (1); Strategic Planning Session (1); Annual General Meeting (1)

Meeting Attendance Chairpersons of Committees attending the Accounting Authority Meetings

Name of member	Number of meetings held	Number of meetings attended
Pumla Mzizi	8	6

Number of Meetings comprise of the following: AA Meetings (5), Special AA Meetings (1); Strategic Planning Session (1); Annual General Meeting (1)

Meeting Attendance for the Executive Committee

Name of member	Number of meetings held	Number of meetings attended
Duncan Hindle (Chairperson)	10	10
Simone Geyer	10	9
Mandla Mthembu	10	10
Lindiwe Motshwane	10	8
Amos Vusi Monyela (resigned January 2024)	10	7

Number of Meetings comprise of the following: EXCO Meetings (4), Special EXCO Meetings (6)

Meeting Attendance for the Audit Committee

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Pumla Mzizi (Chairperson)	1 August 2020	-	14	14
Raksha Beecum Khadaroo	1 August 2020	-	14	14
Linda Nene	1 August 2020	-	14	14
Ntsetsa Molalekoa	1 August 2020	-	14	13
Nolitha Mboniswa	1 August 2020	-	14	11*

Number of Meetings comprise of the following: Audit Committee Meetings (5), Special and Joint Audit and Fincom AC Meetings (7); Strategic Planning Session (1); Annual General Meeting (1)

** Ms Mboniswa's attendance to the AGM, and APP Strategic Planning are recorded under the AA Meeting attendance.*

Independent Chairpersons attending Audit Meetings

Name of member	Number of meetings held	Number of meetings attended
Vernon Makaleni (Committee Chairperson)	14	6

Number of Meetings comprise of the following: Audit Committee Meetings (5), Special and Joint Audit and Fincom AC Meetings (7); Strategic Planning Session (1); Annual General Meeting (1)

Meetings attendance for the Finance Committee

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Lindiwe Motshwane (Chairperson)	1 August 2020	-	11	8*
Maria Walshe	1 August 2020	-	11	10
Kulula Manona	1 August 2020	-	11	2
Thirona Moodley	1 August 2020	-	11	9
Neo Maimane	1 August 2020	-	11	11
Paul Slack	1 March 2022	-	11	8

Number of Meetings comprise of the following: Finance Committee Meetings (5), Special and Joint Audit and Fincom AC Meetings (4); Strategic Planning Session (1); Annual General Meeting (1)

**The Finance Committee Chairperson, Ms Motshwane's attendance to the AGM, and APP Strategic Planning are recorded under the AA Meeting attendance.*

Meetings attendance for the Human Resource Committee

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Thembisa Futshane	1 August 2020	-	7	5*
Xolani Mdoda	1 August 2020	-	7	7
Enoch Rabotapi	1 August 2020	-	7	6
Tseliso Ledimo	1 August 2020	August 2023*	7	0
Duduza Nkosi	1 September 2023	-	7	2
Jeanine Topping	1 August 2020	-	7	6

Number of Meetings comprise of the following: HRC Meetings (4), Special HRC Meetings (1); Strategic Planning Session (1); Annual General Meeting (1)

**The Human Resource Committee Chairperson, Ms Futshane's attendance to the AGM, and APP Strategic Planning are recorded under the AA Meeting attendance.*

Meetings attendance of the ICT Governance Committee

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Nkosipendule Ntantala	1 August 2020	-	6	4*
David Mawela	1 August 2020	-	6	5
Ebrahim Ansur	1 August 2020	-	6	6
Charles Motau (Dr)	1 August 2020	-	6	4
Anton De Boer	1 August 2020	-	6	5
Nthabiseng Tema	1 December 2020	-	6	4

Number of Meetings comprise of the following: ICT Gov Committee Meetings (4); Strategic Planning Session (1); Annual General Meeting (1)

**The ICT Gov Chairperson, Mr Ntantala's attendance to the AGM, and APP Strategic Planning are recorded under the AA Meeting attendance.*

Meetings attendance of the Quality Assurance Committee

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Mandla Mthembu	1 August 2020	-	6	4*
Confidence Dikgole	1 August 2020	-	6	6
Habib Karimulla	1 August 2020	1 September 2023	6	1
Enoch Rabotapi	1 December 2023	-	6	2
Xolani Mdoda	1 June 2021	-	6	4
Renny Somnath (Dr)	1 August 2020	-	6	6

Number of Meetings comprise of the following: Quality Committee Meetings (4); Strategic Planning Session (1); Annual General Meeting (1)

**The QAC Chairperson, Mr Mthembu's attendance to the AGM, and APP Strategic Planning are recorded under the AA Meeting attendance.*

Meeting attendance of the Risk Management Committee members

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Vernon Makaleni	1 May 2022	-	4	4

Number of Meetings comprise of the following: Risk Management Committee Meetings (4);

Meeting attendance of the Schooling and ECD Chamber

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Faseega Solomon	1 August 2020	-	8	6*
Jonovan Rustin	1 November 2020	-	8	8
Hema Hariram	1 August 2020	-	8	7
Heidi van Staden	1 August 2020	-	8	7
Betty Qhinebe	1 August 2020	-	8	8
Johan Guldenpfennig	1 August 2020	-	8	5
Wiseman Dinwa	1 August 2020	-	8	5
Mkhuseli Dubula	1 August 2020	-	8	6
Mpho Komana	1 August 2020	-	8	4
Vonani Mathonsi	1 November 2022	-	8	3
Charlotte Shirindi	1/6/2022	-	8	5
Diseko Gopane	1 August 2020	-	8	4
Skhumbuzo Manganye	1 August 2020	-	8	1
Sussan Malima	1 August 2020	-	8	4
Ruth Ledwaba	1 November 2022	-	8	4
Sandile Beuzana	1 August 2020	-	8	5
Marubini Lukhaimane	1 August 2020	-	8	3
Gavin De Bruyn	1 August 2020	-	8	6
Vuyelwa Ntuli	1 August 2020	-	8	2

Number of Meetings comprise of the following: Chamber Meetings (4); Special Chamber Meetings (2); Chamber Workshop (1); Strategic Planning Session (1); Annual General Meeting (1)

**The Schooling /ECD Chairperson, Ms Solomon's attendance to the AGM, and APP Strategic Planning are recorded under the AA Meeting attendance.*

Meeting Attendance of the TVET/CET Chamber

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Amos Vusi Monyela	1 August 2020	8 January 2024	7	6*
Sello Sethusha	1 August 2020	-	7	6
Dr Christopher Moekwa	1 March 2022	-	7	7
Mpopelele Agnes Matlawa	1 August 2020	-	7	3
Takalani Ratshilumela	1 August 2020	-	7	6
Vuyokazi Mazwi	1 August 2020	-	7	6
Gregory Masondo	1 August 2020	-	7	7
Langton Marshel Nzuma	1 August 2020	-	7	7
Kim Dry Courtois	1 August 2020	-	7	4
Brenda Ndelu	15 March 2022	-	7	5
Brian Phike	1 September 2023		7	5

Number of Meetings comprise of the following: Chamber Meetings (4); Special Chamber Meetings (1); Strategic Planning Session (1); Annual General Meeting (1)

**The TVET/CET Chairperson, Mr Monyela attendance to the AGM, and APP Strategic Planning are recorded under the AA Meeting attendance.*

Meeting Attendance of the HER Chamber

Name of the member	Date appointed	Date Resigned (Tenure Ended)	Number of meetings held	Number of meetings attended
Vijayantimala Singh (Dr)	1 August 2020	-	7	4*
Shirley Lloyd (Dr)	1 August 2020	-	7	7
Stewart Ngandu	1 August 2020	-	7	7
Nicholas Christopher Taylor (Dr)	1 August 2020	-	7	5
Mandisa Cakwe	1 August 2020	-	7	3
Humphrey Khwidzhili (Dr)	1 August 2020	-	7	6
Marion Joseph (Dr)	1 August 2020	-	7	6
Ben Van der Walt (Adv)	1 August 2020	-	7	5
Solly Pooe (Dr)	1 August 2020	-	7	6
Lucky Mabutho Cele	01 March 2023	-	7	5
Chief Mabizela	15 November 2023	-	7	2

Number of Meetings comprise of the following: Chamber Meetings (3); Special Chamber Meetings (1), SSP Workstream (1); Strategic Planning Session (1); Annual General Meeting (1)

**The HER Chairperson, Dr Singh attendance to the AGM, and APP Strategic Planning are recorded under the AA Meeting attendance.*

Remuneration of Governance Structures

Accounting Authority

Name	Surname	Remuneration R'000	Other Allowances: (Travel expense) R'000	Other Re- imbursements R'000	Total R'000
Duncan	Hindle	81	0	86	167
Simone	Geyer	0	0	0	0
Thembisa	Futshane	0	0	0	0
Hellen	Ntlatleng	0	0	0	0
Amos Vusi	Monyela	0	0	0	0
Mandla	Mthembu	58	0	9	67
Mala	Singh	58	1.8	0	60
Linda	Ingram	45	0	0	45
Lindiwe	Motshwane	49	0	0	49
Nolitha	Mboniswa	58	0	0	58
Faseega	Solomon	58	0	0	58
Nkosipendule	Ntantala	41	0	0	41
Dimakatso	Peo	59	0	0	59
Thokozani	Mathebula	58	0	0	58
Patricia	Chiloane	54	0	0	54

Committee Chairpersons attending Accounting Authority Meetings

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Pumla	Mzizi	59	0	59

Executive Committee Remuneration

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Duncan	Hindle	64	0	64
Mandla	Mthembu	45	0	45
Lindiwe	Motshwane	40	0	40
Simone	Geyer	0	0	0
Amos Vusi	Monyela	0	0	0

Audit Committee

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Pumla	Mzizi	139	0	139
Raksha	Beecum Khadaroo	108	0	108
Linda	Nene	108	0	108
Nolitha	Mboniswa	89	0	89
Ntsetsa	Molalekoa	0	0	0

Independent Chairpersons attending Audit Committee Meetings Remuneration

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Vernon	Makaleni	57	0	57

Finance Committee

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Lindiwe	Motshwane	86	0	86
Maria	Walshe	81	0	81
Thirona	Moodley	73	0	73
Neo	Maimane	88	0	88
Paul	Slack	64	0	64
Kulula	Manona	0	0	0

Human Resource Committee

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Thembisa	Futshane	0	0	0
Enoch	Rabotapi	0	0	0
Xolani	Mdoda	49	0	49
Jeanine	Topping	45	0	45
Duduza	Nkosi	0	0	0

Risk Management Committee

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Vernon	Makaleni	57	95	152

ICT Governance Committee

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Nkosipendule	Ntantala	46	0	46
David	Mawela	40	0	40
Ebrahim	Ansur	44	0	44
Anton	De Boer	40	0	40
Charles	Motau	36	0	36
Nthabiseng	Tema	0	0	0

Quality Assurance Committee

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Mandla	Mthembu	46	0	46
Confidence	Dikgole	49	0	49
Xolani	Mdoda	36	0	36
Renny	Somnath (Dr)	49	0	49
Habib	Karimulla	0	0	0
Enoch	Rabotapi	0	0	0

Schooling/ECD Chamber Remuneration

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Faseega	Solomon	30	9	39
Jonovan	Rustin	31	5	36
Hema	Hariram	27	4	31
Heidi	van Staden	29	4	33
Betty	Qhinebe	33	5	38
Johan	Guldenpfennig	22	0	22
Wiseman	Dinwa	22	0	22
Mkhuseli	Dubula	27	0	27
Mpho	Komana	18	0	18
Vonani	Mathonsi	0	0	0
Charolotte	Shirindi	0	0	0
Diseko	Gopane	0	0	0
Skhumbuzo	Manganye	0	0	0
Sussan	Malima	0	0	0
Ruth	Ledwaba	0	0	0
Sandile	Beuzana	0	0	0
Marubini	Lukhaimane	0	0	0
Gavin	De Bruyn	0	0	0
Vuyelwa	Ntuli	0	0	0

TVET/CET Chamber Remuneration

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Amos Vusi	Monyela	0	0	0
Sello	Sethusha	0	0	0
Christopher	Moekwa (Dr)	0	0	0
Mpopelele Agnes	Matlawa	0	0	0
Takalani	Ratshilumela	27	0	27
Vuyokazi	Mazwi	27	0	27
Gregory	Masondo	32	0	32
Langton Marshel	Nzuma	31	0	31
Kim	Dry Courtois	18	0	18
Brenda	Ndelu	22	0	22
Brian	Phike	22	0	22

HER Chamber Remuneration

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Vijayanthimala	Singh (Dr)	23	0	23
Shirley	Lloyd (Dr)	29	0	29
Stewart	Ngandu	29	0	29
Nicholas	Taylor (Dr)	20	0	20
Mandisa	Cakwe	0	0	0
Humphrey	Khwidzhili (Dr)	22	0	22

Name	Surname	Remuneration R'000	Other expenses: (Travel expense) R'000	Total R'000
Marion	Joseph (Dr)	27	0	27
Ben	Van der Walt (Adv)	22	0	22
Solly	Pooe (Dr)	27	0	27
Lucky Mabutho	Cele	22	0	22
Chief	Mabizela	9	0	9

Risk Management

The ETDP SETA has an approved Risk Management Framework which informed the development of the risk management strategy and policy. The organisation develops strategic and operational risk registers. The strategic risk register is reviewed at least annually, while the operational risk registers are reviewed quarterly to ensure effective management of risks.

The ETDP SETA has in place a Risk Management Committee and Audit and Risk Committee. The Risk Management Committee is an internal committee chaired by an independent Chairperson. The two committees meet on a quarterly basis. The Risk Management Committee submits quarterly reports to the Audit and Risk Committee and advises on the identified risks and progress made in implementing mitigation controls.

The Audit and Risk Committee provides independent and objective oversight on the effectiveness of the risk management function within the organisation. Furthermore, the committee reviews progress made on the implementation of mitigation action plans to assess the entity's maturity level.

Internal Control

Systems of internal control are designed to provide cost-effective assurance that assets are safeguarded, and that working capital is efficiently and effectively managed. In line with the PFMA, the ETDP SETA has a Governance, Risk and Compliance (GRC) unit which provides the Audit and Risk Committee and management with the assurance that internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly monitoring and reporting process, as well as the identification of mitigation actions and recommend enhancements to controls and processes.

Internal Audit

The ETDP SETA has an Internal Audit function that follows a risked-based approach that incorporates management's risk assessment and mitigation measures. The objective of the internal audit function is to help the ETDP SETA accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, internal control, and governance processes. The Internal Audit function is governed by an approved Internal Audit Charter and upholds the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (Standards) in executing its deliverables.

Summary of key activities and Internal Audit Work done

During the reporting period, Internal Audit did not experience any independence and objectivity cases, therefore, Internal Audit remains independent and objective in execution of its mandate in the ETDP SETA.

Internal Audit provides reasonable assurance to the Board, Audit and Risk Committee and Management, on the adequacy and effectiveness of internal controls, risk management and governance processes. Below is a summary of internal audit activities performed by the Internal Audit function during the financial year under review, which consisted of both assurance and advisory services:

No.	Audit Activity
1	ARC Participation (Q1, Q2, & Q3, Q4 of 2023/24)
2	Attendance of SMT Meetings to present Reports
3	Human Resource Audit
4	Review of Annual Financial Statements (AFS)- 2022/23 FY
5	Audit of Predetermined Objectives – Q4 of 2022/23 FY
6	Review of Annual Performance Report (APR)- 2022/23 FY
7	Financial Management
8	Business Continuity Management
9	Supply Chain Management
10	Follow-Up on AG and IA Findings
11	Review of Interim Financial Statements – 2023/24 FY
12	Audit of Predetermined Objectives – Q1 of 2023/24 FY
13	Review of the 1st Draft of the 2024/25 FY Annual Performance Plan (APP)
14	Follow-Up Review of the 2nd Draft of the 2024/25 FY Annual Performance Plan (APP)
15	Audit of Predetermined Objectives – Q2 of 2023/24 FY
16	Audit of Predetermined Objectives – Q3 of 2023/24 FY
17	Network Vulnerability Assessment
18	Cyber Security
19	IT Proactive Assurance on Data Migration– Continued over from 2022/23 Financial Year

The table below depicts meeting attendance, qualifications, and appointment date for the Audit Committee:

Name of Member	Qualification	Internal/ External	If internal position in ETDP SETA	Date appointed	Date Resigned (Tenure ended)	Number of Meetings held	Number of meetings attended
Pumla Mzizi (Chairperson)	CA (SA)	External and Independent	Chairperson	1 August 2020	-	14	14
Raksha Beecum Khadaroo	BA (Law), LLB, LLM (Tax) Admitted Attorney Certified Director, Certified coach and Ennea Practitioner	External and Independent	AC Member	1 August 2020	-	14	14
Linda Nene	Master in International Business Post Graduate Diploma in Management, specialising in Corporate Governance BCom (Accounting) Certificate in Risk Management Strategies in the Public Sector FIIASA (Fellow of the Institute of Internal Auditors SA) CCSA (Certification in Control Self- Assessment) CRMA (Certification in Risk Management Assurance) CPrac (SA) Compliance Practitioner (South Africa)	External and independent	AC Member	1 August 2020	-	14	14
Ntsetsa Molalekoa	BCom	AA Nominee	AC Member	1 August 2020	-	14	13

Name of Member	Qualification	Internal/ External	If internal position in ETDP SETA	Date appointed	Date Resigned (Tenure ended)	Number of Meetings held	Number of meetings attended
Nolitha Mboniswa	Bachelor of Arts, Higher Diploma in Education, Certificate in Human Resource Management, Certificate in Project Management, Advanced Certificate in Labour Law	AA Member	AC Member	1 August 2020	-	14	11

Compliance with laws and regulations

The ETDP SETA is committed to ensuring legal compliance with all relevant and applicable legislative imperatives, as well as always ensuring that the organisation endeavours to operate in line with the best standards, practices, and applicable regulations. In ensuring compliance with laws and regulations, the ETDP SETA has developed the compliance regulatory universe that outlines the legislative requirements that have been classified or/ prioritised by High, Medium and Low.

Fraud and Corruption

The SETA has zero tolerance for fraud and corruption. The Fraud Prevention Policy and Plan assist in driving initiatives to ensure that both employees of the SETA and the public are encouraged to report any suspicious activities. There is also a strong focus on ethics awareness, as a deterrent to incidents of fraud. The SETA has hotlines in place that encourage the confidential reporting of fraud and unethical matters, these are the Tip-offs Telephone: 0800 204 937 and the Email: etdpseta@behonest.co.za. The email address is placed on the SETA website. The GRC function also investigates all incidents of fraud, and the appropriate action is taken.

Minimising Conflict of Interest

SETA Board members disclose any potential and actual conflicts of interest at the commencement of their tenure and during each meeting dealing with substantive matters; The SETA staff members sign the annual declarations on their interests and employees are required to declare if their status changes during the year. And all new board and employees are required to declare their interest when they join the SETA.

Code of Conduct

The SETA has an approved Code of Conduct Policy for governance members, and for the employees is outlined in the HR policy. The SETA's standard constitution further provides for a code of conduct for committee members and executive management outlining corporate governance and the roles of all committees.

Health, Safety and Environmental Issues

The SETA is committed to the fulfilment of the requirements stipulated in the Occupational Health and Safety Act, 1993 (Act 85 of 1993) and to this end, a Health and Safety Committee was established, and it monitors the health and safety of employees and their work environment.

Broad-Based Black Economic Empowerment (B-BBEE) Compliance Performance Information

Criteria	Response	Discussion
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	ETDP SETA does not issue licences.
Developing and Implementing a preferential procurement policy?	Yes	The SCM division is responsible for implementing the procurement policy.
Determining qualification criteria for the sale of State-owned enterprises?	No	SETA is not involved in the sale of State-owned enterprises.
Developing criteria for entering partnerships with the private sector?	Yes	The ETDP SETA will work with appointed service providers to determine the value of partnerships held with the private sector
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	Various projects and programmes are implemented in the organisation to comply with the criteria however, the accurate value of support cannot be established, hence service providers will be appointed to assist the ETDP SETA

15. Audit Committee Report

1. Legislative requirements

The Audit Committee herewith presents its report for the financial year ended 31 March 2024, as required by treasury regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

2. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 55(1) of the Public Finance Management Act, 1999 and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein.

3. The effectiveness of internal control

The system of internal control is designed to provide cost effective assurance that assets are safeguarded, and that liabilities are effectively managed. As per the PFMA requirements, internal audit and the Auditor-General of South Africa, primarily evaluate the internal controls of an organisation for adequacy and effectiveness.

This is achieved by assessing the effectiveness of risk management and identifying corrective actions and enhancements to controls and internal processes. Based on the evaluations, it was noted that matters were reported indicating some improvements required in the system of internal controls in areas pertaining to financial reporting, reporting on pre-determined objectives and compliance with laws and regulations. Through our analysis of audit reports and engagement with the SETA we can conclude that the system of internal control for the period under review was not entirely adequate and effective.

A matter of concern for the Audit Committee that has been raised with the SETA continuously is that the SETA is currently not implementing all internal and external audit action plans agreed upon. Based on our interaction with the SETA we conclude that the action plan management system has not been implemented adequately and effectively to address internal and external audit findings and the Audit Committee and Internal Audit have recommended specific improvements in this regard.

4. Risk management

Management is responsible for the establishment and management of an effective system of governance, risk management as well as prevention and detection of fraud and internal controls. Internal Audit was guided by the consolidated risk profile, provided by the Risk Management function, the critical audit areas, and management's inputs in the formulation of the internal audit three-year strategic and the annual plans. The SETA has established a Risk Committee that is chaired by an independent Chairperson. The meetings have taken place in line with the approved charter. Based on the quarterly audit committee reviews, the risk and fraud management system is not yet adequate and effective.

5. Evaluation of Financial Statements

The Audit Committee has reviewed the draft annual financial statements prepared by the SETA and has advised management to ensure that all the review notes are fully addressed prior to submission of the annual financial statements to the Auditor General South Africa.

Subsequently the material misstatements that were corrected were also reviewed when the management report of the AGSA was discussed with the Audit Committee.

6. Evaluation of Performance Information

The Audit Committee has reviewed information on predetermined objectives to be included in the annual report prepared by the SETA and has advised management to ensure that all the review notes are fully addressed prior to submission to the Auditor General South Africa.

The Audit Committee has discussed the external audit outcomes of the performance information to be included in the annual report with the AGSA.

7. Compliance with laws and regulations

The Audit Committee is concerned with the status of compliance with laws and regulations. The progress has been impacted by the capacity challenges within the SETA.

8. Internal Audit

The accounting officer is obliged, in terms of the Public Finance Management Act, 1999, to ensure that the SETA has a system of internal audit under the control and direction of the Audit Committee. The Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

9. Auditor General South Africa

We have reviewed the SETA's implementation plan for audit issues raised in the previous year and based on the interaction with the SETA and the internal audit reports, the committee is not satisfied that all matters have been adequately addressed. To effectively address and prevent repeat audit findings, it must be a high priority for the SETA in the 2024/25 financial year.

The Audit Committee is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs and accepts the conclusions of the AGSA on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the AGSA.

10. General

We would like to express our appreciation to the Executive Authority, the Accounting Authority for the leadership and support, AGSA, Internal Audit and management for their commitment.

Signed on behalf of the Audit Committee by:

SP Mzizi CA(SA)

P Mzizi CA(SA)
Chairperson of the Audit Committee
12 August 2024

PART D

Human Resource Management

16. Overview of Human Resources Matters

The Human Resources Management Unit provides support to all the Units within the ETDP SETA and is responsible for ensuring the recruitment of capable human capital and its continuous development to enhance organisational performance.

The ETDP SETA has a staff establishment of 148 as at the end of 2023/24 financial year and 134 posts have been filled. The 134 employees were populated against the following business units, as captured on the organisational structure:

- Office of the CEO
- Operations Management
- Research and Skills Planning
- Finance and Supply Management
- Corporate Services
- Information Technology
- Marketing and Communication
- Governance, Risk and Compliance

The below areas provide a comprehensive human resources information for 2023/24 financial year.

Priorities identified for the year under review.

For the EDTP SETA to attain its strategic objectives and annual targets, its employees should have capable human capital, as such the organisation placed more focus on staff development. With this being the case, 86 employees were trained against the APP target of 70. This target was achieved through formal training focusing on contract management, risk management, report writing, occupational health and safety, monitoring and evaluation, and IT Web Security.

Workforce planning framework and key strategies to attract and recruit skilled and capable workforce.

During the period under review, the EDTP SETA recruited employees with skills and knowledge to contribute towards the achievement of the organisation's mandate. Vacant posts were filled through a fair and objective recruitment and selection process.

Towards its quest to attract and recruit a skilled and capable workforce, the ETDP SETA has put in place the following strategies:

- The Human Resource Development Strategy that links skills development to the attainment of the management of human capital development interventions to ensure consistent and

equal treatment of staff in identifying and meeting both organisational and individual learning and development needs.

- Collaborate with organisations with a talent pool, specialising in assisting employers find disabled employees, for this previously untapped sector of the South African market.
- A market-related Total-Cost-to-Company (TCT) remuneration that is inclusive of employment benefits.
- Talent Management processes that are fair and transparent.

Actual achievements

The following are the actual achievements:

Training and Development

The ETDP SETA trained 86 employees against the APP target of 70. Additional to this achievement, eighteen employees were awarded bursaries to further their studies.

Human Resource Information System

Pursuant to its goal for an effective human resource information system, the organisation has successfully implemented SAGE 300 HR Information Solutions. This solution covers amongst others payroll and leave management system.

Human Resource Policies

No new HR policies were developed; however, the Human Resource Standard Operating Procedures were approved to buttress the implementation of approved policies.

Support to Staff Dependants

During the period under review, the ETDP SETA awarded 20 bursaries, valued at R1 900 675.96, to employee dependants to study various qualifications.

Achievements

The Human Resources department achieved the following:

- Trained 86 staff members and Governance structures members against an APP target of 70 for improved service delivery.
- Implemented the SAGE 300 HR Information Solutions.
- Approved Human Resource Standard Operating Procedures aligned to approved Human Resource Policies

Challenges

The following challenges were experienced during the period under review:

- Human Resources continues to have difficulty in attracting persons with disability to meet the set Employment Equity targets.
- Interpretation and understating of Human Resources policies, which necessitate the development of Standard Operating Procedures.
- Staff turnover
- Slow filling of vacant positions.

Future HR plans/goals

The following plans/goals have been set by the HR unit to ensure continuous improvement in the management of human resources:

- Integrate all SAGE 300 modules to provide the organisation with accurate HR Matrix reports.
- Align the organisational structure to the five-year Strategic Plan to ensure that the ETDP SETA has an organisational structure that is fit for purpose.
- Promote high standards of professional ethics through monitoring the effective implementation of HR Policies.
- Put consequence management measures in place, as a corrective measure, to ensure that employees comply with the organisational policies.
- Prioritise appointment of persons with disabilities.
- Review Human Resources Policies.
- Review the organisational structure.

Labour Relations

The ETDP SETA is committed to sound and harmonious employee relations. The ETDP SETA has a recognition agreement with the National Education, Health, and Allied Workers' Union (NEHAWU), which represents many of the employees in the organisation. The two-year agreement on salaries and related matters signed in 2022 lapsed on 31 March 2024, and negotiations for a new agreement have started. Relations between the ETDP SETA and the union are cordial, and no days were lost due to industrial action.

Staff turnover

The organisation's staff turnover at the end of the reporting period was 8% because of resignations, death, and internal movement.

Human Resource oversight statistics

Personnel cost by programme

Costs include salaries, subsistence, and travel expenses.

Programme	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. As a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Programme 1	206 329	49 252	24	45	1 094
Programme 2	144 071	5 884	4	5	1 177
Programme 3	672 891	58 133	9	76	765
Programme 4	23 665	7 633	32	8	954
Total	**1 046 956**	**120 902**	**12**	**134**	**902**

Personnel cost by salary band

Level	Personnel expenditure (R'000)	Percentage (%) of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top management	8 272	6,84	2	4 136
Senior management	11 343	9,38	6	1 891
Professionally qualified	29 901	24,73	25	1 196
Skilled	68 582	56,73	89	771
Semi-skilled	2 804	2,32	12	234
Total	**120 902**	**100**	**134**	**902**

Note: The number of employees is the average considering the terminations and appointments during the year.

Performance rewards per band

Level	Performance rewards (R'000)	Personnel expenditure (R'000)	Percentage (%) of performance rewards to total personnel cost
Top management	125	8 272	2
Senior management	253	11 343	2
Professionally qualified	498	29 901	1
Skilled	1 712	68 582	2
Semi-skilled	65	2 805	2
Total	**2 653**	**120 902**	**2**

Note: The amount relates to actual payments made to SETA employees after the finalisation of the performance appraisals for the 2023/2024 financial year.

Training costs

The table below summarises the training expenditure over the financial year:

Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure, as a % of personnel cost	No. of employees trained	Average training cost per employee (R'000)
120 902	1 792	1,48	86	20,83

Table on training costs

The table below provides a breakdown of training expenditure per occupational level over the financial year:

Training programme	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure, as a % of personnel cost	No. of employees trained	Average training cost per employee (R'000)
Top management	8 272	70	1	3	23
Senior management	11 343	175	2	8	22
Professionally qualified	29 901	344	1	16	22
Skilled	68 582	1 008	1	56	18
Semi-skilled	2 804	195	7	3	65
Total	**120 902**	**1 792**	**1.48**	**86**	**20.83**

Employment and vacancies

The following tables summarise the number of posts on the approved establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment.

2022/2023	2023/2024			
No. of Employees	Approved Posts	No. of Employees	Vacancies	% Vacancies
136	148	134	14	9%

	2022/2023		2023/2024			
Levels	Approved posts	No. of employees	Approved posts	No. of employees	Vacancies	% vacancies
Top management	4	4	4	2	2	50%
Senior management	9	8	8	6	2	25%
Professionally qualified	25	23	27	25	2	7%
Skilled	93	87	95	89	6	6%
Semi-skilled	14	12	14	12	2	14%
Unskilled	0	0	0	0	0	0%
Total	**145**	**134**	**148**	**134**	**14**	**9%**

Note: Reconfiguration of the following positions:

- Manager in the CEO's office position was abolished and an Executive Assistant position on P6 was established. The PA to the CEO position was abolished and replaced with an Executive Assistant position. A new position of Legal and Compliance Specialist at P6 was also established. Both positions have been added to the staff establishment.

Employment changes

The table summarises appointments and service terminations.

Salary band	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top management	4	0	2	2
Senior management	8	0	2	6
Professionally qualified	23	2	0	25
Skilled	87	7	5	89
Semi-skilled	12	2	2	12
Unskilled	0	0	0	0
Total	**134**	**11**	**11**	**134**

Note: The Manager in the CEO office position is abolished, and an Executive Assistant position on the P6 Level was established, which leaves the current approved post at the P5 level at 8 approved posts for the period of 2024/25, different from 9 approved posts in 2023/24.

Reasons for staff leaving

The table below reflects the number of employees who left the organisation and the reasons thereof:

Reason	Number	% staff leaving
Death	1	9%
Resignation	8	73%
Dismissal	1	9%
Retirement	1	9%
Ill health	0	0%
Expiry of contract	0	0%
Other (Internal Movement)	0	0%
Total	**11**	**100%**

Labour relations: Misconduct and disciplinary action

During the period under review, two employees were placed on precautionary suspension with full pay pending outcomes of investigations into allegations of misconduct.

One of the employees unfortunately passed on before the investigation could be concluded, while the organisation concluded a mutual separation with the second employee.

There is a pending labour court case regarding the former ETQA Manager, who is challenging his dismissal. The matter was arbitrated at the CCMA. The CCMA ordered that the employee be reinstated without retrospective payments, as the employee had transgressed the rules. The ETDP SETA has lodged a review application to have the award reviewed and set aside.

The following is a record of misconduct and disciplinary action:

Disciplinary Action	Numbers
Verbal Warnings	1
Written Warnings	1
Final Written Warnings	1
Dismissals	0
Total	**3**

Employment workforce profile in terms of occupational levels

MALE	African		Coloured		Indian		White	
Levels	Target	Current	Target	Current	Target	Current	Target	Current
Top management	0	0	0	0	0	0	0	0
Senior management	0	4	0	0	0	0	0	0
Professional qualified	0	12	0	0	0	2	0	1
Skilled	0	26	0	0	0	2	0	0
Semi-skilled	0	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	**0**	**43**	**0**	**0**	**0**	**4**	**0**	**1**

FEMALE	African		Coloured		Indian		White	
Levels	Target	Current	Target	Current	Target	Current	Target	Current
Top management	0	2	0	0	0	0	0	0
Senior management	0	2	0	0	0	0	0	0
Professional qualified	0	8	0	0	0	1	0	1
Skilled	0	50	0	7	0	1	0	3
Semi-skilled	0	9	0	2	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**0**	**71**	**0**	**9**	**0**	**2**	**0**	**4**

Employment workforce profile in terms of occupational levels

DISABLED STAFF	Male		Female	
Levels	Target	Current	Target	Current
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	3
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**0**	**0**	**0**	**3**

PART E

Public Finance Management Act (PFMA) Compliance Report

17. Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses

a) Reconciliation of Irregular expenditure

Description	2023/24 R' 000	2022/23 R' 000
Opening balance	**3 721**	**2 734**
Add: Irregular expenditure confirmed	5 878	987
Less: Irregular expenditure condoned	5 719	0
Less: Irregular expenditure not condoned and removed	2 862	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	**1 018**	**3 721**

Reconciling notes

Description	2023/24 R' 000	2022/23 R' 000
Irregular expenditure that under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	5 878	987
Total	**5 878**	**987**

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2023/24 R' 000	2022/23 R' 000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	987
Irregular expenditure under investigation	0	0
Total	**0**	**987**

c) Details of irregular expenditure condoned

Description	2023/24 R' 000	2022/23 R' 000
Irregular expenditure condoned	5 719	0
Total	**5 719**	**0**

d) Details of irregular expenditure removed - (not condoned)

Description	2023/24 R' 000	2022/23 R' 000
Irregular expenditure NOT condoned and removed	2 862	0
Total	**2 862**	**0**

e) Details of irregular expenditure recovered

Description	2023/24 R' 000	2022/23 R' 000
Irregular expenditure recovered	0	0
Total	**0**	**0**

f) Details of irregular expenditure written off (irrecoverable)

Description	2023/24 R' 000	2022/23 R' 000
Irregular expenditure written off	0	0
Total	**0**	**0**

g) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Human resource processes were followed to discipline the employee concerned.

18. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/24 R' 000	2022/23 R' 000
Opening balance	**908**	**625**
Add: Fruitless and wasteful expenditure confirmed	29	283
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	5	0
Closing balance	**932**	**908**

Reconciling notes

Description	2023/24 R' 000	2022/23 R' 000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	29	283
Total	**29**	**283**

b) Details of fruitless and wasteful expenditure (under assessment, determination and investigation)

Description	2023/24 R' 000	2022/23 R' 000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	29	283
Fruitless and wasteful expenditure under investigation	0	0
Total	**29**	**283**

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/24 R' 000	2022/23 R' 000
Fruitless and wasteful expenditure recovered	5	0
Total	**5**	**0**

d) Details of fruitless and wasteful expenditure not recovered and written off

Description	2023/24 R' 000	2022/23 R' 000
Fruitless and wasteful expenditure written off	0	0
Total	**0**	**0**

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

In some cases, recoveries were made from the employees concerned while other cases were still under determination.

f) Details of material losses through criminal conduct

No material losses suffered by the SETA through criminal conduct.

g) Details of other material losses

No material losses suffered as the SETA from the expenditure incurred.

h) Other material losses recoverable

No material losses recovered as at the reporting period.

i) Other material losses written off

No losses written off as at the reporting period.

19. Information on late and/or non-payment of suppliers

Nature	Number of invoice	Amount R'000
Number of invoices received	5 305	515 630
Number of invoices paid within 30 days	5 008	499 120
Number of invoices not paid with 30 days*	297	16 510
Number of invoices not paid with disputes	0	0

* Late payments were mainly due to disputes on contract deliverables which were subsequently resolved and payments made

20. Information on Supply Chain Management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Renewal of CaseWare license for the period of 01 May 2023 to 30 April 2024	Adapt IT	Single sourcing	158
Customisation of CaseWare and super user training	Adapt IT	Single sourcing	78
Relocation of photocopying machine	Konica Minolta/ Bidvest	Single sourcing	7
Total			**243**

Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
			R'000	R'000	R'000
Lease of office space for the ETDP SETA North West office	Market Demand Trading 249 (Pty) Ltd T/A Engel & Völkers	Extension	1 366	6 668	1 662
Lease of office space for the ETDP SETA Western Cape office	SKG Properties (Pty) Ltd	Extension	1 220	5 658	1 269
Lease of office space for the ETDP SETA Northern Cape office	AIDA	Extension	933	5 565	377
Total			**3 519**	**17 891**	**3308**

PART F

Financial Information

21. Report of the Auditor-General

to Parliament on Education, Training and Development Practices Sector Education and Training Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Education Training and Development Practices Sector Education Training Authority (ETDP SETA) set out on pages **133 to 182,** which comprise the statement of financial position as at 31 March 2024, the statement of financial performance, statement of changes in net assets and 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 Education Training and Development Practices Sector Education Training Authority as at 31 March 2024, and its 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 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the 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.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 26 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2024.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and the SDA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page **128 to 129**, forms part of our auditor's report.

Report on the audit of the annual performance report

12. 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 information against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected the programmes that measures the performance on its primary mandated functions and that are of significant national, community or public interest.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the public entity's annual performance report for the year ended 31 March 2024.

Programmes	Page numbers	Purpose
Programme 2 – Research and Skills Planning	36 - 40	The purpose of this programme is to obtain accurate information on the supply of and demand for skills in the labour market to address current and future skills gaps in the ETD sector.
Programme 3 – Learning Programmes and Projects	41- 53	The purpose of the programme is to facilitate skills development programmes and projects to both the employed and the unemployed people in the sector to enhance occupational mobility, organisational productivity for the employed people and graduation and employment rates (including self- employment) for the unemployed people.
Programme 4 – Quality Assurance	54 - 56	The purpose of this programme is to ensure quality provisioning of occupationally directed programmes for occupations in high demand.

15. 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 entities planning and delivery on its mandate and objectives.

16. 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 taken to improve performance

17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

18. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under- achievement's.

21. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets taken to improve performance are included in the annual performance report on pages **40 and 53.**

Programme 2: Research and skills planning

Targets achieved: 75% *Budget spent: 81%*		
Key indicator not achieved	Planned target	Reported achievement
Number of evaluation studies conducted	1	0

Programme 3: Learning programmes and projects

Targets achieved: 81% *Budget spent: 23%*		
Key indicator not achieved	Planned target	Reported achievement
Number of unemployed learners enrolled in entrepreneurial and digital skills programmes	2 000	1 070
Number of unemployed learners completed skills programmes	700	385
Number of students granted bursaries completed their studies	300	122
Number of bursaries awarded to students (renewals)	1 300	344
Number of partnerships established with private HEIs	20	16

Material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 3: learning programmes and projects. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

23. 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 entities compliance with legislation.

24. 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.

25. 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 , 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.

26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

27. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(b) of the PFMA.

28. Material misstatements of commitments, operating commitments, contingencies, prior period adjustments, and allocation of net surplus for the year to reserves and cash generated from operations were identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

29. The accounting authority is responsible for the other information included in the annual report. The other information 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 in this auditor's report.

30. My responsibility is to read the other information and, in doing so, consider whether the other information 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.

31. I did not receive the finalised other information prior to the date of this audit report. When I do receive and read this information, and 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

32. 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.

33. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on compliance with legislation included in this report.

34. The public entity did not prepare accurate and complete financial statements that were supported by accurate schedules. This is evidenced by material misstatements identified on various financial statements line items when compared schedules and capturing errors noted on the performance schedule submitted for audit.

35. Oversight of responsibility regarding financial reporting and compliance was not adequately exercised, as the controls in place did not prevent or detect internal control deficiencies, resulting in material misstatements and non-compliance.

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 entities 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 the 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entity's or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 to 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:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	PFMA 51(1)(b)(i) PFMA 51(1)(b)(ii) PFMA 51(1)(e)(iii) PFMA 53(4) PFMA 54(2)(c) PFMA 54(2)(d) PFMA 55(1)(a) PFMA 55(1)(b) PFMA 55(1)(c)(i) PFMA 57(b)
PFMA instruction note no.3 of 2021/22	Par.4.1 Par.4.2(b) Par. 4.3 Par. 4.4 and Par. 4.4(c), (d)

Legislation	Sections or regulations
Treasury regulations	Treasury reg 16A6.1 Treasury reg 16A3.2 (fairness) Treasury reg 16A3.2(a) and (b) Treasury reg R16A6.3 (a), (b) (c) & (e) Treasury reg 16A6.4 Treasury reg 16A6.5 Treasury reg16A6.6 Treasury reg. 16A.7.1 Treasury reg. 16A.7.3 Treasury reg. 16A.7.6 Treasury reg. 16A.7.7 Treasury reg 16A8.3 Treasury reg.16A8.4 Treasury reg 16A9.1(b)(ii), (d), (e) Treasury reg 16A9.1(d), (e) & (f) Treasury reg 16A9.2(a)(ii)
Practice Note 7 of 2009/10	Par 4.1.2
Practice Note 5 of 2009/10	Par.3.3
National Treasury Instruction 4A of 2016/17	par 6
National Treasury Instruction note 4 of 2015/16	Par. 3.4
National Treasury Instruction 01 of 2021/2022	Par. 4.1
National Treasury Instruction 07 of 2017/18	Par. 4.3

Legislation	Sections or regulations
Treasury Instruction Note 11 of 2020/21	Paragraph 3.1; 3.4 (b) and 3.9
SCM Instruction Note 02 of 2021/22	Par.3.2.1 Par.3.2.4 Par. 3.3.1 par 4.1
SCM Instruction Note 3 of 2016	Note 3
SCM Instruction 3 of 2016	Note 6
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; Section 2(1)(a); Section 2(1)(b); Section 2(1)(f)
Preferential procurement regulation of 2017 (PPR)	Regulation 4(1); Regulation 4(2) Regulation 5(1); Regulation 5(3); Regulation 5(6); Regulation 5(7) Regulation 6(8) Regulation 7(8) Regulation 8(2); Regulation 8(5) Regulation 9(1); Regulation 10(1); Regulation 10(2) Regulation 11(1); Regulation 11(2)
Preferential procurement regulation of 2011 (PPR)	Regulation 9(1) , 9(5)

Legislation	Sections or regulations
Preferential procurement regulation of 2022 (PPR)	Regulation 4(4) Regulation 5(4)
National Treasury SCM Instruction 4 of 2015/16	Paragraph 4.1
National Treasury SCM Instruction Note 05 2020/21	Paragraph 1; 2; 4.8; 4.9 & 5.3
National Treasury SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2; 4.3; 4.4 & 4.4(d)
National Treasury instruction note 4 of 2015/16	Paragraph 3.4
Second amendment NT Instruction No 5 of 2020/21	Paragraph 1
Erratum NT Instruction note No 5 of 2020/21	Paragraph 2
Seta Grant regulation	Paragraph 6(7) & 6(8)
	Paragraph 6(2)

22. Annual Financial Statements

for the year ended 31 March 2024

Index

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

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The annual financial statements set out on page **133 - 182** which have been prepared on the going concern basis, were approved by the Accounting Authority on 26 July 2024, and were signed on its behalf by:

Mr Duncan Hindle
Accounting Authority Chairperson

Mrs Sesi Nombulelo Nxesi
Chief Executive Officer

Statement of Financial Position as at 31 March 2024

R'000	Note(s)	2024	2023 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	9	4 857	4 684
Intangible assets	10	93	349
		4 950	**5 033**
Current Assets			
Cash and cash equivalents	11	1 939 254	1 644 777
Consumables		243	139
Receivables from non-exchange transactions	12	455	343
Receivables from exchange transactions	13	9 506	8 586
		1 949 458	**1 653 845**
Total Assets		**1 954 408**	**1 658 878**
Liabilities			
Current Liabilities			
Payable from non-exchange transactions	14	356 072	303 679
Payables from exchange transactions	15	14 359	10 031
Accrued employee entitlements	16	16 961	15 312
Provision for exempt employers	17	7 869	7 707
Total Liabilities		**395 261**	**336 729**
Assets		1 954 408	1 658 878
Less : Liabilities		(395 261)	(336 729)
Net Assets		**1 559 147**	**1 322 149**
Administration reserve	19	4 950	5 033
Employer grant reserve *	19	266	269
Discretionary grant reserve **	19	1 553 931	1 316 847
Total Net Assets		**1 559 147**	**1 322 149**

*Refer to the Statement of Changes in Net Assets for the detailed calculation.

Statement of Financial Performance

R'000	Note(s)	2024	2023 Restated*
Revenue			
Revenue from non-exchange transactions	4	1 127 108	1 055 495
Revenue from non-exchange transaction: Penalties and Interest	4.1	11 100	9 494
Interest income from exchange transactions	5	145 395	89 126
Other income from exchange transactions		276	226
Gain on disposal of assets		79	43
Total revenue		**1 283 958**	**1 154 384**
Expenses			
Consultancy fees		(23 973)	(15 914)
Repairs and maintenance		(408)	(284)
QCTO expenditure		(4 733)	(4 050)
Mandatory and discretionary grants	6	(816 962)	(721 331)
General administration expenses	7	(64 108)	(57 947)
Employee costs	8	(120 902)	(117 725)
Depreciation	9	(2 693)	(3 195)
Impairment loss		(25)	-
Amortisation	10	(136)	(235)
IT Licenses *		(9 503)	(1 363)
IT Maintenance *		(3 352)	(9 896)
Loss on disposal of assets		(161)	(39)
Total expenditure		**(1 046 956)**	**(931 979)**
Surplus for the year		**237 002**	**222 405**

*In the prior year, IT license and IT maintenance was presented as one line item, these items have since been separately presented.

Statement of Changes in Net Assets

R'000	Administration reserves	Employer grant reserves	Discretionary grant reserves	Unappropriated surplus	Total net assets
Balance at 31 March 2022	**6 949**	**94**	**1 092 701**	**-**	**1 099 744**
Changes in net assets					
Net surplus per statement of financial performance	-	-	-	234 059	234 059
Allocation of unappropriated surplus	3 323	29 789	200 947	(234 059)	-
Excess reserves transferred to discretionary reserves	(5 239)	(29 614)	34 853	-	-
Opening balance as previously reported	**5 033**	**269**	**1 328 501**	-	**1 333 803**
Correction of errors	-	-	-	(11 654)	(11 654)
Prior year adjustments (refer prior year error- note 26.3)	-	-	(11 654)	11 654	-
Balance at 31 March 2023	**5 033**	**269**	**1 316 847**	**-**	**1 322 149**
Changes in net assets					
Net surplus per statement of financial performance	-	-	-	237 002	237 002
Allocation of unappropriated surplus (see note 3)	(2 903)	39 183	200 722	(237 002)	-
Excess reserves transferred to discretionary reserves	2 820	(39 186)	36 362	4	-
Balance at 31 March 2024	**4 950**	**266**	**1 553 931**	**-**	**1 559 147**
Note(s)	3	3	3		

Cash Flow Statement

R'000	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		1 136 538	1 060 429
Investment income		146 286	88 013
		1 282 824	1 148 442
Payments			
Compensation of employees		(117 819)	(113 573)
Grants and project payments		(764 406)	(682 512)
Payments to suppliers		(103 267)	(86 355)
		(985 492)	(882 440)
Total receipts		1 282 824	1 148 442
Total payments		(985 492)	(882 440)
Net cash flows from operating activities	18	**297 335**	**266 002**
Cash flows from investing activities			
Purchase of property, plant and equipment	9	**(2 944)**	**(1 388)**
Proceeds from insurance claims		89	106
Purchase of intangible assets	10	-	(226)
Net cash utilised in investing activities		**(2 855)**	**(1 508)**
Net increase in cash and cash equivalents		**294 480**	**264 494**
Cash and cash equivalents at the beginning of the period		1 644 777	1 380 283
Cash and cash equivalents at the end of the year	11	**1 939 257**	**1 644 777**

Statement of Comparison of Budget and Actual Amounts

R'000	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Statement of Financial Performance					
Revenue					
***see note 29**					
Other income	-	-	**-**	276	**276**
Investment income	87 673	-	**87 673**	145 395	**57 722**
Gains on disposal of assets	-	-	**-**	79	**79**
Penalties and interest	10 996	-	**10 996**	11 100	**104**
Skills development levy income	1 163 919	-	**1 163 919**	1 127 108	**(36 811)**
Total revenue	**1 262 588**	**-**	**1 262 588**	**1 283 958**	**21 370**
Expenditure					
Employee costs	(126 611)	-	**(126 611)**	(120 902)	**5 709**
Mandatory and discretionary grants	(1 009 265)	(1 328 631)	**(2 337 896)**	(816 962)	**1 520 934**
Repairs and maintenance	(588)	-	**(588)**	(408)	**180**
Depreciation	(4 088)	-	**(4 088)**	(2 693)	**1 395**
Impairment loss	-	-	**-**	(25)	**(25)**
Consultancy fees	(20 382)	-	**(20 382)**	(23 973)	**(3 591)**
IT Licences	-	-	**-**	(9 503)	**(9 503)**
IT Maintenance and licences	(11 710)	-	**(11 710)**	(3 352)	**8 358**
QCTO expense	(4 154)	-	**(4 154)**	(4 733)	**(579)**
Loss on disposal of assets	-	-	**-**	(161)	**(161)**
General Expenses	(84 878)	-	**(84 878)**	(64 108)	**20 770**
Amortisation	(912)	-	**(912)**	(136)	**776**
Total expenditure	**(1 262 588)**	**(1 328 631)**	**(2 591 219)**	**(1 046 956)**	**1 544 263**
Operating surplus /(deficit)	**-**	**(1 328 631)**	**(1 328 631)**	**237 002**	
Approved surplus funds	-	1 328 631	**1 328 631**	-	

Before the start of the financial year, the Executive Authority approved a budget of R 1.263 billion for the period 1 April 2023 to 31 March 2024.
Furthermore approval for the utilisation of surplus of R1.329 billion and the revised budget of R2.591 billion was granted in October 2023.
The surplus funds have been used to increase discretionary grants budget of R843 million as approved at the beginning of the financial year.

Accounting Policies

1. Presentation of Annual Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations of such standards as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999), Skills Development Act and the SETA Grants Regulations.

The financial statements have been prepared on accrual basis of accounting and are in accordance with the historical cost conversion as the basis of measurement unless specified otherwise.

The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material aspects, consistent with those of the previous year, except as otherwise indicated.

1.1 Presentation currency

These financial statements are presented in South African Rands, which is the functional currency of the ETDP SETA. The amounts in the annual financial statement are rounded off to the nearest one thousand rands.

1.2 Offsetting

Assets, liabilities, income and expenses were not offset except were offsetting is either required or permitted by the standards of GRAP.

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1.3 Comparative figures

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

1.4 Going concern assumption

These Annual Financial Statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.5 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the ETDP SETA, usually in accordance with a binding arrangement. Non-exchange revenue is recognised in accordance with GRAP 23 using the 'assets and liabilities' approach. When the ETDP SETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that the ETDP SETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

1.5.1 Skills Development Levy income

Skills Development Levy (SDL) transfers are recognised when it is probable that future economic benefits will flow to the ETDP SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education, Science and Technology either makes an allocation or payment, whichever comes first, to the ETDP SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999),as amended.

The accounting policy for the recognition of Skills Development Levy income is based on section 3(1) and 3(4) of the Skills Development Levies Act No. 9 of 1999, as amended. Registered member companies of the ETDP SETA pay Skills Development Levy of 1% of the total payroll cost to SARS which collects the levies on behalf of the DHET. Companies with an annual payroll cost less than R500 000 are exempted in accordance with Section 4(b) of the SDLA (1999) as amended, effective 1 August 2005.

80% of skills development levies is paid over to the ETDP SETA while 20% is paid to the National Skills Fund. SDL transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when DHET makes an allocation to the entity as required by section 8 of the SDLA, 1999 as amended. The allocations are made as follows;

- Discretionary grants 49.5%
- Mandatory grants 20%
- Administration 10%
- QCTO 0.5%

ETDP SETA acknowledges that Grants Regulations 2012 were set aside by the Labour Appeal Court during October 2019. However in the absence of new regulations by DHET, the SETA has implemented these Regulations for the reporting report. Further details are contained in Note 21.2.

Revenue is adjusted for transfers between the SETAs due to employers changing SETAs. Such adjustments are separately disclosed as Inter-SETA transfers. The amount of Inter-SETA adjustment is calculated according to the most recent standard operating procedure issued by DHET.

In terms of the DPSA circular, circular HRD 1 of 2013, all departments are required to set aside a minimum of 1% of the total department's annual personnel budget for training and development of personnel and potential employees. 30% of this amount is appropriated to the SETA with which the department is affiliated. For departments belonging to more than one SETA, 30% levy is apportioned proportionally. ETDP SETA receives contributions in this regard from the Department of Education across the 9 provinces and the DHET.

- Discretionary 2/3 of total allocation
- Administration 1/3

Revenue is adjusted for Inter-SETA transfers due to employers changing SETAs. Such adjustments are separately disclosed as inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the Standard Operating Procedure issued in October 2006 by the Department of Labour.

When a new employer is transferred to the ETDP SETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.

Employers who have annual payrolls below R500 000 have been exempted from further payment of skills development levies. In cases where payments have been made by these employers in error, a provision has been made for the refund of the levies covering a period of 5 years (Prior year: 5 years).

1.5.2 Interest and penalties

Interest and penalties are levied by SARS in terms of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended and are recognised on an accrual basis.

Interest and penalties are recognised at the earlier of the allocation by the Department of Higher Education and Training to the ETDP SETA or when cash is received.

1.6 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

1.6.1 Interest income

Interest income is accrued on a time proportionate basis, taking into account the principal outstanding and effective interest rate over the period to maturity.

1.7 Grant and project expenditure

A registered organisation may recover a maximum of 20% of its total levy payment as a Mandatory Grant (excluding penalties and interest) by complying with the criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Levies Act No. 9 of 1999.

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

1.7.1 Mandatory grants

Mandatory grants and payables

Mandatory grant expenditure is recognised when the submission by a member organisation of a Workplace Skills Plan (WSP) and the Annual Training Report (ATR) within the agreed cut off period has been approved by the ETDP SETA for payment. In the case where a WSP/ATR has been approved and transfers from the DHET have been received but actual payment has not been made, an accrual is made for the amounts payable. These grants are measured at the amounts paid/ payable which represent the fair value of the transaction. The amount payable is 20% of the levies paid to SARS by the member organisation and remitted to ETDP SETA by the DHET.

Employer receivables

Employer receivables emanate from SARS levy overpayments which in turn result to an overpayment of mandatory grants to qualifying employers. An allowance for impairment is raised for an amount recognised as a receivable in the prior year should an employer not submit a WSPR in the succeeding year.

Should the employer not submit the WSPR for three (3) consecutive years, the debt is then written off.

The ETDP SETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the ETDP SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

1.7.2 Discretionary grants and projects expenditure/payables

Discretionary grants expenditure relates to amounts paid/ payable to the ETDP SETA constituencies for training and skills development programmes. The project expenditure is recognised when the training or the skills development programme has been delivered in accordance with the contract between the ETDP SETA and the Constituency or training provider.

These grants are measured at the amounts paid or payable which represent the fair value of the transaction. Discretionary grant expenditure/liability is recognised as expenses in the period in which they are incurred i.e in which the conditions are met.

Project expenditure comprises of:

- costs that relate directly to the specific project;
- costs that are attributable to the project activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the SETA under the terms of the project.

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

1.8 Quality Council for Trade and Occupation (QCTO)

QCTO expenditure is in line with Section 2(4) of the Grants Regulations issued in terms of Government Gazette 35940, therefore the expenditure of 0.5% will be in line with the amount determined by the Minister of Higher Education and Training.

1.9 Property, plant and equipment

Property, plant and equipment is initially recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the ETDP SETA
- the cost or fair value of the item can be measured reliably.

The cost of an item of property and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Property and equipment is initially recognised at cost and subsequently at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

Item	Depreciation method	Depreciation rates
Audio and visual equipment	Straight line	20%
Office furniture and fixtures	Straight line	15%
Motor vehicles	Straight line	20%
Office equipment	Straight line	20%
Computer equipment	Straight line	33%
Leasehold improvements	Straight line	15%
Kitchen equipment	Straight line	15%
Minor assets	Straight line	100%

Each part of an item of Property, plant and equipment is depreciated separately. Depreciation commences when the items of Property, plant and equipment are available for use and ceases at the earlier of the date that asset is classified as held for sale or included in a disposal group classified as held for sale and the date that the asset is derecognised.

Gains and losses on disposal of Property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the operating surplus/deficit.

Costs relating to repairs and maintenance are recognised in surplus/deficit as incurred.

The entity assesses at each reporting date whether there is any indication that the entity 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 entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

1.10 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and adjusted for any impairment losses. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Intangible assets are amortised on the straight-line basis over their expected useful lives to their estimated residual value.

Item	Amortisation method	Average useful life
Computer software and licences	Straight line	33%

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.11 Leasing

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This liability is not discounted.

1.12 Employee benefits

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

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

Liabilities for bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employee renders the related services are recognised as they accrue to the employee.

Leave liability

Liabilities for annual leave are recognised as they accrue to employees. The entity recognises the leave obligation during the vesting period based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

The ETDP SETA calculates the value of leave not taken at year-end based on the guaranteed package or basic salary. The value of leave

is recognised in the statement of financial position as a short-term employee benefit.

Pension plan: Defined contribution plans

The entity operates a defined contribution plan, the assets of which are held in separate trustee-administered funds. The plan is generally funded by payments from the entity and employees and is managed by external fund managers determined by the members of the fund. The rules of the defined contribution plan determine the following in respect of contributions:

- Contribution by employee = 7.5% of retirement funding income
- Contribution by employer = 7.5% of retirement funding income

1.13 Provisions and contingencies

Provisions are recognised when the ETDP SETA has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

ETDP SETA recognises a provision for the repayment of levies contributed by companies exempted from contributing skills development levy but continue to do so. The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is

a. a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
b. a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments are disclosed in a note to the financial statements if both the following criteria are met:

- Contracts should be non-cancellable or cancellable at significant cost; and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts are excluded.

Contingent assets and contingent liabilities are disclosed in note 21.

1.14 Financial instruments

Financial instruments are recognised when the ETDP SETA becomes party to the contractual provisions of the instrument. Financial instruments carried in the statement of financial position include cash and bank balances, trade and other receivables and trade and other payables. These instruments are carried at their amortised cost.

1.14.1 Financial assets

The ETDP SETA classifies its financial assets into one of the categories discussed below:

Receivables from exchange and non-exchange

ETDP SETA classifies receivables from exchange and non-exchange transactions as financial assets at amortised costs and measures these using the effective interest method. These financial assets are not quoted in an active market and have fixed or determinable payments as defined in the standards of Generally Recognised Accounting Practice. Interest income is recognised by applying the effective interest rate.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, with the exception of receivables from non-exchange transactions where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit for the year.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash on hand and deposits held at call. They are initially recognised at fair value, and are subsequently carried at amortised cost using the effective interest method

1.14.2 Financial liabilities

All financial liabilities of the entity are classified as financial liabilities at amortised cost. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

Payables from exchange and non exchange

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

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

1.15 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Where such a situation exists, the nature and type of transactions and relationships between parties are disclosed in the notes to the Financial Statements unless those transactions occur within:

a. 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 entity to have adopted if dealing with that individual entity or person in the same circumstances; and
b. terms and conditions within the normal operating parameters established by that reporting entity's legal mandate.

Key management is defined as individuals with the authority and responsibility for planning, directing and controlling the activities of the ETDP SETA. All individuals from the executive management are regarded as key management according to the IFRS definition. Close family members of key management personnel are considered to be those family members who may be expected to influence, or be influenced by, key management individuals in their dealings with the ETDP SETA. Other related party transactions are also disclosed in terms of the requirements of IFRS. Qualitative and quantitative materiality is considered in the disclosure of these transactions.

1.16 Contributions by the Departments of Education

The Provincial and National Departments of Education contribute 30% of their annual training budgets to the ETDP SETA, as per a Cabinet decision. The 30% receipt is utilised for Administration (one third) and Discretionary Projects (two thirds).

Contributions by the Departments of Education are recognised as revenue when and in the period they are actually received.

1.17 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the principal's benefit.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When ETDP SETA is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

Whether ETDP SETA is a principal or an agent requires the SETA to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal- agent arrangement in accordance with the requirements of GRAP109.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of GRAP109. The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.18 Irregular, fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Irregular expenditure as defined in Section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

a. The PFMA; or
b. the State Tender Board Act, 1968 (Act No 86 of 1968), or any regulations made in terms of the Act; or
c. any provincial legislation providing for procurement procedures in that provincial government.

Irregular, fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of irregular, fruitless and wasteful expenditure incurred and confirmed in that current financial year unless it is impractical to determine, in which case reasons must be provided in the annual report.

1.19 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar. General purpose financial reporting by an entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

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

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.

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

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.21 Reserves

Net assets are classified based on the restrictions placed on the distribution of monies received in accordance with the SETA Grant Regulations as follows:

- Administration reserve
- Mandatory reserve
- Discretionary reserve

Employer levy payments are set aside in terms of the SDA (1998) and the SETA Grant Regulations for the purpose of:

- Administration costs of the SETA 10.5%
- Employer grant fund levy 20.0%
- Discretionary grants and projects 49.5%

Government department levy payments are set aside for the purpose of:

- Administration costs of the SETA 33.3%
- Discretionary grants and projects 66.7%

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

Surplus funds in the administration and unallocated funds in the employer grant reserves are moved to the discretionary fund reserve. Provision is made in the administration reserve equal to the

book value of depreciable assets. A contingent liability is disclosed for newly registered member companies, participating after the legislative cut-off date.

1.22 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Fair value estimation

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for ETDP SETA's similar financial instruments.

Impairment testing

The ETDP SETA reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Impairment of trade receivables

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

Useful lives of property, plant and equipment and other assets.

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

Provisions

Provisions are best estimates of the expenditure required to settle the obligation raised by management using the available information at the time of preparing the annual financial statements.

Notes to the Financial Statements

R'000	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	April 1, 2023	Unlikely there will be a material impact
• IGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	April 1, 2023	Unlikely there will be a material impact
• IGRAP 21: The Effect of Past Decisions on Materiality	April 1, 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	April 1, 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	April 1, 2023	Unlikely there will be a material impact

3. Allocation of net surplus for the year to reserves

	Administration reserves	Employer grant reserves	Discretionary reserves	2023/24	2022/23
Admin levy income from levy payers	91 687	-	-	91 687	84 750
Levy income from levy payers	-	183 254	455 124	638 378	591 556
QCTO	4 584	-	-	4 584	4 237
Levy from departments	130 820	-	261 639	392 459	374 952
Penalties and interest	-	-	11 100	11 100	9 494
Interest income	-	-	145 395	145 395	89 126
Other income	-	-	276	276	226
Gains on the disposal of assets	-	-	79	79	43
Total revenue	**227 091**	**183 254**	**873 613**	**1 283 958**	**1 154 384**
Administrative expenses	225 261	-	-	225 261	206 598
QCTO expense	4 733	-	-	4 733	4 050
Employer grants and project expenses	-	144 071	672 891	816 962	721 331
Total expenses	**229 994**	**144 071**	**672 891**	**1 046 956**	**931 979**
Net surplus/ (deficit) per statement of financial performance	**(2 903)**	**39 183**	**200 722**	**237 002**	**222 405**

Notes to the Financial Statements

R'000	2024	2023
4. Revenue from Non-exchange transactions		
Levy income: Administration grants	**227 091**	**213 971**
Levies received from levy payers	96 271	88 987
Government levies received	130 820	124 984
Levy income : Employer grants	**183 254**	**169 525**
Levies received from levy payers	183 254	169 525
Levy income : Discretionary grants	**716 763**	**671 999**
Levies received from levy payers	455 124	422 031
Government levies received	261 639	249 968
	1 127 108	**1 055 495**
4.1 Revenue from non-exchange transactions: Interest and Penalties		
Interest	7 714	5 785
Penalties	3 386	3 709
	11 100	**9 494**
5. Interest income from exchange transactions		
Interest revenue		
Accrued interest	673	1 565
Bank deposits	144 722	87 561
	145 395	**89 126**
6. Mandatory and Discretionary Grants		
Mandatory grants	144 071	139 736
Discretionary grants	669 960	581 595
7.5% DG Admin expenses	**2 931**	**-**
	816 962	**721 331**

The discretionary grants expenditure and the 7.5% discretionary grants admin portion has been separately disclosed and presented accordingly in the current financial year.

Notes to the Financial Statements

R'000	2024	2023
7. General administration expenses		
Building and related costs		
Operating rentals-buildings	19 225	17 191
Security expenses	706	1 935
Electricity	2 127	3 420
Other administration cost		
Meeting and board fees	2 764	3 215
Remuneration of audit committee members	445	356
Auditors' remuneration	4 771	4 762
Board training	-	147
Staff training and development	1 792	858
Recruitment	471	379
Stationery and consumables	1 436	982
Advertising, marketing, promotions and communication	6 846	5 250
Legal fees	749	644
Travel and subsistence allowance	6 544	5 946
Courier fees	288	232
Hire of equipment	7 006	5 863
Insurance	831	762
Bank charges	685	592
Workshops and AGM	1 818	824
Staff relocation	233	904
Printing and postage	1 287	291
Refreshments and catering	425	401
Telephone and cellular phone	770	230
Interest	29	244
Other expenses	2 860	2 519
Total per Statement of Financial Performance	**64 108**	**57 947**

Notes to the Financial Statements

R'000	2024	2023
8. Employee costs		
Salaries and wages		
Basic	101 057	96 517
Performance Bonus	3 016	3 739
Medical aid- company contributions	3 428	3 055
UIF	299	582
Leave pay provision charge	1 940	3 354
Defined contribution-employees	5 581	5 239
Defined company contributions	5 581	5 239
	120 902	117 725
Total employee cost		
Average number of employees 134 (2023 : 134)	120 902	117 725

Notes to the Financial Statements

R'000

9. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	6 141	(5 190)	951	6 288	(5 199)	1 089
Motor vehicles	1 001	(860)	141	1 001	(831)	170
Office equipment	1 665	(1 291)	374	1 564	(1 048)	516
Computer hardware	11 642	(9 068)	2 574	11 905	(10 090)	1 815
Leasehold improvements	1 394	(1 108)	286	1 810	(1 149)	661
Audio visual equipment	1 886	(1 562)	324	1 710	(1 344)	366
Kitchen equipment	193	(112)	81	161	(94)	67
Minor assets	231	(231)	-	231	(231)	-
Assets under construction	126	-	126	-	-	-
Total	**24 279**	**(19 422)**	**4 857**	**24 670**	**(19 986)**	**4 684**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Re-assessment of useful lives adjustment	Total
Furniture and fixtures	1 089	265	(8)	(439)	(5)	50	951
Motor vehicles	170	-	-	(170)	-	142	142
Office equipment	516	101	-	(260)	(7)	24	374
Computer hardware	1 815	2 206	(41)	(1 734)	(8)	336	2 574
Leasehold improvements	661	-	(2)	(374)	-	2	286
Audio visual equipment	366	211	-	(307)	-	54	324
Kitchen equipment	67	36	-	(19)	(5)	2	80
Asset under construction	-	125	-	-	-	-	126
	4 684	**2 944**	**(51)**	**(3 303)**	**(25)**	**610**	**4 857**

Notes to the Financial Statements

R'000

9. Property, plant and equipment *(continued)*

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Re-assessment of useful lives adjustment	Total
Furniture and fixtures	1 539	-	-	(510)	(2)	62	1 089
Motor vehicles	340	-	-	(200)	-	30	170
Office equipment	717	52	-	(266)	(2)	15	516
Computer equipment	2 783	769	(75)	(2 056)	(1)	395	1 815
Leasehold improvements	509	507	-	(361)	-	6	661
Audio visual equipment	656	-	-	(299)	(1)	10	366
Kitchen equipment	21	60	-	(15)	-	1	67
	6 565	**1 388**	**(75)**	**(3 707)**	**(6)**	**519**	**4 684**

Pledged as security

The ETDP SETA has no assets pledged as security.

Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment

	2024	2023
Leasehold improvements	126	-

This item relates to cumulative expenditure incurred in the alterations of the KZN office which was still under construction as at the end of the financial year.

Construction was subsequently concluded in the 2024/25 financial year.

Notes to the Financial Statements

R'000	2024	2023

10. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	226	(133)	93	1 612	(1 263)	349

Reconciliation of intangible assets - 2024

	Opening balance	Disposals	Other changes, movements	Amortisation	Total
Computer software	349	(1 386)	1 267	(136)	93

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Re-assessment of useful life adjustment	Total
Computer software	384	226	(26)	(329)	94	349

Notes to the Financial Statements

R'000	2024	2023

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	13	50
Bank balances	120 120	353 151
Short-term deposits	1 819 121	1 291 576
	1 939 254	**1 644 777**

The security of cash and cash equivalents is ensured by only banking with the Reserve Bank of South Africa and the Standard Bank. The carrying value, at which cash and cash equivalents are disclosed, approximates their fair values

As required in National Treasury regulation 31.2.1, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 8.10% (Prior year 6.04%).

12. Receivables from non-exchange transactions

Employer receivables	480	343
Less: allowance for impairment	(25)	-
	455	**343**

Receivables from non-exchange transactions

R455 000 (2023: R343 000) was recognised as a receivable relating to grant overpayments to levy-paying employers in prior periods, as a result of levy income reversals done after grants had been paid. An amount of R25 000 (2023:R0) was provided for as debt impairment relating to over payment of grants as the SETA may not recover amounts owing by the levy payers who have since stopped submitting their WSPs.

Notes to the Financial Statements

R'000	2024	2023 Restated

13. Receivables from exchange transactions

Deposits	628	463
Interest receivable	673	1 565
Sundry receivables	2 363	3 421
Allowance for impairment	(75)	(1 032)
Prepayments	5 863	4 158
Staff debtors	54	11
	9 506	**8 586**

Sundry debtors are mainly made up of the ACSA debt and the employee accident invoices

The prepayments relate to prepaid licenses and rentals.

14. Payables from non-exchange transactions

Skills development grants payable	45 762	61 048
Project creditors	39 855	36 029
Project accruals	270 455	206 602
	356 072	**303 679**

15. Payables from exchange transactions

Trade payables	7 012	3 048
Accruals	2 192	2 918
Payroll creditors	4 953	3 517
Liability resulting from straight line valuation of leases	202	548
	14 359	**10 031**

Notes to the Financial Statements

R'000	2024	2023

16. Accrued employee entitlement

	Employee leave	Employee bonus	2024	2023
Opening carrying amount	9 807	5 505	15 312	11 440
Amounts utilised during the year	(673)	(3 364)	(4 037)	(3 896)
Unutilised amount reversed	-	(2622)	(2 622)	-
Charged to income statement during the year	1 940	6 367	8 307	7 768
Closing carrying amount	**11 074**	**5 886**	**16 961**	**15 312**

The liability for leave accumulated at year end is accrued for at the daily rate per employee.

The employee bonus column comprises of bonus provision and the 13th cheque.

17. Provision for exempt employers

Reconciliation of provisions - 2024

	Opening Balance	Additions	Reversed during the year	Total
Levies refundable provision	7 707	1 310	(1 148)	7 869

Reconciliation of provisions for exempt employers - 2023

	Opening Balance	Additions	Utilised during the year	Total
Levies refundable provision	7 364	1 330	(987)	7 707

The 2024 amount R7.9 million (2023: R7.7 million) relates to levies incorrectly contributed by exempt employers. The employers are exempt from contributing SDL due to legislation changes which came into effect from 1 August 2005.

In terms of the Skills Development Circular No. 09/2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190(4) of the Tax Administration Act. In terms of section 4(7) of the SETA Grant Regulations, all unclaimed mandatory grants should be transferred to the discretionary funds because the employer cannot claim it back after the expiry date.

Notes to the Financial Statements

R'000	2024	2023 Restated

18. Cash (used in) generated from operations

Surplus	237 002	222 405
Adjustments for:		
Depreciation	2 693	3 195
Amortisation	136	235
Loss/(profit) on disposal	82	(4)
Impairment	26	-
Increase/(Decrease) in provisions	1 810	4 215
Changes in working capital:		
Consumables	(104)	29
Receivables from exchange transactions	(113)	(6 142)
Receivables from non-exchange transactions	(920)	175
Payables from exchange transactions	4 330	(643)
Payable from non-exchange	52 393	42 536
	297 335	**266 002**

Notes to the Financial Statements

R'000	2024	2023

19. Reserves

19.1.1 Discretionary grants commitments

Of the balance of R1.6 billion (2023: R1.3 billion) available in the Discretionary grants reserves at the end of the period, the commitments detailed below of R1.2 billion (2023: R1.2 billion) have been made for discretionary grants projects and skills priorities. Expenses that relate to these commitments are included in discretionary grant expenses in the Statement of Financial Performance.

Discretionary grant reserves 2023/24

	Opening Balance	Prior period error	Restated opening balance	New contracts	Adjustment	Total expenditure	Closing Balance
Program 3.1	36 219	(2 660)	33 559	-	(10 878)	(14 015)	8 666
Program 3.2	1 030	-	1 030	-	(909)	(121)	-
DBE Partnership	37 569	-	37 569	-	(27 166)	(6 219)	4 184
NSDP Outcome 2: Linking education and the workplace	252 253	(3 437)	248 816	863 322	226 178	(429 020)	909 296
NSDP Outcome 3: Improving the level of skills in the South African workforce	585 865	(5 409)	580 456	-	(143 486)	(200 772)	236 198
NSDP Outcome 5: Support the growth of the public college system	13 770	(96)	13 674	-	(2 236)	(8 476)	2 962
NSDP Outcome 6: Skills development support for entrepreneurship and cooperative development NSDP	5 307	(53)	5 254	-	(247)	(4 858)	149
Outcome 8: Support for career development services	6 921	-	6 921	-	(400)	(6 480)	41
Letters of awards 2023	259 516	-	259 516	-	(259 516)	-	-
Project admin fee	-	-	-	7 544	-	(2 931)	4 613
	1 198 450	**(11 655)**	**1 186 795**	**870 866**	**(218 660)**	**(672 892)**	**1 166 109**

Notes to the Financial Statements

R'000	2024	2023

19.1.2 Administrative Commitments

2023/24	Opening balance	Adjustments	New contracts	Total expenditure	Closing Balance
Administrative commitments	28 607	(615)	50 176	(26 387)	51 781
Total	**28 607**	**(615)**	**50 176**	**(26 387)**	**51 781**

2022/23	Opening balance	Adjustments	New contracts	Total expenditure	Closing Balance
Administrative commitments	24 399	-	25 014	(20 806)	28 607
Total	**24 399**	**-**	**25 014**	**(20 806)**	**28 607**

19.2 Administration reserve

Reserves retained to cover the carrying values of property plant and equipment/intangible assets which will be depreciated in future years

	4 950	5 033
	4 950	**5 033**

19.3 Employer grant reserves

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

	266	269
	266	**269**

Notes to the Financial Statements

R'000	2024	2023

20. Operating lease commitments

20.1 Operating Leases - Buildings

Not later than one year	6 530	15 682
Later than one year and not later than five years	10 380	3 650
	16 910	**19 332**

Offices	Services	Commencement date	Termination date	Option to renew
Cape Town	Rental	1 January 2024	31 December 2025	No
CBD, Johannesburg	Rental	01 September 2017	30 June 2024	Yes
Durban	Rental	1 January 2024	31 December 2028	Yes
East London	Rental	1 March 2024	29 February 2029	Yes
Kimberley	Rental	1 January 2024	30 June 2024	Yes
Nelspruit	Rental	1 January 2024	31 December 2028	Yes
Polokwane	Rental	1 January 2024	31 December 2028	Yes
Potchefstroom	Rental	1 January 2024	31 December 2025	Yes
Gauteng	Rental	1 March 2024	29 February 2029	Yes

20.2 Operating Leases - Photocopiers

Not later than one year	57	686
Later than one year and not later than five years	-	57
	57	**743**

Photocopiers	Services	Commencement date	Termination date	Option to renew	Escalation % p.a.
Konica Minolta	Rental	1 May 2022	30 April 2027	No	

Operating lease payments represent rentals payable by the SETA for certain of its office properties as well as photocopies. No contingent rent is payable. The operating lease expenses are smoothed on a straight line basis over the lease term. Any over or under payment, as a result of the smoothing is recognised in the statement of position under the payables from exchange transactions note 15, until the time that payments in the future reverses the smoothing to zero by the end of the lease period.

Notes to the Financial Statements

R'000	2024	2023

21. Contingencies

21.1 Retention of surpluses

In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C may not retain cash surpluses that were realised in the previous financial year without obtaining the prior written approval of National Treasury. During September 2020, National Treasury Issued Instruction No.12 of 2020/21 which gave a revised definition of a surplus. According to this instruction, a surplus is based on cash and cash equivalents, plus receivables less current liabilities at the end of the financial year.

Even though the ETDP SETA has a surplus of R1 553 billion an amount of R1 166 billion has been committed.

The surplus for the period is as follows:		
Cash and Cash Equivalents	1 939 254	1 644 777
Plus: Net Receivables	9 961	8 929
Less: Current Liabilities	(395 260)	(336 729)
	1 553 955	**1 316 977**

Notes to the Financial Statements

R'000	2024	2023

21.2 Mandatory grant- 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 others matters, led to litigation begun by BUSA, at the Labour Court. The Labour Court declared the Regulation to be invalid and consequently set aside, with suspension of the order until March 2016.

Prior to the order coming into effect, the regulation was re-promulgated in January 2016, to which BUSA launched renewed review proceedings in the Labour Court to set the re-promulgated regulation aside. The Labour Court dismissed the review application and BUSA decided to put through an appeal to the decision through the Labour Appeal Court (LAC). During October 2019 the LAC ruled that the decision to re-promulgate Regulation 4(4) was "irrational and lacking in any legal justification". The regulation, as re-promulgated in 2016, was consequently set aside.

Despite the said regulation being set aside, the LAC ruling is silent on both the percentage quantum that can be claimed back by employers and on the effective date of the order. The effect of the ruling is that the Minister, in consultation with employers and BUSA, would have to decide on the percentage for mandatory grants in consultation with the sector, and these accordingly published in the Government Gazette. To date, there has been no communication regarding the approved mandatory grant percentage that can be claimed back by employers. These circumstances create uncertainty as to the percentage of mandatory grants that can be paid and/or accrued by the SETA during the year under review.

However, post the ruling, DHET continues to split the mandatory grant levy income portion at a rate of 20% in the monthly levy download information. Consequently, the SETA has continued to pay and accrue mandatory grants at 20% in the current financial year which is also aligned to the approved Annual Performance Plan.

Pending the final agreement between the Minister and the employers (through BUSA) on the approved rate, there is therefore a possible liability or asset due to additional or lesser grant payments over or under the amounts already paid and accrued in the current year based on a payment rate of 20%. Given the initial review application at the Labour Court whereby BUSA cited that the mandatory grant reduction is irrational and unreasonable; as well as latter reports by business arguing that the LAC judgement would revert back to the original position; it is therefore remotely likely that there would be a contingent liability. 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,

Notes to the Financial Statements

R'000	2024	2023

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.

The Minister has subsequently issued draft SETA Grant Regulations for comment, where as a mandatory grant has been maintained at 20%. To date no further communication has been received regarding gazetting these regulations.

21.3 Litigations and claims

21.3.1 The SETA is involved in a dispute with an employee regarding the performance bonus pay. The matter was still pending at the reporting date and the financial exposure could not be determined.

21.3.2 The SETA is involved in a dispute with a former employee regarding termination of contract. There are two (2) cases as below:

- Non-payment of salary during the appeal period against the outcome of the disciplinary hearing- The matter is at the Labour Court with the estimated financial obligation of R1.5 million.
- Reinstatement of the former employee- The matter is at the Labour Court and at the time of reporting it had not been finalised to determine the financial obligation.

21.4 First time employer registration

First time employers who wish to apply for mandatory grants with the Skills Development Levy are allowed to do so within six months of registration. At reporting date, it is estimated that, as a result, additional mandatory grant expenditure of R94 000 (2023: R270 000) will be payable. The amount is contingent on the number of submissions received and approved.

22. Related parties

ETDP SETA as a Schedule 3A Public Entity is related to all entities in national government spheres. However as per GRAP 20, the below and balances undertaken on more or less favourable terms and conditions (not at arm's length) and those that are outside the normal operating legal mandate.

The Related parties for the SETA are:

22.1 Entities under common control
22.2 Key management personnel
22.3 Employers/Organisations relating to the Accounting Authority members
22.4 Accounting Authority members
22.5 Relatives of key management personnel and accounting authority members(No transactions)

Notes to the Financial Statements

R'000

22. Related parties (continued)

22.1 Entities under common control

ETDP SETA is a Schedule 3A Public Entity under the Department of Higher Education and Training (DHET). Entities under the common control of DHET are then considered to be related parties to the ETDP SETA. These entities are the 20 Sector Education and Training Authorities (SETAs), Quality Council For Trades & Occupations (QCTO), National Skills Fund (NSF), the 26 Public Universities, Technical and Vocational Education and Training (TVET) colleges, Community Education and Training (CET) colleges, National Student Financial Aid Scheme (NSFAS) and National Skills Authority (NSA).

The related party transactions pertain to the SETA funded learning programmes and these are consistent with normal grant allocation and funding processes (terms and conditions) as directed by the SETA policies. These will include any transaction occurred during the period under review and included in the Statement of Financial Performance, any outstanding balances at the reporting date included in the Statement of Financial Position as well as balances on active contracts for learning programmes at the end of the reporting date.

Remuneration of management

Key management personnel

2024

Name	Basic salary	Performance bonus	Medical aid	Pension	Other benefits received	Total
Ms. NS Nxesi (CEO)	2 556	71	-	276	67	2 970
Ms. NT Sibisi (CRO)	1 504	-	36	138	-	1 678
Mr. T Makofane (COO)	1 653	-	68	157	-	1 878
Ms N Mafahla (CFO)	1 882	-	79	179	-	2 140
Mr. K Ngaledzani (Acting CFO)	**110**	**-**	**13**	**6**	**1**	**130**
	7 705	**71**	**196**	**756**	**68**	**8 796**

Notes to the Financial Statements

R'000

22. Related parties (continued)

2023

Name	Basic salary	Performance bonus	Medical aid	Pension	Other benefits received	Total
Ms. NS Nxesi (CEO)	2 256	90	-	158	254	2 758
Ms. NT Sibisi (CRO)	1 678	-	35	158	8	1 879
Mr. T Makofane (COO)	1 592	-	33	150	14	1 789
Ms N Mafahla (CFO)	1 647	-	96	158	-	1 901
	7 173	**90**	**164**	**624**	**276**	**8 327**

22.3 Employers/Organisations relating to the Accounting Authority members

2024

Name	AA Members	Levies Received 'R'000
DBE	Ms S Geyer	1 421
DBE	Ms Futshane	-
USAF	Dr Singh	-
APPETD	Ms L Ingram	-
NAPTOSA	Mr. Ntantala	-
	-	**1 421**

Notes to the Financial Statements

R'000	2024	2023

22. Related parties *(continued)*

2023

Name	AA Member	Levies Received 'R'000	Mandatory grants 'R'000	Discretionary grants 'R'000
DBE	Ms. S Geyer	513	-	-
DBE	Ms. Futshane	-	-	-
USAF	Dr. Singh	-	-	-
APPETD	Ms. L Ingram	-	-	-
NAPTOSA	Mr. Ntantala	302	66	40
	-	**815**	**66**	**40**

Remuneration of Accounting Authority Members

2024

Name	Fees for services rendered as members of accounting authority	Other expenses paid	Total
D Hindle- Chairperson	145	86	231
M Mthembu	149	9	158
F Solomon	79	7	86
V Singh	82	2	84
L Ingram	45	-	45
N Mboniswa	148	-	148
S Geyer	1	-	1
N Ntantala	86	-	86
DM Peo	58	-	58
P Chiloane	54	-	54
T Futshane	1	-	1
T Mathebula	58	-	58
LM Motshwane	176	-	176
H Ntlatleng	1	-	1
	1 083	**104**	**1 187**

Notes to the Financial Statements

R'000	2024	2023

22. Related parties *(continued)*

2023

Name	Fees for services rendered as members of accounting authority	Other expenses paid	Total
D Hindle- Chairperson	160	170	330
M Mthembu	169	4	173
F Solomon	100	2	102
V Singh	114	6	120
L Ingram	51	1	52
N Mboniswa	55	-	55
N Ntantala	92	2	94
P Chiloane	67	9	76
H Ntlatleng	-	4	4
DM Peo	158	5	163
LM Motshwane	235	6	241
T Mathebula	73	3	76
	1 274	**212**	**1 486**

Notes to the Financial Statements

R'000	2024	2023

23. Financial Instruments

Financial risk management

The ETDP SETA's activities expose it to a variety of financial risks: liquidity risk, credit risk, market risk (interest rate risk) .

Liquidity risk

This risk is managed via proper working capital management, expenditure management, actual versus forecast cash flows and the cash management policy. Adequate reserves in support of existing commitments and liquid resources are maintained. The table below provides an analysis of ETDP SETA's financial liabilities into their maturity groupings as per the Statement of Financial Position. These amounts are not discounted as they are as per contracts.

Financial instruments: as at 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	319 514	-	-	-

Financial instruments: as at March 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	248 597	-	-	-

Notes to the Financial Statements

R'000	2024	2023

23. Financial Instruments *(continued)*

Credit risk

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. Essentially credit risk means that the SETA may not receive the owed principal and interest, which results in an interruption of cash flows and increased costs for collection. Financial assets which would potentially subject ETDP SETA to the risk of non-performance consist mainly of accounts receivable, except for the global economic meltdown which may impact on the income received from the levy paying organisations.

The ETDP SETA management limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The SETA's exposure is continuously monitored on a monthly basis.

Financial instruments: as at 31 March 2024	Gross	Impaired	Total
Financial Assets	-	-	-
Not past due 0-30 days	3 280	-	3 280
Past due 31-90	4 081	-	4 081
Past due 91-120	75	(75)	-
	7 436	**(75)**	**7 361**

Financial instruments: as at 31 March 2023	Gross	Impaired	Total
Financial Assets	-	-	-
Not past due 0-30 days	3 377	-	3 377
Past due 31-90	2 072	-	2 072
Past due 91-120	1 032	(1 032)	-
	6 481	**(1 032)**	**5 449**

Notes to the Financial Statements

R'000	2024	2023

23. Financial Instruments *(continued)*

Reconciliation of debt provision		
Opening balance	1 032	1 220
Doubtful debts written off against provision / reversal of provision	(957)	(188)
	75	**1 032**

Market risk

Interest rate risk

The sensitivity of interest generated from surplus funds to interest rates is dependent on the prime rate variations. At the reporting date, the average rate was 8.10% (Prior year: 6.04%).

Financial instruments: as at 31 March 2024	Amount	Average interest rate % pa	Non-interest bearing	Total
Financial Assets				
Cash and cash equivalents	1 939 254	8 %	-	1 939 254
Receivables	673	8 %	2 991	3 664
Subtotal	1 939 927	8 %	2 991	1 942 918
Financial Liabilities	(7 012)	8 %	(312 502)	(319 514)
	1 932 915	**8 %**	**(309 511)**	**1 623 404**

Notes to the Financial Statements

R'000	2024	2023

23. Financial Instruments *(continued)*

Financial instruments: as at 31 March 2023	Amount	Average interest rate % pa	Non-interest bearing	Total
Financial Assets				
Cash and cash equivalents	1 644 777	6 %	-	1 644 777
Receivables	1 565	6 %	3 884	5 449
Subtotal	1 646 342	6 %	3 884	1 650 226
Financial Liabilities	(3 048)	6 %	(245 549)	(248 597)
	1 643 294	**6 %**	**(241 665)**	**1 401 629**

24. Going concern

The financial statements have been prepared based on the expectation that the ETDP SETA will continue to operate as a going concern for at least the next 12 months.

Notes to the Financial Statements

R'000	2024	2023

25. Principal- Agent relationship

Management Fees	-	4 000

The ETDP SETA has entered into a Memorandum of Agreement with Universities South Africa (USAf) to assist the ETDP SETA with two of its APP targets namely New bursary and Bursary renewals. In this arrangement, the ETDP SETA is a principal whereas USAf is an agent. Below are the responsibilities of each party from the date of inception of the arrangement which to date have not changed:

ETDP SETA shall:

1. Facilitate communication between the Parties;
2. Support and fund the identified Skills Development Project;
3. Process all payments as per USAf instruction(s);
4. Facilitate the establishment of the Project Steering Committee (if applicable); and
5. Report on the partnership projects to the Department of Higher Education and Training (DHET)

Notes to the Financial Statements

R'000	2024	2023

25. Principal- Agent relationship *(continued)*

The USAf shall:

1. Identify the unemployed students from 26 public universities who qualify for bursaries;
2. Monitor the implementation and management of the project;
3. Report to the ETDP SETA regularly as and when required concerning the progress on the project;
4. Request in writing any deviation or change of implementation plan to the ETDP SETA;
5. Report to the ETDP SETA on projects activities and progress.

There are no significant risks identified from the arrangement.

26. Prior-year adjustments

In the 2022/23 financial year, discretionary grants expenditure was understated as a result of an understatement of accruals for the year.

Below is the effect of the correction in the Statement of Financial Position, Statement of Financial Performance and Cash Flow Statement.

Statement of financial position

2023	Note	As previously reported	Correction of error	Restated
Payables from non-exchange		292 025	11 654	303 679
		-	-	-
		292 025	11 654	303 679

Notes to the Financial Statements

R'000	2024	2023

26. Prior-year adjustments *(continued)*

Statement of financial position

2023	Note	As previously reported	Correction of error	Restated
Discretionary grants reserves		1 328 501	(11 654)	1 316 847

Statement of financial performance

2023	Note	As previously reported	Correction of error	Restated
Discretionary grants expense		569 941	11 654	581 595

Notes to the Financial Statements

R'000	2024	2023

27. Events after the reporting date

On 24 July 2024, the Johannesburg Labour Court handed down a judgment on application of the leave to appeal the Labour Court judgment handed down on 10 January 2024 where the court had ordered the SETA to pay the former employee an amount of R1,5 million as remuneration for the period 01 March 2019 to 30 June 2020. Refer to note 21.3.2 (first bullet). The Judge dismissed the ETDP SETA's application for leave to appeal with costs.

As at the report date, the SETA had filed a petition at the Labour Appeal Court for leave to appeal both the judgments of the Labour Court.

28. Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure	5 878	987
Fruitless and wasteful expenditure	29	283
Closing balance	**5 907**	**1 270**

Notes to the Financial Statements

R'000	2024	2023

29. Budget differences

The material differences explained below are based on the SETA's materiality benchmark of R3.971 million.

Material differences between budget and actual amounts

Levy Income

The ETDP SETA received more levies compared to budget in the year. This was due to an increase in skills development levies received in the current year. The budget was determined using the 2022 year actual revenue figures as a base.

Interest income

Interest income earned for the year is 66% above budget. This is due to high cash balances in the Reserve Bank and increases in interest rates.

Employee cost

Employee costs for the year are 4.5% below budget. This is within an acceptable range.

Mandatory and discretionary grants

Mandatory grants expenditure is 14% below budget. This is due to delayed submission of WSP and ATRs by employers.

Expenditure on discretionary grants is 20% below budget (excluding the effect of approved surplus funds). This is due to delayed implementation of projects.

Administration expenditure is 26% below budget which is linked to slow implementation of projects.

ETDP SETA

Education, Training and Development Practices
Sector Education and Training Authority

Annual Report

2023/2024

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