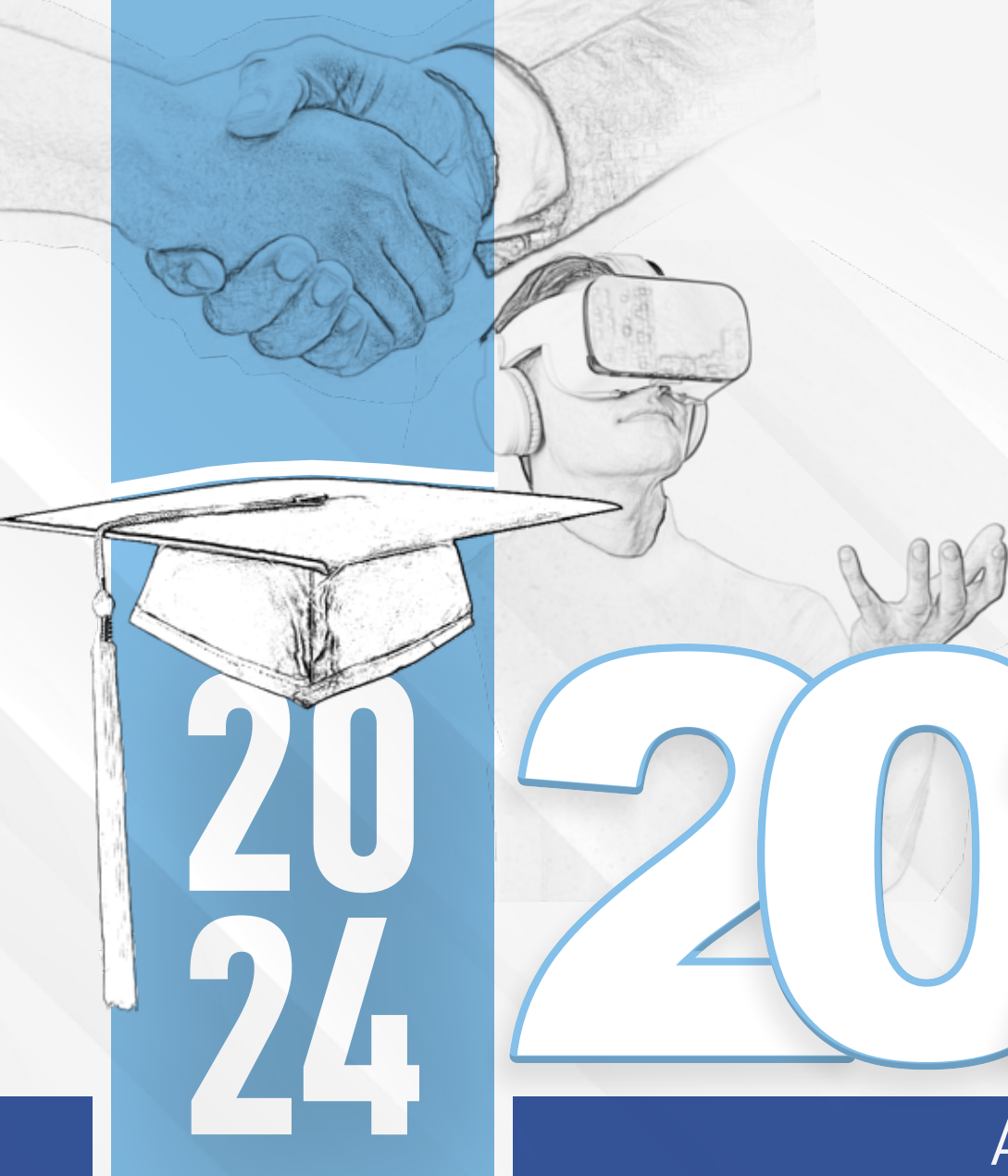




**ETDP•SETA**

Education, Training and Development Practices  
Sector Education and Training Authority

**20  
24**

**2025**

**ANNUAL REPORT**



AT THE CUTTING EDGE OF SKILLS DEVELOPMENT





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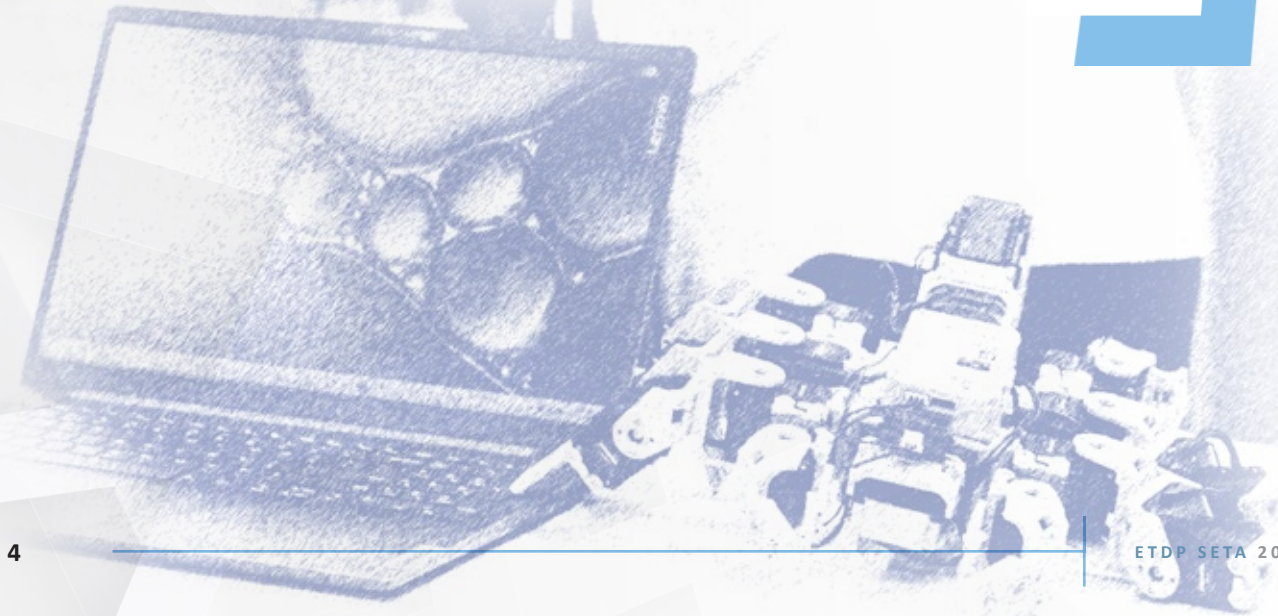
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# PART

## General Information







# 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, Marshalltown  
2091

### Postal Address:

Private Bag X105  
Melville  
2109

### Contact details:

Contact Person: Ms Sesi Nombulelo Nxesi  
Telephone Number: +27(0)11 372 3300  
Email Address: [nombulelon@etdpseta.org.za](mailto:nombulelon@etdpseta.org.za)  
Website Address: [www.etdpseta.org.za](http://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

# List of Abbreviations/ Acronyms

|        |                                                                         |
|--------|-------------------------------------------------------------------------|
| 4IR    | Fourth Industrial Revolution                                            |
| AA     | Accounting Authority                                                    |
| AEAA   | Association for Educational Assessment in Africa                        |
| AET    | Adult Education and Training                                            |
| AFS    | Annual Financial Statements                                             |
| AGSA   | Auditor-General of South Africa                                         |
| APP    | Annual Performance Plan                                                 |
| APR    | Annual Performance Report                                               |
| APPETD | Association of Private Providers of Education, Training and Development |
| ARC    | Audit and Risk Committee                                                |
| ATRs   | Annual Training Reports                                                 |
| B-BBEE | Broad-Based Black Economic Empowerment                                  |
| CBO    | Community-Based Organisation                                            |
| CCMA   | Commission for Conciliation, Mediation and Arbitration                  |
| CEO    | Chief Executive Officer                                                 |
| CET    | Community Education and Training                                        |
| CFO    | Chief Financial Officer                                                 |
| CIPPT  | Chartered Institute of Professional Practitioners and Trainers          |

|           |                                                                                       |
|-----------|---------------------------------------------------------------------------------------|
| COO       | Chief Operations Officer                                                              |
| COVID-19  | Coronavirus Disease 2019                                                              |
| CPUT      | Cape Peninsula University of Technology                                               |
| DBE       | Department of Basic Education                                                         |
| DHET      | Department of Higher Education and Training                                           |
| DoE       | Department of Education                                                               |
| DPSA      | Department of Public Service and Administration                                       |
| ECCE      | Early Childhood Care and Education                                                    |
| ECD       | Early Childhood Development                                                           |
| EE        | Employment Equity                                                                     |
| ESG       | Environmental, Social and Governance                                                  |
| ETD       | Education, Training and Development                                                   |
| ETDP SETA | Education, Training and Development Practices Sector Education and Training Authority |
| ETDQA     | Education, Training and Development Quality Assurance                                 |
| EXCO      | Executive Committee                                                                   |
| GNU       | Government of National Unity                                                          |
| GRAP      | Generally Recognised Accounting Practice                                              |
| HEI       | Higher Education Institution                                                          |





|         |                                                                               |
|---------|-------------------------------------------------------------------------------|
| HER     | Higher Education and Research                                                 |
| HERC    | Higher Education and Research Chamber                                         |
| HESI    | Higher Education, Science and Innovation                                      |
| HET     | Higher Education and Training                                                 |
| HR      | Human Resource                                                                |
| HRC     | Human Resource Committee                                                      |
| HRD     | Human Resource Development                                                    |
| HSRC    | Human Sciences Research Council                                               |
| IA      | Internal Auditors                                                             |
| ICT     | Information and Communication Technology                                      |
| ISAs    | International Standards on Auditing                                           |
| ISPFTED | Integrated Strategic Planning Framework for Teacher Education and Development |
| IT      | Information Technology                                                        |
| MIS     | Management Information Systems                                                |
| MOA     | Memorandum of Agreement                                                       |
| MOU     | Memorandum of Understanding                                                   |
| MTDP    | Medium-Term Strategic Development Plan                                        |
| MTSF    | Medium-Term Strategic Framework                                               |
| NCOP    | National Council of Provinces                                                 |
| NEHAWU  | National Education, Health, and Allied Workers' Union                         |
| NGO     | Non-Governmental Organisation                                                 |
| NPO     | Non-Profit Organisation                                                       |
| NQF     | National Qualifications Framework                                             |
| NSA     | National Skills Authority                                                     |
| NSDP    | National Skills Development Plan                                              |
| NWU     | North-West University                                                         |

|       |                                                 |
|-------|-------------------------------------------------|
| OD    | Occupational Development                        |
| OI    | Output Indicator                                |
| PAA   | Public Audit Act                                |
| PFMA  | Public Finance Management Act                   |
| PWD   | Person/People with Disabilities                 |
| QCTO  | Quality Council for Trades and Occupations      |
| RCG   | Risk, Compliance and Governance                 |
| REMCO | Remuneration Committee                          |
| RPL   | Recognition of Prior Learning                   |
| RSA   | Republic of South Africa                        |
| SAQA  | South African Qualifications Authority          |
| SARS  | South African Revenue Service                   |
| SCM   | Supply Chain Management                         |
| SDL   | Skills Development Levy                         |
| SETA  | Sector Education and Training Authority         |
| SLA   | Service Level Agreement                         |
| SMT   | Senior Management Team                          |
| SP    | Strategic Plan                                  |
| SSP   | Sector Skills Plan                              |
| TCTC  | Total-Cost-to-Company                           |
| TVET  | Technical and Vocational Education and Training |
| UFS   | University of the Free State                    |
| UK    | United Kingdom                                  |
| UKZN  | University of KwaZulu-Natal                     |
| WIL   | Work-Integrated Learning                        |
| WSP   | Workplace Skills Plan                           |
| WSPR  | Workplace Skills Plan Report                    |

# Foreword by the Accounting Authority



**MS SESI NOMBULELO NXESI**  
CHIEF EXECUTIVE OFFICER | ACCOUNTING AUTHORITY

## Introduction

The term of office of the Accounting Authority concluded on 31 March 2025, and this Annual Report serves as the final statement from the Board of the ETDP SETA.

During its term of office, the Board provided strategic oversight of the SETA's operations and the management of a budget of R1 429 805 000 annually.

Over the course of its term, the Board assumed two primary roles. The first was to ensure continuity in the delivery of quality skills development programmes to the sector's targeted beneficiaries. In doing so, the set targets were aligned with national priorities.

The Service Level Agreement with the Department of Higher Education and Training was concluded.

The second role was developmental in nature, focusing on the approval of policies and systems to improve service delivery.





The number of levy-paying employers continued to increase by 3%, accompanied by an increase in levy contributions of 7%, **reflecting sustained growth in the sector.**

### Overview of performance

Detailed reports on the performance of each programme are presented in Part B: Performance Information. For the year under review, and in line with the revised APP, an overall achievement level of 83% was recorded which is the same as the previous financial year.

The number of levy-paying employers increased by 3%, accompanied by an increase in levy contributions of 7%, reflecting a sustained growth in the sector. The Financial Statement and Audit Report are included in Part F of this Annual Report.

I am pleased to report that there have been no instances of financial impropriety or Board-related material irregularities within the ETDP SETA during this period. However, reporting on performance has remained a challenge, as six targets were not achieved. There were also material audit findings in the year under review which resulted in a qualified audit opinion by the Auditor-General of South Africa. There are corrective measures that have been put in place by management to strengthen internal controls and address performance challenges in the future.

### Partnerships

The ETDP SETA operates within a well organised sector encompassing both the public and private spheres. Employers and employees are structured effectively within their respective organisations, and civil society plays a significant and well represented role in the education, training, and development (ETD) field. Consequently, the SETA has established effective partnerships with a wide range of constituent organisations to ensure responsiveness to the sector's needs.

These constituencies include public and private schools, colleges and universities, statutory bodies, teacher unions, non-governmental organisations, political parties, and trade unions. We value and appreciate the strong relationships we have built with these partners.

# The persistent challenges of unemployment, poverty, and inequality have continued to **guide the Board's decisions.**



## Challenges Faced by the Board

The persistent challenges of unemployment, poverty, and inequality have continued to guide the Board's decisions in the execution of its oversight responsibilities. Throughout its term, the Board consistently supported programmes and initiatives aimed at promoting equitable growth and development across the country.

However, despite the sector's critical need for education and training, the capacity of the system, and its constituencies, to activate and deliver these programmes remains limited. This has resulted in a high level of "committed funds" held by the SETA — resources allocated to programmes that have yet to be implemented. Addressing this issue will be a key priority for the incoming Board.

## Acknowledgements, Appreciation and Conclusion

The SETA has benefited from the ongoing commitment of provincial departments in meeting their obligations towards skills development. A substantial portion of the SETA's operations is funded through these

contributions, which are essential for the continued delivery of training programmes. I would also like to acknowledge and thank private employers for their consistent levy contributions.

As the term of the Accounting Authority comes to a close, I would like to sincerely thank each member of the Accounting Authority, along with the Chairpersons and members of the Committees and Chambers, for their dedicated service over the past five years. The management and staff of the ETDP SETA will undoubtedly continue their important work to enhance the skills levels of all workers in the sector. I wish them and the incoming Board all the best in advancing this vital mission.

**MS SESI NOMBULELO NXESI**

Chief Executive Officer | Accounting Authority

15 August 2025







# Chief Executive Officer's Overview



**MS SESI NOMBULELO NXESI**  
CHIEF EXECUTIVE OFFICER | ACCOUNTING AUTHORITY

## General Financial Overview of the Organisation

The ETDP SETA executes its mandate primarily through levies collected from constituent organisations within the ETD sector, as well as contributions from the Departments of Education.

## Revenue analysis

During the period under review, the SETA recorded total revenue of R1.38 billion across all categories, reflecting a 7% increase compared to the previous year. Levies, interest and penalties from employers increased by 6% from the prior financial year, representing 58% of the total revenue.

The Departments of Education continue to provide essential financial support to the ETDP SETA, as mandated by the Department of Public Service and Administration (DPSA) Circular No. HRD 1 of 2013. However, receipts from some provincial departments fell below the percentage contributions outlined in the DPSA circular, resulting in lower revenue than budgeted for the year under review. Contributions from the Departments of Education accounted for 30% of total revenue, showing a 7% increase from the prior year.

Interest income increased by 13% compared to the previous year, making up 12% of the total revenue.

We sincerely thank the employers in the ETDP sector for their valuable contributions, which play a crucial role in supporting the SETA's mandate.

| Revenue Items                         | 2024/25<br>R'000 | 2023/24<br>R'000 | 2022/23<br>R'000 |
|---------------------------------------|------------------|------------------|------------------|
| Levies from levy-paying organisations | 792 843          | 749 749          | 690 037          |
| Departments of Education              | 420 106          | 392 459          | 374 952          |
| Interest income                       | 163 662          | 145 395          | 89 126           |
| Other income                          | 226              | 276              | 226              |
| <b>TOTAL</b>                          | <b>1 376 837</b> | <b>1 283 884</b> | <b>1 154 341</b> |

### Spending Trends

The SETA incurred expenditure of R1.03 billion in the current financial year, of which R637.6 million was spent on discretionary grant projects. There was a decrease in the disbursement of these grants compared to the prior year, primarily due to the slow and delayed implementation of projects.

The ETDP SETA, in close collaboration with its stakeholders, continues to explore strategies to fast-track project implementation, thereby enhancing the timely disbursement of funds.

Expenditure on administration expenses remained within the approved budget, as the ETDP SETA continues to implement strict cost-containment measures in fulfilling its mandate.





| Expenditure Items                                           | 2024/25<br>R'000 | 2023/24<br>R'000 | 2022/23<br>R'000 |
|-------------------------------------------------------------|------------------|------------------|------------------|
| Mandatory grants                                            | 158 604          | 144 071          | 139 736          |
| Discretionary grants                                        | 637 646          | 672 891          | 581 595          |
| Administration                                              | 233 317          | 225 267          | 206 598          |
| Quality Council for Trades and Occupations (QCTO) transfers | 5 137            | 4 733            | 4 050            |

### Capacity Constraints and Challenges Faced by the Organisation

The organisation did not operate at full staff complement as per the approved organisational structure, primarily due to unfilled vacancies and staff acting in senior positions.

### Strategies to Address Challenges Experienced

Mitigation plans to address internal control deficiencies in the reporting of performance information have been developed. Additionally, the project to align the organisational structure with the organisational strategy has been completed and is now ready for implementation to enhance productivity and service delivery.

### Discontinued Activities / Activities to be Discontinued

There are no discontinued activities, nor any intention to discontinue activities, within the ETDP SETA.

### New or Proposed Activities

There were no new or proposed activities.

## Request for Rollover of Funds

The National Treasury approved the utilisation of surplus funds amounting to R1.554 billion from the prior financial year to support commitments for discretionary grant projects and other priority areas within the sector. The 2024/25 financial statements reflect a surplus of R1.933 billion, which includes discretionary grant commitments of R1.276 billion. These funds remain subject to National Treasury approval before utilisation.

## Supply Chain Management (SCM) Processes and Systems

The ETDP SETA maintained robust internal control systems and processes over Supply Chain Management, ensuring their ongoing effectiveness.

The ETDP SETA complied with National Treasury Regulation 16A4.1, with regards to Supply Chain Management. The SETA consistently strives to ensure adherence to its policies and full compliance with all relevant legislative requirements.

## Concluded Unsolicited Bids for 2024/25

The organisation did not award any unsolicited bid proposals during the 2024/25 financial year.

## Audit Report Matters from the Prior Year

For the 2023/24 financial year, the ETDP SETA received an unqualified audit opinion on its financial statements. Material misstatements were identified in the financial statements and reported performance information for Programme 3 but were subsequently corrected.

## Plans to address financial challenges

Revenue from Departments was 25% below budget for the year under review. Many departments were unable to pay their full contributions, and some were unable to contribute at all due to financial constraints.

The SETA continues to engage with the Departments of Education to ensure adherence to the DPSA Circular, with the goal of securing full and timely contributions.

Challenges with project implementation persist, leading to slow disbursement of funds and an increase in commitments during the year. The approval of the 2024/25 revised budget was only granted by DHET in March 2025, which contributed to a rise in discretionary grant commitments at year-end.

## Events After the Reporting Date

By 01 April 2025, the Accounting Authority was not yet appointed.





## Economic Viability

The SETA's financial statements affirm the ETDP SETA's status as a going concern, supported by sufficient reserves and liquid resources to sustain operations over the next 24 months. The current licence period extends until 31 March 2030, subject to any future proclamations by the Minister of Higher Education, Science and Innovation.

## Acknowledgements

On behalf of the ETDP SETA, I would like to take this opportunity to express my sincere gratitude to the Chairperson of the Accounting Authority, members of the Accounting Authority, as well as the Chairpersons and members of the sub-committees and Chambers for their unwavering support and commitment during the year under review.

I also appreciate the continued support from employers in the sector and its constituencies, which has been instrumental in enabling the SETA to engage in meaningful projects and maintain financial viability.

Lastly, I would like to extend my heartfelt thanks to the ETDP SETA staff for their dedication and commitment throughout the period under review. Despite the challenges faced, I am confident that our collective resilience and ability to navigate these obstacles have strengthened us as we move forward into the coming year, committed to continued performance improvement.

**MS SESI NOMBULELO NXESI**

Chief Executive Officer | Accounting Authority  
15 August 2025

# Statement of Responsibility and 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 are 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 for Annual Reports issued by the 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 preparing this information.

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

The AGSA is 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 2025.

Yours sincerely,



**MS SESI NOMBULELO NXESI**

Chief Executive Officer | Accounting Authority

15 August 2025



# 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's mission is to promote, facilitate, and develop 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 in advancing national human resources 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 stakeholders
- cooperative governance; and
- striving for continuous improvement



# Legislative and Other Mandates

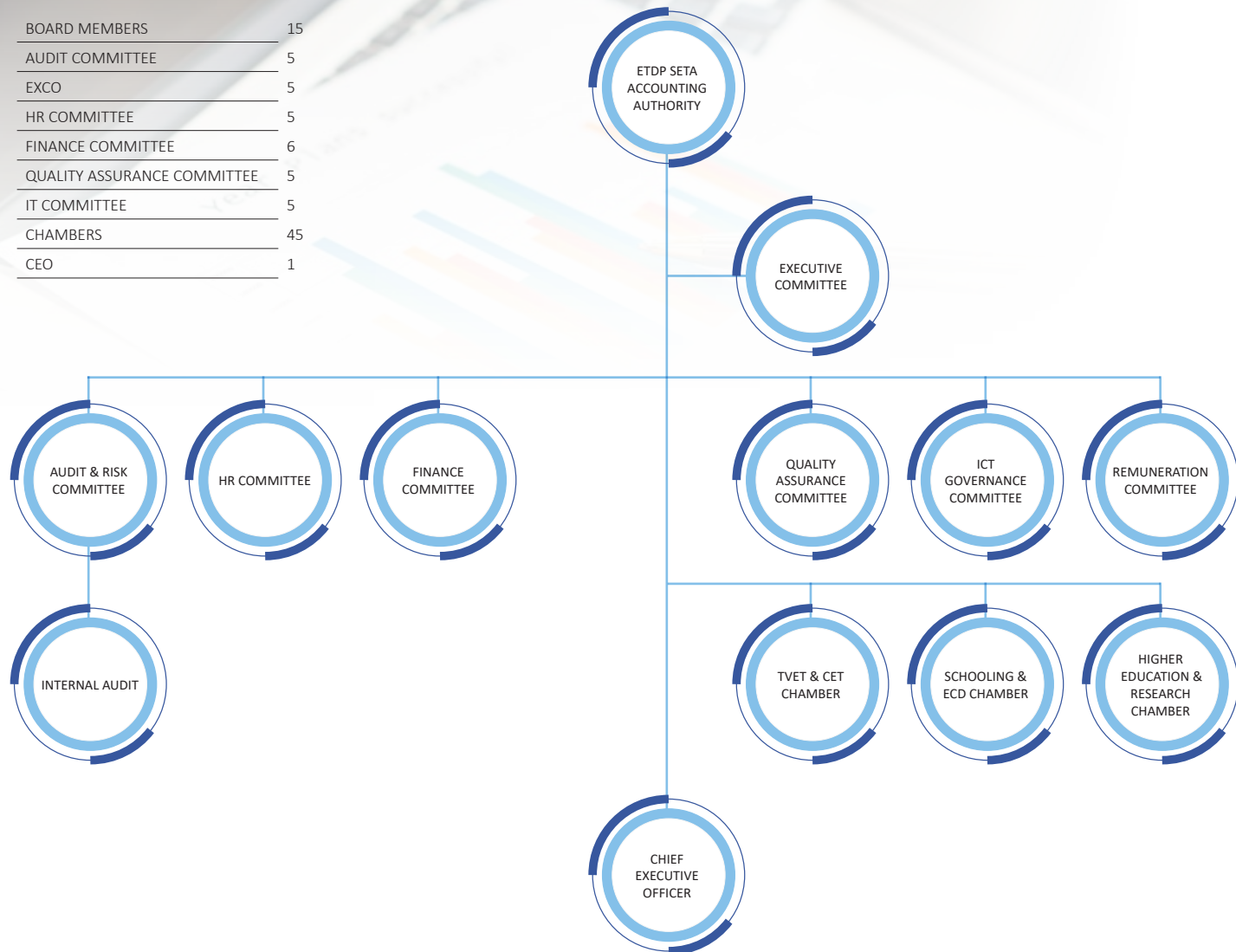
The ETDP SETA is a PFMA Schedule 3A entity that derives its establishment and mandate from the Skills Development Act, 1998 (Act No. 97 of 1998). The following are some of the key legislative mandates that guide SETAs in the execution of their mandates:

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

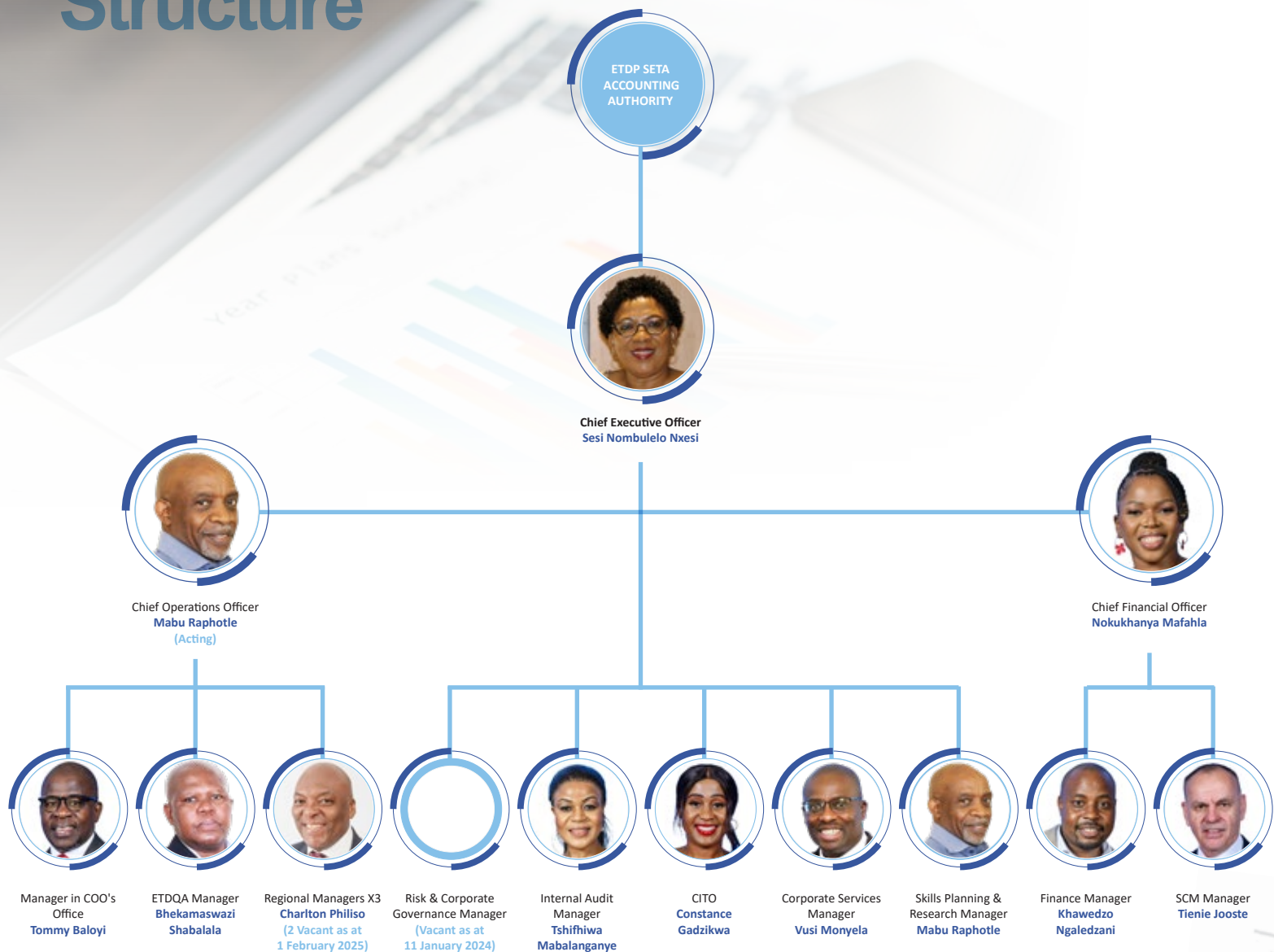
In addition to these legislative mandates, the ETDP SETA operates in alignment with applicable national policies, as well as its own organisational policies.

# Governance Structure

|                             |    |
|-----------------------------|----|
| BOARD MEMBERS               | 15 |
| AUDIT COMMITTEE             | 5  |
| EXCO                        | 5  |
| HR COMMITTEE                | 5  |
| FINANCE COMMITTEE           | 6  |
| QUALITY ASSURANCE COMMITTEE | 5  |
| IT COMMITTEE                | 5  |
| CHAMBERS                    | 45 |
| CEO                         | 1  |



# High Level Organisational Structure



# PART B



Performance  
Information

# Auditor-General's Report: Predetermined Objectives

The Auditor-General of South Africa (AGSA) did not identify material findings on reliability and the Annual Performance Report submitted for audit on 31 May 2025.

The full AGSA report is included on pages 124-135.





# Situational Analysis

## Service Delivery Environment

The May 2024 election results delivered a multi-party governance arrangement for the country, referred to as the Government of National Unity (GNU). The GNU introduced three strategic priorities contained in the Medium-Term Development Plan (MTDP) (2025-2030), namely: inclusive growth and job creation; reducing poverty and tackling the high cost of living; and building a capable, ethical and developmental state. This impacted the 2024/25 plans of public entities, as a directive was issued that all public entities should revise their plans to align them with the strategic priorities.

The transition from the implementation of the National Skills Development Plan (NSDP) to the MTDP in August 2024 created uncertainty as the SETA was required to align its plans with the draft MTDP, which had not yet been finalised. As a result, the SETA reverted to the original approved Annual Performance Plan (APP) for the implementation of its programmes for the remainder of the financial year.

It is against this background that the ETDP SETA implemented its 2024/25 Annual Performance Plan (APP) and used Programme 3 — the largest programme, accounting for 75% (27 of 36 performance

targets) — to offer services to the public. Although the overall SETA performance was 83% for the year under review, Programme 3 achieved only 85% of its target. The under-achievement is attributed to poor monitoring of the implementation projects and inadequate capacity, primarily in the Operations division due to the vacant Chief Operations Officer (COO) position. However, plans are in place to strengthen the capacity through the appointment of Regional Managers and project administrators to strengthen the implementation and monitoring of projects.

## Organisational Environment

During the year under review, the SETA had five critical vacancies, one at Executive level and four at Manager level; namely: Chief Operations Officer; Manager: Risk and Corporate Governance; Manager: Supply Chain Management and two Regional Managers. One such critical vacancy filled during the year was the Manager: Supply Chain Management. Management has put in place a strategy to ensure the timely recruitment of the Chief Operations Officer, two Regional Managers, and Manager: Risk and Corporate Governance.

The organisation did not experience significant resignations during the 2024/25 financial year.

## Key Policy Developments and Legislative Changes

There were no key policy developments or legislative changes during the year under review.

## Progress Towards Achievement of Strategic Institutional Impacts and Outcomes

### Programme 1: Administration

| MTSF Priority: A capable, ethical and developmental state                                     |                                                                                                       |                           |                                   |                                    |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|------------------------------------|
| Outcome                                                                                       | Outcome Indicators                                                                                    | Baseline<br>(2015 – 2020) | Five-Year Target<br>(2020 – 2025) | Achievement as at<br>31 March 2025 |
| Trained employees and governance structure members for professional development               | Number of employees and governance structure members trained in line with their training needs        | -                         | 133                               | 169                                |
| Digitalised business environment for improved performance                                     | Number of automated business processes implemented for improved organisational efficiency by year-end | -                         | 15                                | 15                                 |
| Sound corporate governance for improved compliance with regulatory and DHET requirements      | Percentage implementation of audit action plans for improved audit outcomes                           | -                         | 85%                               | 33%                                |
| Timely payment of service providers in order to comply with the National Treasury regulations | Percentage of SETA creditors' invoices paid within 30 days of receipt                                 | -                         | 100%                              | 87%                                |

“-” Denotes that the outcome indicator is new, hence there is no baseline.





## Programme 2: Research and Skills Planning

| MTSF Priority: Education, skills and health                       |                                                                                                 |                           |                                   |                                    |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|------------------------------------|
| NSDP Outcome 1                                                    | Outcome Indicators                                                                              | Baseline<br>(2015 – 2020) | Five-Year Target<br>(2020 – 2025) | Achievement as at<br>31 March 2025 |
| Increased production of occupations in high demand                | Number of occupations in high demand identified and reported through Sector Skills Plan process | 20                        | 30                                | 32                                 |
|                                                                   | Number of research studies conducted to inform skills planning                                  | -                         | 15                                | 20                                 |
|                                                                   | Percentage of WSPs and ATRs evaluated and feedback provided to employers                        | 100%                      | 100%                              | 100%                               |
| Effectiveness of implementation of skills programmes and projects | Number of evaluation studies conducted                                                          | 4                         | 5                                 | 5                                  |

## Programme 3: Learning Programmes and Projects

| MTSF Priority: Education, skills and health |                                                                                                                                                      |                           |                                   |                                    |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|------------------------------------|
| NSDP Outcome 2                              | Outcome Indicators                                                                                                                                   | Baseline<br>(2015 – 2020) | Five-Year Target<br>(2020 – 2025) | Achievement as at<br>31 March 2025 |
| Linking education and the workplace         | Number of young persons accessing work-based learning opportunities to enhance employability                                                         | 15 566                    | 20 205                            | 17 674                             |
| Linking education and the workplace         | 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                            | 15 337                             |



| MTSF Priority: Education, skills and health                                 |                                                                                                                                                                                                                           |                           |                                   |                                    |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|------------------------------------|
| NSDP Outcome 2                                                              | Outcome Indicators                                                                                                                                                                                                        | Baseline<br>(2015 – 2020) | Five-Year Target<br>(2020 – 2025) | Achievement as at<br>31 March 2025 |
| Improving the level of skills in the South African workforce                | Increased number of teachers, government officials and RPL candidates 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                            | 31 254                             |
|                                                                             | Constituent organisations supported, through skills development, to enhance employees' capabilities in digital skills                                                                                                     | -                         | 14                                | 18                                 |
| NSDP Outcome 5                                                              | Outcome Indicators                                                                                                                                                                                                        | Baseline<br>(2015 – 2020) | Five-Year Target<br>(2020 – 2025) | Achievement as at<br>31 March 2025 |
| Support the growth of the public college system                             | CET Colleges funded to implement digital learning platforms                                                                                                                                                               | -                         | 9                                 | 9                                  |
|                                                                             | 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                             | 5 045                              |
| NSDP Outcome 6                                                              | Outcome Indicators                                                                                                                                                                                                        | Baseline<br>(2015 – 2020) | Five-Year Target<br>(2020 – 2025) | Achievement as at<br>31 March 2025 |
| 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                                 |





| NSDP Outcome 7                                  | Outcome Indicators                                    | Baseline<br>(2015 – 2020) | Five-Year Target<br>(2020 – 2025) | Achievement as at<br>31 March 2025 |
|-------------------------------------------------|-------------------------------------------------------|---------------------------|-----------------------------------|------------------------------------|
| Encourage and support worker-initiated training | Increased number of worker-initiated training support | -                         | 10                                | 11                                 |

“-” Denotes that the outcome indicator is new, hence there is no baseline.

| NSDP Outcome 8                      | Outcome Indicators                                                                                 | Baseline<br>(2015 – 2020) | Five-Year Target<br>(2020 – 2025) | Achievement as at<br>31 March 2025 |
|-------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|------------------------------------|
| Support career development services | Career Development Services:<br>Increase in the number of career development practitioners trained | -                         | 300                               | 555                                |

#### Programme 4: Quality Assurance

| NSDP Outcome 4                                        | Outcome Indicators                                                                                                                       | Baseline<br>(2015 – 2020) | Five-Year Target<br>(2020 – 2025) | Achievement as at<br>31 March 2025 |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|------------------------------------|
| Increase access to occupationally directed programmes | Occupational qualifications that promote Occupations in High Demand to increase employability are developed                              | 8                         | 17                                | 17                                 |
|                                                       | Increase in the number of work-integrated learning sites promoted and supported for Occupations in High Demand to increase employability | 10                        | 300                               | 310                                |

# Institutional Programme: Performance Information



83%

**Achievement**

## Executive Summary

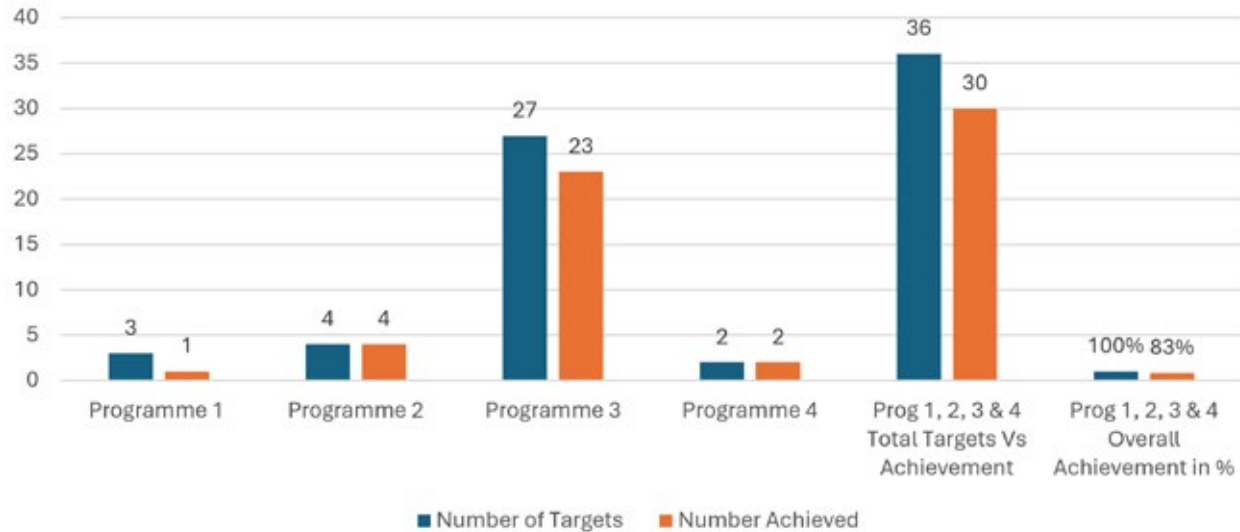
The ETDP SETA achieved a total of thirty (30) targets out of thirty-six (36) set in both the Annual Performance Plan (APP) and the Service Level Agreement (SLA) for the year under review. This translates to an overall achievement rate of 83%. This performance is a consolidation of the results across the four APP programmes:

- Programme 1: Three (3) targets were set, of which one (1) was achieved, representing a 33% achievement rate
- Programme 2: Four (4) targets were set, all of which were achieved, representing a 100% achievement rate
- Programme 3: Twenty-seven (27) targets were set, of which twenty-three (23) were achieved, representing an 85% achievement rate
- Programme 4: Two (2) targets were set, both of which were achieved, representing a 100% achievement rate

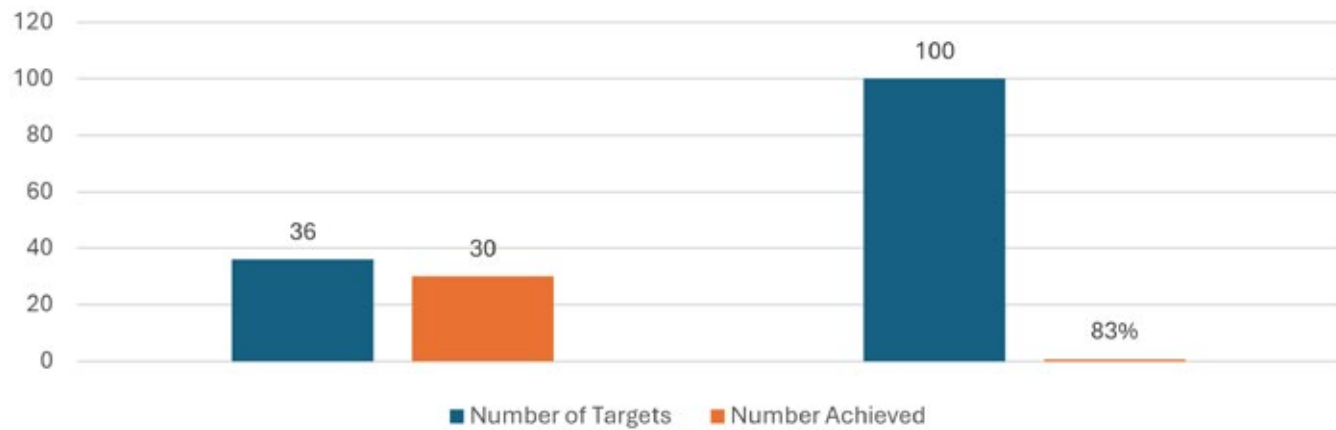




### Summary of the ETDP SETA's performance against the APP targets (Cumulative Q1 - Q4)



### Summary of the ETDP SETA's performance against the SLA (Q1 - Q4)



## Programme 1: Administration

### Purpose

The purpose of this programme is to provide strategic leadership, management, and support services for the organisation.

### Sub-programmes

The programme comprises the following three sub-programmes:

- Human Resources: Ensures the recruitment of capable human capital and their continuous development, to enhance organisational performance.
- Governance and Risk: Promotes good corporate governance and strengthen internal controls.
- Finance, Supply Chain Management and Assets: Provides financial advice to the organisation and reports on its financial position and performance, enabling informed decision-making to advance its mandate.

### Outcomes

- Trained employees and governance structure members for professional development.
- Sound corporate governance for improved compliance with regulatory and DHET requirements.
- Timely payment of service providers in order to comply with the National Treasury regulations.

### Actual Achievements

#### 1(a) Number of employees and governance structure members trained in line with their training needs

The set target for the year under review was 90 and the SETA achieved 99, representing 110% achievement.

#### 1(b) Percentage implementation of audit action plans for improved audit outcomes

The audit implementation plan was reviewed and assessed for the reporting period, resulting in an aggregated 33% achievement.

#### 1(c) Percentage of SETA creditors' invoices paid within 30 days of receipt

During the year under review, 4 031 invoices out of a total of 4 633 were paid within 30 days of receipt, resulting in an 87% achievement.



### Programme 1: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

| Programme 1: Administration                                                                   |                                                                      |                                                                                                |                                      |                                      |                          |                              |                                                               |                                                                                                   |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Outcome                                                                                       | Output                                                               | Output Indicator (OI)                                                                          | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation                                                                             |
| Trained employees and governance structure members for professional development               | 90 trained employees and governance structure members                | Number of employees and governance structure members trained in line with their training needs | 163                                  | 70                                   | 90                       | 99                           | +9                                                            | OHS training was provided for newly appointed OHS Committee members                               |
| Sound corporate governance for improved compliance with regulatory and DHET requirements      | 85% Implemented audit action plans                                   | Percentage implementation of audit action plans for improved audit outcomes                    | -                                    | -                                    | 85%                      | 33%                          | -52%                                                          | Not achieved due to ineffective implementation of the audit action plan                           |
| Timely payment of service providers in order to comply with the National Treasury regulations | 100% payment of all verified SETA invoices within 30 days of receipt | Percentage of SETA creditors' invoices paid within 30 days of receipt                          | -                                    | 100%                                 | 100%                     | 87%                          | -13%                                                          | Lack of streamlined payment processes resulting in inefficiencies and inability to trace invoices |

## Linking Performance with Budgets

| Sub-Programme                                  | Budget<br>(2023/24) | Actual<br>Expenditure<br>(2023/24) | (Over)/<br>Under-<br>Expenditure<br>(2023/24) | Budget<br>(2024/25) | Actual<br>Expenditure<br>(2024/25) | (Over)/<br>Under-<br>Expenditure<br>(2024/25) |
|------------------------------------------------|---------------------|------------------------------------|-----------------------------------------------|---------------------|------------------------------------|-----------------------------------------------|
|                                                | R'000               | R'000                              | R'000                                         | R'000               | R'000                              | R'000                                         |
| Human Resources                                | 2 939               | 1 294                              | 1 645                                         | 2 110               | 1 827                              | 282                                           |
| Governance and Risk                            | -                   | -                                  | -                                             | -                   | -                                  | -                                             |
| Finance, Supply Chain<br>Management and Assets | -                   | -                                  | -                                             | -                   | -                                  | -                                             |
| <b>TOTAL</b>                                   | <b>2 939</b>        | <b>1 294</b>                       | <b>1 645</b>                                  | <b>2 110</b>        | <b>1 827</b>                       | <b>282</b>                                    |

## Strategy to Overcome Areas of Underperformance

| OI No. | Output Indicator                                                            | Strategy to Overcome Areas of Underperformance                                                                                                                                                                 |                                                                                                                        |         |                                                                                |
|--------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------|--------------------------------------------------------------------------------|
|        |                                                                             | What is to be done?                                                                                                                                                                                            | Why?                                                                                                                   | When?   | Who?                                                                           |
| 1 (b)  | Percentage Implementation of Audit Action Plans for Improved Audit Outcomes | <p>Institutionalise a system for quarterly tracking and reporting of audit action plan progress</p> <p>Integrate audit actions into quarterly performance reporting, with oversight by Risk and Compliance</p> | To ensure that quarterly implementation action plan deadlines are met and to support the improvement of audit outcomes | Monthly | Manager: Risk and Corporate Governance (RCG) and respective Programme Managers |





| OI No. | Output Indicator                                                      | Strategy to Overcome Areas of Underperformance                                                                                                              |                                                             |                                       |                               |
|--------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------|-------------------------------|
|        |                                                                       | What is to be done?                                                                                                                                         | Why?                                                        | When?                                 | Who?                          |
| 1 (c)  | Percentage of SETA Creditors' Invoices Paid Within 30 Days of Receipt | Mapping of payment SOPs<br>Processing of payments through Automated Invoice Management System (AIMS) system<br>Review of compliance with 30-day requirement | To ensure 100% compliance with National Treasury prescripts | June 2025<br><br>Daily<br><br>Monthly | Chief Financial Officer (CFO) |

## Programme 2: Research and Skills Planning

### Purpose

The purpose of the programme is to obtain accurate information on the supply of and demand for skills in the labour market, in order to address current and future skill gaps in the Education, Training and Development (ETD) sector.

### Sub-programmes

This programme comprises of three sub-programmes:

- **Research:**  
Co-ordinates research projects for the skills planning process to identify interventions required by the Education, Training and Development (ETD) sector.
- **Workplace Skills Plans and Annual Training Reports:**  
Facilitates the submission and evaluation of ETD employers' Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs), to inform the Sector Skills Plan (SSP).

- Performance Monitoring, Evaluation and Reporting:  
Monitors organisational performance to ensure alignment between planning and implementation, detect deviations and gaps in implementation, and ensure that corrective measures are in place.

### NSDP Outcomes

- Increased production of occupations in high demand.
- Effectiveness of implementation of skills programmes and projects.

### Actual Achievements

There were four (4) targets due for reporting within Programme 2, and all have been achieved (i.e., 100%).

#### 2(a) Number of occupations in high demand identified and reported through the Sector Skills Plans process:

The final submission of the 2025–2030 Sector Skills Plan (SSP) identified “10 Occupations in High Demand” for the 2024/25 financial year, which are listed below:

|             |                                                |
|-------------|------------------------------------------------|
| 2021-233107 | FET Phase School Teacher (Grades 10-12)        |
| 2021-233108 | Senior Phase School Teacher (Grades 7- 9)      |
| 2021-234102 | Intermediate Phase School Teacher (Grades 4-6) |
| 2021-134501 | School Principal                               |
| 2021-234201 | Early Childhood Development Practitioner       |
| 2021-242401 | Training and Development Professional          |
| 2021-122301 | Research and Development Manager               |
| 2021-231101 | University Lecturer                            |
| 2021-235904 | Examination Supervisor                         |
| 2021-121202 | Business Training Manager                      |

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

Four sub-sector research projects were conducted during the 2024/25 financial year. The final report informed the development and updating of the 2025–2030 Sector Skills Plan (SSP). The table below outlines the objectives, significant findings, and recommendations arising from each project.



**Table 1: Sub-sector Research**

| Sub-sector Research                                                          | Objectives                                                                                                                                                                                                    | Findings and Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Education and Training Colleges                                    | This report analysed the skills needed and available within South Africa's Community Education and Training (CET) sector, focusing on its colleges and learning centres                                       | <p>Findings: There is a significant shortage of lecturers, particularly in specialised subjects like Mathematics and Science, Accounting, and IT, which impacts the sector's primary function of providing basic education qualifications</p> <p>Recommendations: Address skills gaps and align the supply of skills with sector demands to professionalise CET educators, enhance digital readiness, and ensure effective delivery of both academic and occupational programmes</p>                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Political Parties as Employers                                               | The report examined the sector's profile, key role players, economic performance, key skills change drivers impacting political parties                                                                       | <p>Findings: Key skills change drivers impacting political parties include the Fourth Industrial Revolution (4IR), load shedding, 2024 elections, climate change, social unrest, the young electorate, gender equity, and the rise of coalition parties. The report explored the skills implications of existing policy frameworks like the Electoral Act and the Political Party Funding Act (PPFA). It also highlighted the state of education and training provision, noting a lack of targeted programmes and a general reliance on internal training</p> <p>Recommendations: The SETA should promote ongoing dialogue and develop training approaches tailored to the unique nature of political parties. It should also develop cost-effective partnerships to deliver joint workshops and training sessions</p>                                                                                     |
| Private Further and Higher Education and Training Institutions (FETs & HETs) | The report profiled the private higher education and training subsector in South Africa, examining its economic contribution, funding sources, and key players and major factors driving change in the sector | <p>Findings: Technology adoption and funding constraints were identified as major factors driving change in the sector, significantly influencing the skills required.</p> <p>Emerging Skills and Occupations identified:</p> <p>e-learning, Data analysis, Digital skills for facilitators, Digital Content and Assessment Development.</p> <p>Recommendations: Implement targeted training and development initiatives, including internships, conditional bursaries, Work Integrated Learning (WIL) programmes, and short learning programmes in identified areas such as university lecturing, data analysis, software development, and various soft and technical skills</p> <p>Additionally, support the development of digital literacy and advanced IT skills for both staff and students, including training on e-learning, data analysis, digital content development, and online assessment</p> |

| Sub-sector Research    | Objectives                                                                                                                                                                                                         | Findings and Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Libraries and Archives | The report provides a comprehensive overview of the South African libraries and archives sector, examining its profile, key skills change drivers, occupational shortages, skills gaps, and potential partnerships | <p>Findings: The report found that roles such as Library Managers, Librarians, Technicians, and Archivists are hard-to-fill</p> <p>Key skills gaps include digital literacy, IT, marketing, financial management, and soft skills such as communication and customer service</p> <p>Short courses are preferred over long qualifications for addressing gaps</p> <p>Recommendations: The report underscores the sector’s critical societal role, despite limited economic visibility. Addressing funding constraints, workforce shortages, and aligning skills with the sector’s digital evolution are urgent priorities. Strategic interventions—especially in skills development, partnerships, and policy support—are also essential to ensure the sector’s sustainability and relevance.</p> |

The following outlines progress from various Research Chair projects. These research reports contributed to reporting on this target:

- Early Childhood Development (ECD) Research Chair by NWU: This is a 5-year project that commenced in 2021. Phase 4 focused on “Final Research Report on the ECD Function Shift and the Implications for Skills Planning”.

#### Summary:

This research report examines the transfer of Early Childhood Care and Education (ECCE) functions in South Africa from the Department of Social Development to the Department of Basic Education, referred to as the 'function shift'. It explores the progress made in aligning the ECCE sector with relevant policies, the experiences of service and training providers, and the implications for skills development collaboration. Based on a mixed-method qualitative study (including desktop analysis and interviews), the report identifies challenges and opportunities for improving the quality of the ECCE workforce and suggests potential partnerships to enhance training and professional development within the sector. A key focus includes qualification pathways, skills gaps, and strategies to increase accessibility of training, particularly for practitioners in disadvantaged areas.

- “Impact of COVID-19 in the ETD Sector” by HSRC, currently at the “Final Report on the Impact of COVID-19 and 4IR on the ETD Sector” stage: This is a 3-year project started in 2021.



**Summary:**

The report examines the impact of the COVID-19 pandemic and Fourth Industrial Revolution (4IR) shifts in the ETD sector. It details the challenges and transformations experienced by the sector's subsectors between 2022 and 2025, including the severe learning losses and digital disparities exacerbated by the pandemic. It also includes a specific study on the labour market outcomes of persons with disabilities who were ETDP-SETA beneficiaries, highlighting increased vulnerability during this period. The report aims to provide consolidated findings and actionable recommendations to build a more resilient and adaptive ETD sector for the future, considering both immediate recovery and long-term structural changes.

- Work-Integrated Learning (WIL) Research Chair by CPUT: A five-year project that commenced in 2021. A phase 5 report on “RESEARCH PROJECT 3: Development and Execution of College Action Plans to Improve the Practice of Five Areas of Work Integrated Learning”.

**Summary:**

This research focused on developing and executing action plans to enhance five specific areas of Work Integrated Learning (WIL) in TVET colleges. Building on previous research identifying challenges in areas such as student preparation, placement, monitoring, assessment, and partnerships, this project utilized participatory action research with ten selected colleges.

The goal was to understand how these colleges developed and implemented plans to improve WIL practices, involving internal staff and external workplaces. Findings highlight the steps colleges took, the activities suggested in their plans, and the crucial role of workplace involvement in this improvement process, leading to a consolidated action plan for the TVET sector.

- Mathematics Education Research Chair by UFS: A five-year project that commenced in January 2022. A phase 3 report on “The Report on the Matric Mathematics Achievement as a Predictor of University Success in Mathematics-Related Fields and the Implications for Skills Planning”.

**Summary:**

The report examines student success in university STEM programmes within South Africa. It highlights the critical role of high school mathematics proficiency as a predictor of academic performance, and identifies systemic barriers such as socioeconomic disparities and curriculum gaps. The research also examines the influence of factors like student confidence and the Chair's efforts to address these challenges through strategic research, international engagement, and collaborations with educational bodies. The document underscores the importance of evidence-based strategies and targeted interventions aimed at improving mathematics education and ensure equitable access to higher education in South Africa.

2(c) Percentage of WSPs and ATRs evaluated and feedback provided to employers

- There were 1 167 submissions received on the closing date, a slight improvement of 33 from last year’s 1 134.
- The evaluation process was concluded, and feedback was provided to 100% of the submitted WSPRs.
- The final analysis of submissions shows the following about employer sizes:

Figure 1: WSPR Process

| Number of WSPRs Submissions and Evaluation Results |             |                       |                    |          |
|----------------------------------------------------|-------------|-----------------------|--------------------|----------|
| Employer Sizes                                     | SLA Targets | Number of Submissions | Evaluation Results |          |
|                                                    |             |                       | Approved           | Rejected |
| Small                                              | 670         | 732                   | 731                | 01       |
| Medium                                             | 285         | 256                   | 255                | 01       |
| Large                                              | 175         | 179                   | 178                | 01       |
| Total                                              | 1 130       | 1 167                 | 1 164              | 03       |

2(d) Number of evaluation studies conducted

Following the 7th Administration’s Government of National Unity introduction of its Medium-Term Strategic Development Plan (MTDP), the ETDP SETA was mandated to review its 2024/25 Annual Performance Plan (APP) to align with the new MTDP strategic priorities.

As a result, an external Rapid Evaluation Study was commissioned to assess the completion and dropout rates of unemployed learners that were enrolled in various ETDP SETA-funded skills development interventions in particular, bursaries, for the period 2020/21 – 2024/25. An evaluation study report has been submitted to the ETDP SETA.





## Programme 2: Outcomes, Outputs, Output Indicators, Targets, and Actual Achievements

| Programme 2: Research and Skills Planning                         |                                                                                       |                                                                                                  |                                      |                                      |                                 |                              |                                                               |                       |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|-----------------------|
| NSDP Outcome                                                      | Output                                                                                | Output Indicator (OI)                                                                            | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Annual Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation |
| Increased production of occupations in high demand                | Occupations In High Demand identified to inform future skills development initiatives | Number of occupations in high demand identified and reported through Sector Skills Plans process | 14                                   | 10                                   | 10                              | 10                           | 0                                                             | None                  |
|                                                                   | Research conducted to inform skills planning                                          | Number of research studies conducted to inform skills planning                                   | 4                                    | 4                                    | 4                               | 4                            | 0                                                             | None                  |
|                                                                   | 100% WSPs and ATRs received and evaluated                                             | Percentage of WSPs and ATRs evaluated and feedback provided to employers                         | 100%                                 | 100%                                 | 100%                            | 100%                         | 0                                                             | None                  |
| Effectiveness of implementation of skills programmes and projects | Evaluation report on studies conducted with recommendations for areas of improvements | Number of evaluation studies conducted                                                           | 1                                    | 0                                    | 1                               | 1                            | -                                                             | None                  |

## Linking Performance with Budgets

| Sub-Programme                                         | Budget<br>(2023/24) | Actual<br>Expenditure<br>(2023/24) | (Over)/<br>Under-<br>Expenditure<br>(2023/24) | Budget<br>(2024/25) | Actual<br>Expenditure<br>(2024/25) | (Over)/<br>Under-<br>Expenditure<br>(2024/25) |
|-------------------------------------------------------|---------------------|------------------------------------|-----------------------------------------------|---------------------|------------------------------------|-----------------------------------------------|
|                                                       | R'000               | R'000                              | R'000                                         | R'000               | R'000                              | R'000                                         |
| Research                                              | 17 332              | 16 460                             | 872                                           | 17 300              | 10 505                             | 6 795                                         |
| Workplace Skills Plans and<br>Annual Training Reports | -                   | -                                  | -                                             | -                   | -                                  | -                                             |
| Performance Monitoring,<br>Evaluation and Reporting   | 3 000               | -                                  | 3 000                                         | 4 693               | 156                                | 4 537                                         |
| <b>TOTAL</b>                                          | <b>20 332</b>       | <b>16 460</b>                      | <b>3 872</b>                                  | <b>21 993</b>       | <b>10 661</b>                      | <b>11 332</b>                                 |

## Strategy to overcome areas of underperformance

None.

## 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 consists of five sub-programmes:

- Implementation of learning programmes as per NSDP outcomes (for both employed and unemployed): Facilitates skills development programmes for both employed and unemployed individuals in the ETD sector.
- Recognition of Prior Learning (RPL) enrolments: Enrols candidates in the Recognition of Prior Learning programme to fast-track the awarding of qualifications.
- Recognition of Prior Learning (RPL) completions: Fast-tracks the awarding of qualifications through Recognition of Prior Learning processes.
- Partnership projects: Collaborates with organisations, institutions, and constituencies on various skills development interventions to increase impact.
- Career development services: Supports career development services.

### Outcomes

The following NSDP outcomes are incorporated into Programme 3:

- Outcome 2: Linking education and the workplace
- Outcome 3: Improving the levels of skills in the South African workforce
- Outcome 5: Support the growth of the public college system

- Outcome 6: Skills development support for entrepreneurship and co-operative development
- Outcome 7: Encourage and support worker-initiated training
- Outcome 8: Support career development services

### Actual Achievements

The programme had 27 targets, of which 23 were achieved, translating to an 85% achievement rate. Four (4) targets were not achieved. These related to: completions of work-integrated learning placements by TVET college students; completions of internship programmes by unemployed graduates; bursary renewals; and partnerships with private FET colleges.

The under-achieved KPIs are as follows:

- Number of TVET college students who completed their work-integrated learning placements
- Number of unemployed graduates who completed internship programmes
- Number of bursaries awarded to students (renewals); and
- Number of partnerships established with private FET colleges

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

| Programme 3: Learning Programmes and Projects |                                                                                                                    |                                                                                                                        |                                      |                                      |                          |                              |                                                               |                                                                                                                                        |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| NSDP Outcome                                  | Output                                                                                                             | Output Indicator (OI)                                                                                                  | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation                                                                                                                  |
| Linking education and the workplace           | 1 500 TVET students requiring work-integrated learning to complete their qualifications placed in workplaces       | Number of TVET students requiring work-integrated learning to complete their qualifications placed in workplaces       | 1 303                                | 1 300                                | 1 500                    | 1 506                        | +6                                                            | The over-achievement is attributed to replacements                                                                                     |
|                                               | 1 200 University students requiring work-integrated learning to complete their qualifications placed in workplaces | Number of university students requiring work-integrated learning to complete their qualifications placed in workplaces | 636                                  | 750                                  | 1 200                    | 1 332                        | +132                                                          | The over-achievement is attributed to reduced duration for teaching practice resulting in more students participating in the programme |
|                                               | 1 130 TVET college students who completed their work-integrated learning placements                                | Number of TVET college students who completed their work-integrated learning placements                                | 356                                  | 910                                  | 1 130                    | 1 097                        | -33                                                           | The under-achievement is attributed to delays in the placement of students                                                             |





| Programme 3: Learning Programmes and Projects |                                                                                                        |                                                                                                            |                                      |                                      |                          |                              |                                                               |                                                                                                                                                    |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| NSDP Outcome                                  | Output                                                                                                 | Output Indicator (OI)                                                                                      | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation                                                                                                                              |
| Linking education and the workplace           | 840 University students who completed their work- integrated learning placements                       | Number of university students who completed their work-integrated learning placements                      | 525                                  | 840                                  | 840                      | 1 348                        | +508                                                          | The over-achievement is attributed to reduced duration for teaching practice resulting in more students participating and completing the programme |
|                                               | 1 100 unemployed learners placed in Internship programmes to acquire workplace experience and exposure | Number of unemployed learners placed in internship programmes to acquire workplace experience and exposure | 800                                  | 1 100                                | 1 100                    | 1 165                        | +65                                                           | The over-achievement is attributed to placements of more interns on lower NQF levels                                                               |
|                                               | 1 578 unemployed learners completed Internships programmes                                             | Number of unemployed learners completed internships programmes                                             | 220                                  | 1 578                                | 1 578                    | 952                          | -626                                                          | The underachievement is attributed to delayed placement of interns                                                                                 |
|                                               | 2 500 unemployed learners enrolled in entrepreneurial and digital skills programmes                    | Number of unemployed learners enrolled in entrepreneurial and digital skills programmes                    | 150                                  | 1 000                                | 2 500                    | 2 527                        | +27                                                           | The over-achievement is attributed to high learner demand                                                                                          |

| Programme 3: Learning Programmes and Projects |                                                                                                                  |                                                                                                                        |                                      |                                      |                          |                              |                                                               |                                                                                              |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| NSDP Outcome                                  | Output                                                                                                           | Output Indicator (OI)                                                                                                  | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation                                                                        |
| Linking education and the workplace           | 1 645 unemployed learners completed Skills programmes                                                            | Number of unemployed learners completed Skills programmes                                                              | 991                                  | 700                                  | 1 645                    | 2 165                        | +520                                                          | The over-achievement is attributed to delays in the implementation of the prior year project |
|                                               | 500 unemployed learners enrolled in relevant learnership programmes                                              | Number of unemployed learners enrolled in relevant learnership programmes                                              | 200                                  | 500                                  | 500                      | 500                          | -                                                             | None                                                                                         |
|                                               | 850 Bursaries awarded to students for high and intermediate-level skills required by the ETD sector (New Intake) | Number of bursaries awarded to students for high and intermediate-level skills required by the ETD sector (New Intake) | 622                                  | 800                                  | 850                      | 854                          | +4                                                            | The over-achievement is attributed to high student demand                                    |
|                                               | 274 students who were granted bursaries and completed their studies                                              | Number of students granted bursaries and completed their studies                                                       | 291                                  | 300                                  | 274                      | 289                          | +15                                                           | The over-achievement is attributed to bursaries awarded through partnerships                 |





| Programme 3: Learning Programmes and Projects                |                                                                        |                                                                                      |                                      |                                      |                          |                              |                                                               |                                                                                                                                                         |
|--------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| NSDP Outcome                                                 | Output                                                                 | Output Indicator (OI)                                                                | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation                                                                                                                                   |
| Linking education and the workplace                          | 800 bursaries awarded to students (Renewals)                           | Number of bursaries awarded to students (Renewals)                                   | 220                                  | 1 000                                | 800                      | 543                          | -257                                                          | The under-achievement is attributed to students receiving other sources of funding                                                                      |
|                                                              | 500 people with disabilities enrolled in skills programmes             | Number of people with disabilities enrolled in skills programmes                     | 250                                  | 500                                  | 500                      | 501                          | +1                                                            | One learner was replaced                                                                                                                                |
| Improving the level of skills in the South African workforce | 10 DBE and other Departments Skills Development Projects implemented   | Number of DBE and other Departments Skills Development Partnership Projects in place | 10                                   | 10                                   | 10                       | 10                           | -                                                             | None                                                                                                                                                    |
|                                                              | 675 workers from constituent employers enrolled in skills programmes   | Number of workers from constituent employers enrolled in skills programmes           | 587                                  | 450                                  | 675                      | 1 036                        | +361                                                          | The over-achievement is attributed to projects being implemented through partnerships, resulting in additional beneficiaries enrolling in the programme |
|                                                              | 400 workers from constituent employers granted bursaries (New Entries) | Number of workers from constituent employers granted bursaries (New Entries)         | 1 295                                | 500                                  | 400                      | 704                          | +304                                                          |                                                                                                                                                         |

| Programme 3: Learning Programmes and Projects                |                                                                                               |                                                                                                     |                                      |                                      |                          |                              |                                                               |                                                                                                                                                                    |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NSDP Outcome                                                 | Output                                                                                        | Output Indicator (OI)                                                                               | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation                                                                                                                                              |
| Improving the level of skills in the South African workforce | 472 workers who completed skills programmes                                                   | Number of workers who completed skills programmes                                                   | 8 432                                | 280                                  | 472                      | 2 221                        | +1 749                                                        | The over-achievement is attributed to projects being implemented through partnerships resulting in additional beneficiaries enrolling and completing the programme |
|                                                              | 350 workers from constituent employers who were granted bursaries and completed their studies | Number of workers from constituent employers who were granted bursaries and completed their studies | -                                    | -                                    | 350                      | 425                          | +75                                                           |                                                                                                                                                                    |
|                                                              | 280 candidates who completed RPL programmes                                                   | Number of candidates who completed RPL programmes                                                   | 250                                  | 175                                  | 280                      | 505                          | +225                                                          | The over-achievement is attributed to high demand and availability of budget from the prior year enrolment numbers                                                 |
|                                                              | 26 partnerships established with public HEIs                                                  | Number of partnerships established with public HEIs                                                 | 26                                   | 26                                   | 26                       | 26                           | -                                                             | None                                                                                                                                                               |





| Programme 3: Learning Programmes and Projects                               |                                                                           |                                                                                  |                                      |                                      |                          |                              |                                                               |                                                                                                       |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| NSDP Outcome                                                                | Output                                                                    | Output Indicator (OI)                                                            | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation                                                                                 |
| Improving the level of skills in the South African workforce                | 20 partnerships established with private HEIs                             | Number of partnerships established with private HEIs                             | 21                                   | 20                                   | 20                       | 21                           | +1                                                            | The over-achievement is attributed to high demand                                                     |
|                                                                             | 20 partnerships established with private FET Colleges                     | Number of partnerships established with private FET Colleges                     | -                                    | -                                    | 20                       | 15                           | -5                                                            | The under-achievement is attributed to non-adherence by the private FET Colleges to the SETA criteria |
| Support the growth of the public college system                             | 50 public TVET partnerships established                                   | Number of TVET partnerships established                                          | 50                                   | 50                                   | 50                       | 50                           | -                                                             | None                                                                                                  |
|                                                                             | 45 CET college lecturers trained in the use of digital learning platforms | Number of CET college lecturers trained in the use of digital learning platforms | 9                                    | 45                                   | 45                       | 90                           | +45                                                           | The over-achievement is attributed to high demand                                                     |
| Skills development support for entrepreneurship and cooperative development | 15 CBOs/NGOs/NPOs supported with training interventions                   | Number of CBOs/NGOs/NPOs supported with training interventions                   | 9                                    | 15                                   | 15                       | 15                           | -                                                             | None                                                                                                  |

| Programme 3: Learning Programmes and Projects   |                                                   |                                                          |                                      |                                      |                          |                              |                                                               |                                                   |
|-------------------------------------------------|---------------------------------------------------|----------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------------------------------|---------------------------------------------------|
| NSDP Outcome                                    | Output                                            | Output Indicator (OI)                                    | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation                             |
| Encourage and support worker-initiated training | 4 worker- initiated training programmes supported | Number of worker-initiated training programmes supported | 3                                    | 3                                    | 4                        | 4                            | -                                                             | None                                              |
| Support career development services             | 140 Career Development Practitioners trained      | Number of Career Development Practitioners trained       | 50                                   | 140                                  | 140                      | 150                          | +10                                                           | The over-achievement is attributed to high demand |

#### Linking Performance with Budgets

| Sub-programme                                                      | Budget (2023/24) | Actual Expenditure (2023/24) | (Over)/ Under-Expenditure (2023/24) | Budget (2024/25) | Actual Expenditure (2024/25) | (Over)/ Under-Expenditure (2024/25) |
|--------------------------------------------------------------------|------------------|------------------------------|-------------------------------------|------------------|------------------------------|-------------------------------------|
|                                                                    | R'000            | R'000                        | R'000                               | R'000            | R'000                        | R'000                               |
| <b>Implementation of learning programmes as per NSDP outcomes:</b> |                  |                              |                                     |                  |                              |                                     |
| Employed Learning programmes                                       | 44 200           | 12 373                       | 31 827                              | 39 700           | (21 475)                     | 18 225                              |







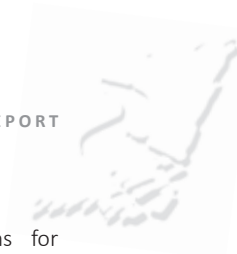
| Sub-programme                                         | Budget<br>(2023/24) | Actual<br>Expenditure<br>(2023/24) | (Over)/<br>Under-<br>Expenditure<br>(2023/24) | Budget<br>(2024/25) | Actual<br>Expenditure<br>(2024/25) | (Over)/<br>Under-<br>Expenditure<br>(2024/25) |
|-------------------------------------------------------|---------------------|------------------------------------|-----------------------------------------------|---------------------|------------------------------------|-----------------------------------------------|
|                                                       | R'000               | R'000                              | R'000                                         | R'000               | R'000                              | R'000                                         |
| Unemployed Learning Programmes and Student Programmes | 672 133             | 147 477                            | 524 656                                       | 592 780             | (163 853)                          | 428 927                                       |
| TVET and CET Colleges Partnership Projects            | 11 350              | 6 441                              | 4 909                                         | 60 710              | (3 630)                            | 57 080                                        |
| Public HEIs Partnership Projects                      | 54 321              | 14 574                             | 39 747                                        | 10 900              | -                                  | 10 900                                        |
| Private HEIs and FET Colleges Partnership Projects    | 13 000              | 4 347                              | 8 653                                         | 13 000              | (7 069)                            | 5 931                                         |
| DBE and other Department Partnership Projects         | 172 032             | 37 558                             | 134 474                                       | 261 757             | (17 746)                           | 244 011                                       |
| CBOs/NGOs/NPOs Partnership Projects                   | 1 501               | 279                                | 1 222                                         | 1 500               | -                                  | 1 500                                         |
| Cooperatives                                          | 4 888               | 115                                | 4 773                                         | -                   | -                                  | -                                             |
| <b>Grand Total (DG)</b>                               | <b>973 425</b>      | <b>223 165</b>                     | <b>750 261</b>                                | <b>980 347</b>      | <b>(213 773)</b>                   | <b>766 574</b>                                |

## Strategy to Overcome Areas of Underperformance

| OI#  | Output Indicator                                                                        | Strategy to Overcome Areas of Under-performance                                                                                                                                                        |                                                                                             |                            |                                              |
|------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------|
|      |                                                                                         | What is to be done?                                                                                                                                                                                    | Why?                                                                                        | When?                      | Who?                                         |
| 3.3  | Number of TVET college students who completed their Work-Integrated Learning placements | Revise and enforce project monitoring Standard Operating Procedures and tools<br><br>Conduct quarterly site visits and virtual check-ins with host employers and flag delays early and provide support | Strengthen the monitoring of the projects during the year                                   | Quarterly                  | Performance Monitoring and Reporting Manager |
| 3.6  | Number of unemployed graduates who completed Internship programmes                      | The CEO's Forum to reach out to DHET to review the current reporting of internship completions' in relation to the method of calculation of performance                                                | To agree on the method of calculation of performance for internship completions             | 30 June 2025               | Chief Executive Officer                      |
| 3.12 | Number of bursaries awarded to students (Renewals)                                      | Revise and enforce project monitoring Standard Operating Procedures and tools                                                                                                                          | Strengthen the monitoring of the projects during the year                                   | Quarterly                  | Performance Monitoring and Reporting Manager |
| 3.22 | Number of partnerships established with private FET Colleges                            | Develop clear criteria and reporting requirements for supporting private FET Colleges in skills development                                                                                            | To clarify the SETA project implementation process and the reporting documentation required | 31 April 2025 <sup>1</sup> | Acting COO and Regional Managers             |

<sup>1</sup> For implementation in 2025/26 financial year





## Programme 4: Quality Assurance

### Purpose

The purpose of this programme is to ensure the quality provisioning of occupationally directed programmes for occupations in high demand.

### Sub-programmes

The programme has two sub-programmes:

- Qualification development: Aims to develop quality occupational qualifications, which are responsive to occupations in high demand.
- Workplace learning site approval: Aims to create an enabling environment for the implementation of workplace learning opportunities for occupations in high demand.

### Outcomes

- Increased access to occupationally directed programmes

### Actual Achievements

The programme had two (2) target, set and both were achieved translating to a 100% achievement rate:

#### APP Output Indicator 4.1:

Number of occupational qualifications promoting occupations in high demand developed.

To address the limited number of registered qualifications for occupations in high demand, a set of occupational skills programmes and qualifications was developed during the reporting period and are as follows:

### Skills Programme

- Skills Programme: Workplace Mentor, NQF Level 5, Credits 12
- Skills Programme: Recognition of Prior Learning Practitioner NQF Level 07, Credits 60
- Skills Programme: Moderator NQF Level 06, Credits 60
- Skills Programme: Assistant Career Information Officer NQF Level 05, Credits 60

### Occupational Qualifications

- Higher Occupational Certificate: South African Sign Language Facilitator, NQF Level 05, Credits 145
- Higher Occupational Certificate: Braille Practitioner, NQF Level 05, Credits 133

Once the occupational skills programmes and qualifications are registered, Skills Development Providers interested in offering them will undergo an accreditation process. Skills Development Providers that meet the accreditation requirements will be accredited, enabling them to offer the occupational skills programmes and qualifications to prospective learners interested in the occupations in high demand.

**APP Output Indicator 4.2:**

Number of work-integrated learning sites for occupations in high demand approved

**Workplace learning site approval**

Workplace learning site approval supports the implementation of occupational qualifications by providing the learners with an opportunity to gain experiential learning exposure under the guidance of a qualified and experienced mentor. To increase the number of approved workplaces learning site, a total of 185 applications for workplace learning site approvals were received and processed during the period under review, against an annual target of 175, translating to 106% achievement.

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

| Programme 4: Quality Assurance                         |                                                                                  |                                                                                           |                                      |                                      |                          |                              |                                                               |                                                                           |
|--------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------|
| NSDP Outcome                                           | Output                                                                           | Output Indicator (OI)                                                                     | Audited Actual Achievement (2022/23) | Audited Actual Achievement (2023/24) | Planned Target (2024/25) | Actual Achievement (2024/25) | Deviation from Planned Target to Actual Achievement (2024/25) | Reasons for Deviation                                                     |
| Increased access to occupationally directed programmes | 4 occupational qualifications promoting occupations in high demand are developed | Number of occupational qualifications promoting occupations in high demands are developed | 4                                    | 4                                    | 6                        | 6                            | -                                                             | None                                                                      |
|                                                        | 100 Work-Integrated Learning sites for occupations in high demand are approved   | Number of work-integrated learning sites for occupations in high demand are approved      | 15                                   | 100                                  | 175                      | 185                          | +10                                                           | More applications were received and processed within the allocated budget |





### Linking Performance with Budgets

| Sub-programme                    | Budget<br>(2023/24) | Actual<br>Expenditure<br>(2023/24) | (Over)/<br>Under-<br>Expenditure<br>(2023/24) | Budget<br>(2024/25) | Actual<br>Expenditure<br>(2024/25) | (Over)/<br>Under-<br>Expenditure<br>(2024/25) |
|----------------------------------|---------------------|------------------------------------|-----------------------------------------------|---------------------|------------------------------------|-----------------------------------------------|
|                                  | R'000               | R'000                              | R'000                                         | R'000               | R'000                              | R'000                                         |
| Qualification development        | 2 138               | 1 238                              | 900                                           | 2 700               | 680                                | 2 020                                         |
| Workplace learning site approval | 656                 | -                                  | 656                                           | 1 200               | -                                  | 1 200                                         |
| <b>TOTAL</b>                     | <b>2 794</b>        | <b>1 238</b>                       | <b>1 556</b>                                  | <b>3 900</b>        | <b>680</b>                         | <b>3 220</b>                                  |

### Strategies to Overcome Areas of Under-Performance

None.

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

| NSDP Outcomes                                                     | NSDP Sub-Outcomes                                                | Output Indicators                                                                  | 2024/25<br>SLA<br>Annual<br>Targets | Total<br>Achieved<br>(Q1) | Total<br>Achieved<br>(Q2) | Total<br>Achieved<br>(Q3) | Total<br>Achieved<br>(Q4) | Total<br>Achieved | Achievemnt<br>In % | Variance | 2024/25<br>APP Output<br>Indicator<br>No. |
|-------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------|--------------------|----------|-------------------------------------------|
| 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 | 1                                   | 77%                       |                           |                           | 0%                        | 77%               | 100%               | 0%       | 3.51                                      |

| NSDP Outcomes | NSDP Sub-Outcomes                                                                                        | Output Indicators                                                                                               | 2024/25 SLA Annual Targets | Total Achieved (Q1) | Total Achieved (Q2) | Total Achieved (Q3) | Total Achieved (Q4) | Total Achieved | Achievemnt In % | Variance | 2024/25 APP Output Indicator No. |
|---------------|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|-----------------|----------|----------------------------------|
|               | 1.2 National enrolment and resource ratios for intermediate-level skills                                 | Percentage of discretionary grant budget allocated at developing intermediate-level skills                      | 0                          | 23%                 | -                   | -                   | 0%                  | 23%            | 100%            | 0%       | 3.52                             |
|               |                                                                                                          | 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                                                                | 670                        | 0                   | 731                 | -                   | -                   | 731            | 109%            | 61       | 2 (c)                            |
|               |                                                                                                          | Number of WSPs and ATRs approved for Medium firms                                                               | 285                        | 0                   | 255                 | -                   | -                   | 255            | 90%             | -30      | 2 (c)                            |
|               |                                                                                                          | Number of WSPs and ATRs approved for Large firms                                                                | 175                        | 0                   | 178                 | -                   | -                   | 178            | 102%            | 2        | 2 (c)                            |
|               |                                                                                                          | 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 selfemployment | -                          | -                   | -                   | -                   | -                   | -              | -               | -        | -                                |





| NSDP Outcomes                          | NSDP Sub-Outcomes                                                | Output Indicators                                                                                                 | 2024/25 SLA Annual Targets | Total Achieved (Q1) | Total Achieved (Q2) | Total Achieved (Q3) | Total Achieved (Q4) | Total Achieved | Achievemnt In % | Variance | 2024/25 APP Output Indicator No. |
|----------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|-----------------|----------|----------------------------------|
|                                        |                                                                  | 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                                    | -                          | -                   | -                   | -                   | -                   | -              | -               | -        | -                                |
| 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  | 1 500                      | 0                   | 1 501               | 5                   | 0                   | 1 506          | 100%            | 6        | 3.1                              |
|                                        |                                                                  | Number of TVET students completed their work-integrated learning placements                                       | 1 130                      | 0                   | 0                   | 773                 | 324                 | 1 097          | 97%             | -33      | 3.3                              |

| NSDP Outcomes | NSDP Sub-Outcomes | Output Indicators                                                                                                        | 2024/25 SLA Annual Targets | Total Achieved (Q1) | Total Achieved (Q2) | Total Achieved (Q3) | Total Achieved (Q4) | Total Achieved | Achievemnt In % | Variance | 2024/25 APP Output Indicator No. |
|---------------|-------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|-----------------|----------|----------------------------------|
|               |                   | Number of universities students requiring Work-Integrated Learning to complete their qualifications placed in workplaces | 1 200                      | 0                   | 1 294               | 1                   | 37                  | 1 332          | 111%            | 132      | 3.2                              |
|               |                   | Number of university students completed their Work Integrated Learning placements                                        | 840                        | 0                   | 858                 | 434                 | 56                  | 1 348          | 160%            | 508      | 3.4                              |
|               |                   | Number of unemployed learners enrolled in Internships                                                                    | 1 100                      | 0                   | 1                   | 852                 | 312                 | 1 165          | 106%            | 65       | 3.5                              |
|               |                   | Number of unemployed learners completed internships                                                                      | 1 578                      | 29                  | 310                 | 440                 | 173                 | 952            | 60%             | -626     | 3.6                              |
|               |                   | Number of unemployed learners enrolled in Skills Programmes                                                              | 2 500                      | 0                   | 1 450               | 341                 | 736                 | 2 527          | 101%            | 27       | 3.7 & 3.13                       |
|               |                   | Number of unemployed learners completed Skills Programmes                                                                | 1 645                      | 0                   | 34                  | 0                   | 2 131               | 2 165          | 132%            | 520      | 3.8                              |
|               |                   | Number of unemployed learners enrolled in learnership programmes                                                         | 500                        | 0                   | 0                   | 50                  | 450                 | 500            | 100%            | -        | 3.9                              |







| NSDP Outcomes                                                   | NSDP Sub-Outcomes                                                                                                                                                                                                                                                                                   | Output Indicators                                               | 2024/25 SLA Annual Targets | Total Achieved (Q1) | Total Achieved (Q2) | Total Achieved (Q3) | Total Achieved (Q4) | Total Achieved | Achievement In % | Variance | 2024/25 APP Output Indicator No. |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|------------------|----------|----------------------------------|
|                                                                 |                                                                                                                                                                                                                                                                                                     | Number of unemployed learners completed learnership programmes  | -                          | 25                  | -                   | -                   | 63                  | 88             | -                | -        | -                                |
|                                                                 |                                                                                                                                                                                                                                                                                                     | Number of unemployed learners enrolled for Candidacy Programmes | -                          | -                   | -                   | -                   | -                   | -              | -                | -        | -                                |
|                                                                 |                                                                                                                                                                                                                                                                                                     | Number of unemployed learners completed Candidacy Programmes    | -                          | -                   | -                   | -                   | -                   | -              | -                | -        | -                                |
| 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                      | -                          | -                   | -                   | -                   | -                   | -              | -                | -        | -                                |

| NSDP Outcomes                                            | NSDP Sub-Outcomes                                           | Output Indicators                                           | 2024/25 SLA Annual Targets | Total Achieved (Q1) | Total Achieved (Q2) | Total Achieved (Q3) | Total Achieved (Q4) | Total Achieved | Achievemnt In % | Variance | 2024/25 APP Output Indicator No. |
|----------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|-----------------|----------|----------------------------------|
|                                                          |                                                             | Number of workers completed learnerships                    | -                          | -                   | -                   | -                   | -                   | -              | -               | -        | -                                |
|                                                          |                                                             | Number of workers granted bursaries (New Entries)           | 400                        | 0                   | 0                   | 0                   | 704                 | 704            | 176%            | 304      | 3.16                             |
|                                                          |                                                             | Number of workers granted bursaries (Continuing)            | -                          | -                   | -                   | -                   | -                   | -              | -               | -        | -                                |
|                                                          |                                                             | Number of workers granted bursaries completed their studies | 350                        | 43                  | 17                  | 1                   | 364                 | 425            | 121%            | 75       | 3.18                             |
|                                                          |                                                             | Number of workers enrolled in Skills Programmes             | 675                        | 0                   | 100                 | 661                 | 275                 | 1 036          | 153%            | 361      | 3.15                             |
|                                                          |                                                             | Number of workers completed Skills Programmes               | 472                        | 69                  | 181                 | 1 297               | 674                 | 2 221          | 471%            | 1 749    | 3.17                             |
|                                                          |                                                             | Number of workers enrolled AET Programmes                   | -                          | -                   | -                   | -                   | -                   | -              | -               | -        | -                                |
|                                                          |                                                             | Number of workers completed AET Programmes                  | -                          | -                   | -                   | -                   | -                   | -              | -               | -        | -                                |
| 4. Increase access to occupationally directed programmes | 4.2: Increase access for intermediate and high-level skills | Number of artisan learners enrolled                         | -                          | -                   | -                   | -                   | -                   | -              | -               | -        | -                                |



| NSDP Outcomes | NSDP Sub-Outcomes | Output Indicators                                                       | 2024/25 SLA Annual Targets | Total Achieved (Q1) | Total Achieved (Q2) | Total Achieved (Q3) | Total Achieved (Q4) | Total Achieved | Achievement In % | Variance | 2024/25 APP Output Indicator No. |
|---------------|-------------------|-------------------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|------------------|----------|----------------------------------|
|               |                   | Number of artisan learners completed                                    | -                          | -                   | -                   | -                   | -                   | -              | -                | -        | -                                |
|               |                   | Number of unemployed learners granted bursaries (New Enrollments)       | 850                        | 0                   | 0                   | 0                   | 854                 | 854            | 100%             | 4        | 3.10                             |
|               |                   | Number of unemployed learners granted bursaries (Continuing )           | 800                        | 0                   | 0                   | 0                   | 543                 | 543            | 68%              | -257     | 3.12                             |
|               |                   | Number of unemployed learners granted bursaries completed their studies | 274                        | 0                   | 0                   | 13                  | 276                 | 289            | 102%             | 5        | 3.11                             |
|               |                   | Number of learners completed RPL                                        | 280                        | 0                   | 0                   | 505                 |                     | 505            | 180%             | 225      | 3.19                             |
|               |                   | Number of TVET partnerships established                                 | 50                         | 0                   | 1                   | 4                   | 45                  | 50             | 100%             | 0        | 3.23                             |
|               |                   | Number of public HEI partnerships established                           | 26                         | 0                   | 0                   | 0                   | 26                  | 26             | 100%             | 0        | 3.20                             |
|               |                   | Number of private HEI partnerships established                          | 20                         | 0                   | 0                   | 0                   | 21                  | 21             | 105%             | 1        | 3.21                             |
|               |                   | Number of private FET colleges partnerships established                 | 20                         | 0                   | 0                   | 0                   | 15                  | 15             | 75%              | -5       | 3.22                             |

| NSDP Outcomes                                      | NSDP Sub-Outcomes              | Output Indicators                                                                         | 2024/25 SLA Annual Targets | Total Achieved (Q1) | Total Achieved (Q2) | Total Achieved (Q3) | Total Achieved (Q4) | Total Achieved | Achievement In % | Variance | 2024/25 APP Output Indicator No. |
|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|------------------|----------|----------------------------------|
|                                                    |                                | Number of SETA-employer partnerships established                                          | 10                         | 0                   | 0                   | 1                   | 9                   | 10             | 100%             | 0        | 3.14                             |
| 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                   |                     | 3              | 100%             | 0        | -                                |
|                                                    |                                | Number of Centres of Specialisation supported                                             | 10                         | 10                  | 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 college lecturers awarded Bursaries                                        | -                          | -                   | -                   | -                   | -                   | -              | -                | -        | -                                |
|                                                    |                                | TVET colleges infrastructure development (equipment/ workshops)                           | -                          | -                   | -                   | -                   | -                   | -              | -                | -        | -                                |
|                                                    | 5.2 Support the CET colleges   | CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT) | -                          | -                   | -                   | -                   | -                   | -              | -                | -        | -                                |





| NSDP Outcomes                                                                  | NSDP Sub-Outcomes                                                                                                                    | Output Indicators                                                                                                              | 2024/25 SLA Annual Targets | Total Achieved (Q1) | Total Achieved (Q2) | Total Achieved (Q3) | Total Achieved (Q4) | Total Achieved | Achievemnt In % | Variance | 2024/25 APP Output Indicator No. |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|-----------------|----------|----------------------------------|
|                                                                                |                                                                                                                                      | 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                                        | -                          | -                   | -                   | -                   | -                   | -              | -               | -        | -                                |
|                                                                                |                                                                                                                                      | 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        | 3.25                             |
| 7. Encourage and support worker-initiated training                             |                                                                                                                                      | Number of Federations / Trade Unions supported through the relevant skills training interventions                              | 4                          | 0                   | 0                   | 0                   | 4                   | 4              | 100%            | 0        | 3.26                             |

| NSDP Outcomes                          | NSDP Sub-Outcomes | Output Indicators                                                                | 2024/25 SLA Annual Targets | Total Achieved (Q1) | Total Achieved (Q2) | Total Achieved (Q3) | Total Achieved (Q4) | Total Achieved | Achievemnt In % | Variance | 2024/25 APP Output Indicator No. |
|----------------------------------------|-------------------|----------------------------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|-----------------|----------|----------------------------------|
| 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 | -                          | -                   | -                   | -                   | -                   | -              | -               | -        | -                                |
|                                        |                   | Number of Career Development Practitioners trained                               | 140                        | 0                   | 0                   | 0                   | 150                 | 150            | 107%            | 10       | 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        |

|                                |     |
|--------------------------------|-----|
| Number of SLA targets          | 36  |
| Number of SLA targets achieved | 30  |
| Achievement in %               | 83% |





# 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:

|                      | 2024/25<br>R'000 |                         |                       | 2023/24<br>R'000 |                         |                       |
|----------------------|------------------|-------------------------|-----------------------|------------------|-------------------------|-----------------------|
| Sources of revenue   | Estimate         | Actual Amount Collected | Over/Under Collection | Estimate         | Actual Amount Collected | Over/Under Collection |
| SDL Revenue          | 702 037          | 792 843                 | 91 714                | 677 214          | 745 750                 | 68 536                |
| Departmental Revenue | 561 473          | 420 106                 | (141 367)             | 498 280          | 392 459                 | (105 821)             |
| Interest Income      | 166 928          | 163 662                 | (3 266)               | 87 673           | 145 395                 | 57 722                |

# Capital Investment

There were no Capital Investments in the 2024/25 Financial year.







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## Governance

# G



# Governance

## Introduction

The ETDP SETA falls under 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 pieces of legislation which include the Skills Development Act No. 9 of 1998, as amended 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 (SETA Standard Constitution) to provide directives on SETA governance and operations (Government Notice R1399 in Government Gazette No. 24035).

The ETDP SETA has established an effective corporate governance system that embodies processes and systems by which public entities are directed, controlled, and held accountable. 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.

## Portfolio Committee

The Portfolio Committee on Higher Education and Training (HET) 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 and Training. These committees may, at any time, invite a SETA to account for issues related to its operations, for example, the Strategic Plan (SP) and Annual Performance Plans (APPs).

For the year under review, the ETDP SETA was not called to appear before the Portfolio Committee on Higher Education and Training.

## Executive Authority

The Executive Authority of the ETDP SETA is the Minister of Higher Education and Training 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 and Training 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 2024/2025. The reports detail performance against set targets as required by the National Treasury Instruction Note 33 (amended), Part five (5), and thirty (30) of the Treasury Regulations, 2005.

### Reporting Cycle of Quarterly Monitoring Reports

| Report                                | Date Submitted  |
|---------------------------------------|-----------------|
| Quarterly Monitoring Report Quarter 1 | 31 July 2024    |
| Quarterly Monitoring Report Quarter 2 | 31 October 2024 |
| Quarterly Monitoring Report Quarter 3 | 31 January 2025 |
| Quarterly Monitoring Report Quarter 4 | 30 March 2025   |

## The Accounting Authority (The Board)

### Introduction

The Accounting Authority executes 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 and the Performance Agreement with the Minister.
- Sets the 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.
- 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 Government Gazette No. 27254 of February 2005.

### Accounting Authority Charter

The ETDP SETA Accounting Authority adheres to the SETA Governance Charter approved by the Executive Authority.

### Composition of the Board

The ETDP SETA is comprised of fifteen (15) members. The composition is as follows:

- Chairperson of the Accounting Authority.
- Six representatives from Organised Employers.
- Six representatives from organised labour.
- The ETDP SETA Board had one vacancy on the Organised Labour representation, which did not impact the effectiveness of the Board during the period under review.
- Two Ministerial appointees.

Accounting Authority Committees and Chambers

The Accounting Authority (AA) established the following governance structures:

Seven Committees of the Accounting Authority were established; namely:

- 1. The Executive Committee of the AA
- 2. The Audit & Risk Committee
- 3. The Finance Committee
- 4. The Human Resource Committee
- 5. The ICT Governance Committee
- 6. Quality Assurance Committee
- 7. Remuneration Committee

Three Chambers were in place; namely:

- 1. Schooling and ECD Chamber
- 2. TVET and CET Chamber
- 3. Higher Education and Research Chamber

The table below outlines qualifications and experience of the Accounting Authority members

| Name & Surname                  | Date Appointed | End of Office | Qualifications                | Areas of Expertise                                                  | Board Directorship/s | Other Committees |
|---------------------------------|----------------|---------------|-------------------------------|---------------------------------------------------------------------|----------------------|------------------|
| Duncan Hindle<br>AA Chairperson | 01 April 2020  | 31 March 2025 | Bachelor of Education Honours | Education Governance                                                | ETDP SETA UMALUSI    | ETDP SETA EXCO   |
| Simoné Geyer<br>AA Member       | 01 April 2020  | 31 March 2025 | Master of Laws (Labour Law)   | Education, Labour Law, Human Resource Development, and Negotiations | ETDP SETA            | ETDP SETA EXCO   |





| Name & Surname                   | Date Appointed | End of Office | Qualifications                                                                                                                         | Areas of Expertise                                                                                                                                                                                    | Board Directorship/s            | Other Committees                                       |
|----------------------------------|----------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------------------|
| Thembisa Futshane<br>AA Member   | 01 April 2020  | 31 March 2025 | 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, and Human Development | ETDP SETA                       | Human Resource Committee Chairperson                   |
| Hellen Ntlatleng<br>AA Member    | 01 April 2020  | 31 March 2025 | 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, and Innovation Management                                                                   | ETDP SETA University of Limpopo | -                                                      |
| Mandla Mthembu<br>AA Member      | 01 April 2020  | 31 March 2025 | 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 and Operations Management                                                         | ETDP SETA Fundisa Isizwe Trust  | ETDP SETA EXCO Quality Assurance Committee Chairperson |
| Vijayanthimala (Dr)<br>AA Member | 01 April 2020  | 31 March 2025 | Doctor of Education (Psychology)                                                                                                       | Human Resource Strategy, Higher Education Policy Development, Governance, Risk Management, Research and Leadership                                                                                    | ETDP SETA                       | Higher Education and Research Chamber Chairperson      |

| Name & Surname                 | Date Appointed | End of Office | Qualifications                                                                                                                                                    | Areas of Expertise                                                      | Board Directorship/s                                                                                                                                                                                 | Other Committees                             |
|--------------------------------|----------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Linda Ingram<br>AA Member      | 01 April 2020  | 31 March 2025 | Higher Certificate in Education                                                                                                                                   | Online Learning and Integrated Systems and 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) | -                                            |
| Faseega Solomon<br>AA Member   | 01 April 2020  | 31 March 2025 | Bachelor of Arts, Advanced Certificate in Education in Biological Sciences, and Diploma in Education                                                              | Teacher professional Development, Curriculum and Assessment             | ETDP SETA                                                                                                                                                                                            | ETDP SETA EXCO Schooling Chamber Chairperson |
| Lindiwe Motshwane<br>AA Member | 01 April 2020  | 31 March 2025 | Postgraduate Diploma in Public Management <sup>1</sup> Advanced Certificate in Education, Diploma in Labour Law                                                   | Trade Unionism, Education, Labour Law, Public Management and Finance    | ETDP SETA                                                                                                                                                                                            | ETDP SETA EXCO Finance Committee Chairperson |
| Nolitha Mboniswa<br>AA Member  | 01 April 2020  | 31 March 2025 | Bachelor of Arts, Higher Diploma in Education, Certificate in Human Resource Management, Certificate in Project Management and Advanced Certificate in Labour Law | Education and Trade Unionism                                            | ETDP SETA                                                                                                                                                                                            | Audit Committee Member                       |





| Name & Surname                        | Date Appointed | End of Office | Qualifications                                                                                                                                                                                                                 | Areas of Expertise                                                                                                    | Board Directorship/s                                                                               | Other Committees                   |
|---------------------------------------|----------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------|
| Nkosiphendule Ntantala<br>AA Member   | 01 April 2020  | 31 March 2025 | Bachelor of Arts in Education and Bachelor of Education (Hons)                                                                                                                                                                 | Teaching, Leadership, Management and Administration, Public Speaking, Microsoft Office, and Labour Matters            | ETDP SETA                                                                                          | ICT Governance Chairperson         |
| Dimakatso Moses Peo<br>AA Member      | 01 April 2020  | 31 March 2025 | Master of Business Administration, National Diploma in Trade (Industrial Instrumentation), Commercial Practice, Diploma in Project Management, Postgraduate Certificate in Management, and Bachelor of Technology (Management) | Education, Trade Unionism and Labour                                                                                  | ETDP SETA                                                                                          | Remuneration Committee Chairperson |
| Thokozani Mathebula (Dr)<br>AA Member | 01 April 2020  | 31 March 2025 | Doctor of Philosophy (2010), Master of Education (2001), Bachelor of Education (1999), Bachelor of Arts in Education (1995–1998)                                                                                               | Democracy and Citizenship Education, African Philosophy, School Governance, Social Justice, and Research in Education | ETDP SETA<br>South African Democratic Teachers Union Journal Editorial Board member (2018 to date) | -                                  |
| Patricia Chiloane<br>AA Member        | 01 April 2020  | 31 March 2025 | Master of International Business Administration, National Diploma, Extended Diploma in Global Business Management (Level 11) and FET qualifications                                                                            | Entrepreneurship, Skills Development, Community Development, and Empowerment of Previously Disadvantaged Communities  |                                                                                                    | -                                  |

## Accounting Authority, Committees and Chamber Scheduled Meetings

### Accounting Authority

| Name & Surname              | Number of Meetings Attended out of Five (5) Scheduled Meetings | Number of Other Meetings Attended out of Seven (7) |
|-----------------------------|----------------------------------------------------------------|----------------------------------------------------|
| Duncan Hindle (Chairperson) | 5                                                              | 7                                                  |
| Simoné Geyer                | 4                                                              | 5                                                  |
| Thembisa Futshane           | 3                                                              | 3                                                  |
| Hellen Ntlatleng            | 5                                                              | 3                                                  |
| Mandla Mthembu              | 5                                                              | 4                                                  |
| Vijayanthimala Singh (Prof) | 5                                                              | 6                                                  |
| Linda Ingram                | 5                                                              | 4                                                  |
| Faseega Solomon             | 5                                                              | 7                                                  |
| Lindiwe Motshwane           | 5                                                              | 4                                                  |
| Nolitha Mboniswa            | 5                                                              | 6                                                  |
| Nkosiphendule Ntantala      | 3                                                              | 4                                                  |
| Dimakatso Moses Peo         | 5                                                              | 5                                                  |
| Thokozani Mathebula (Dr)    | 4                                                              | 5                                                  |
| Patricia Chiloane           | 4                                                              | 6                                                  |
| Pumla Mzizi (by Invitation) | 4                                                              | 0                                                  |





**Other Committee Members attended AA Meetings only to present Committee Reports**

| Name of Member  | Number of Meetings Attended out of Five (5) Scheduled Meetings |
|-----------------|----------------------------------------------------------------|
| Linda Nene      | 1                                                              |
| Ebrahim Ansur   | 1                                                              |
| David Mawela    | 1                                                              |
| Gregory Masondo | 2                                                              |
| Xolani Mdoda    | 2                                                              |

**Executive Committee**

| Name of Member              | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of Three (3) |
|-----------------------------|----------------------------------------------------------------|----------------------------------------------------|
| Duncan Hindle (Chairperson) | 4                                                              | 3                                                  |
| Simone Geyer                | 4                                                              | 3                                                  |
| Mandla Mthembu              | 4                                                              | 3                                                  |
| Lindiwe Motshwane           | 4                                                              | 3                                                  |
| Faseega Solomon             | 3                                                              | 3                                                  |

### Audit Committee

| Name of Member                  | Number of Meetings Attended out of Five (5) Scheduled Meetings | Number of Other Meetings Attended out of Five (5) |
|---------------------------------|----------------------------------------------------------------|---------------------------------------------------|
| Pumla Mzizi (Chairperson)       | 4                                                              | 2                                                 |
| Raksha Beecum Khadaroo          | 5                                                              | 3                                                 |
| Linda Nene                      | 5                                                              | 5                                                 |
| Ntsetsa Molalekoa               | 3                                                              | 2                                                 |
| Nolitha Mboniswa                | 5                                                              | 1                                                 |
| Vernon Makaleni (By Invitation) | 5                                                              | 0                                                 |

### Finance Committee

| Name of Member                  | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of Seven (7) |
|---------------------------------|----------------------------------------------------------------|----------------------------------------------------|
| Lindiwe Motshwane (Chairperson) | 3                                                              | 1                                                  |
| Maria Walshe                    | 4                                                              | 7                                                  |
| Kulula Manona                   | 3                                                              | 2                                                  |
| Thirona Moodley                 | 3                                                              | 4                                                  |
| Neo Maimane                     | 2                                                              | 2                                                  |
| Paul Slack                      | 4                                                              | 4                                                  |





### Human Resource Committee

| Name of Member                  | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of Seven (7) |
|---------------------------------|----------------------------------------------------------------|----------------------------------------------------|
| Thembisa Futshane (Chairperson) | 4                                                              | 2                                                  |
| Xolani Mdoda                    | 4                                                              | 7                                                  |
| Enoch Rabotapi                  | 4                                                              | 2                                                  |
| Duduza Nkosi                    | 1                                                              | 0                                                  |
| Jeanine Topping                 | 4                                                              | 5                                                  |

### Remuneration Committee

| Name of Member    | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of (0) |
|-------------------|----------------------------------------------------------------|----------------------------------------------|
| Dimakatso Peo     | 4                                                              | 0                                            |
| Sihle Ngubane     | 4                                                              | 0                                            |
| Simone Geyer      | 4                                                              | 0                                            |
| Enoch Rabotapi    | 4                                                              | 0                                            |
| Thembisa Futshane | 4                                                              | 0                                            |
| Lindiwe Motshwane | 4                                                              | 0                                            |

### ICT Governance Committee

| Name of Member        | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of Five (5) |
|-----------------------|----------------------------------------------------------------|---------------------------------------------------|
| Nkosipendule Ntantala | 4                                                              | 0                                                 |
| David Mawela          | 4                                                              | 5                                                 |
| Ebrahim Ansur         | 4                                                              | 5                                                 |
| Charles Motau (Dr)    | 2                                                              | 1                                                 |
| Anton De Boer         | 4                                                              | 2                                                 |
| Nthabiseng Tema       | 4                                                              | 1                                                 |

### Quality Assurance Committee

| Name of Member     | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of Four (4) |
|--------------------|----------------------------------------------------------------|---------------------------------------------------|
| Mandla Mthembu     | 4                                                              | 1                                                 |
| Confidence Dikgole | 4                                                              | 2                                                 |
| Enoch Rabotapi     | 4                                                              | 1                                                 |
| Xolani Mdoda       | 4                                                              | 1                                                 |
| Renny Somnath (Dr) | 4                                                              | 4                                                 |





### Risk Management Committee

| Name of Member                | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of Two (2) |
|-------------------------------|----------------------------------------------------------------|--------------------------------------------------|
| Vernon Makaleni (Chairperson) | 4                                                              | 2                                                |

### Schooling and ECD Chamber

| Name of Member      | Number of Meetings Attended out of Five (5) Scheduled Meetings | Number of Other Meetings Attended out of Nine (9) |
|---------------------|----------------------------------------------------------------|---------------------------------------------------|
| Faseega Solomon     | 5                                                              | 4                                                 |
| Jonovan Rustin      | 5                                                              | 9                                                 |
| Hema Hariram        | 3                                                              | 5                                                 |
| Heidi van Staden    | 5                                                              | 4                                                 |
| Betty Qhinebe       | 5                                                              | 7                                                 |
| Johan Guldenpfennig | 3                                                              | 5                                                 |
| Wiseman Dinwa       | 5                                                              | 4                                                 |
| Mkhuseli Dubula     | 5                                                              | 6                                                 |
| Mpho Komana         | 4                                                              | 4                                                 |
| Vonani Mathonsi     | 5                                                              | 3                                                 |
| Charlotte Shirindi  | 5                                                              | 3                                                 |

| Name of Member      | Number of Meetings Attended out of Five (5) Scheduled Meetings | Number of Other Meetings Attended out of Nine (9) |
|---------------------|----------------------------------------------------------------|---------------------------------------------------|
| Diseko Gopane       | 4                                                              | 2                                                 |
| Skhumbuzo Manganye  | 3                                                              | 2                                                 |
| Sussan Malima       | 4                                                              | 4                                                 |
| Ruth Ledwada        | 5                                                              | 4                                                 |
| Sandile Beuzana     | 4                                                              | 3                                                 |
| Brian White         | 4                                                              | 3                                                 |
| Marubini Lukhaimane | 5                                                              | 1                                                 |
| Gavin De Bruyn      | 5                                                              | 3                                                 |
| Vuyelwa Ntuli       | 2                                                              | 2                                                 |

#### TVET/CET Chamber

| Name of Member        | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of Ten (10) |
|-----------------------|----------------------------------------------------------------|---------------------------------------------------|
| Langton Nzuma         | 4                                                              | 6                                                 |
| Takalani Ratshilumela | 4                                                              | 8                                                 |
| Vuyokazi Mazwi        | 4                                                              | 4                                                 |
| Gregory Masondo       | 4                                                              | 8                                                 |
| Brenda Ndelu          | 4                                                              | 4                                                 |





| Name of Member          | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of Ten (10) |
|-------------------------|----------------------------------------------------------------|---------------------------------------------------|
| Kim Courtois            | 4                                                              | 2                                                 |
| Brian Phike             | 4                                                              | 1                                                 |
| Sello Sethusha          | 4                                                              | 1                                                 |
| Mpopelele Agnes Matlawa | 4                                                              | 1                                                 |
| Monica Van der Walt     | 4                                                              | 0                                                 |

#### HER Chamber

| Name of Member              | Number of Meetings Attended out of Four (4) Scheduled Meetings | Number of Other Meetings Attended out of Eight (8) |
|-----------------------------|----------------------------------------------------------------|----------------------------------------------------|
| Vijayantimala Singh (Prof)* | 4                                                              | 1                                                  |
| Shirley Lloyd (Dr)          | 4                                                              | 6                                                  |
| Marion Joseph (Dr)          | 4                                                              | 5                                                  |
| Nicholas Taylor (Dr)        | 4                                                              | 1                                                  |
| Solly Pooe (Dr)             | 4                                                              | 4                                                  |
| Lucky Goodman Cele          | 4                                                              | 3                                                  |
| Humphrey Khwidzhili (Prof)  | 4                                                              | 5                                                  |
| Ben Van der Walt (Adv)      | 4                                                              | 1                                                  |
| Steward Ngandu              | 4                                                              | 4                                                  |
| Mahlubi Chief Mabizela      | 4                                                              | 4                                                  |
| Mandisa Cakwe               | 4                                                              | 1                                                  |

## Remuneration of AA, Committees and Chambers for Meeting Attendance

### Accounting Authority Members

| Name & Surname              | Sitting Fees | Other Allowances:<br>(Travel Expense) | Other<br>Reimbursements | Total               | Total Number of<br>Meetings Attended |
|-----------------------------|--------------|---------------------------------------|-------------------------|---------------------|--------------------------------------|
| Duncan Hindle               | 125,752.00   | 0                                     | 229,472.00              | 355,224.00          | 12                                   |
| Simoné Geyer                | 0            | 0                                     | 0                       | 0                   | 9                                    |
| Thembisa Futshane           | 0            | 0                                     | 0                       | 0                   | 6                                    |
| Hellen Ntlatleng            | 0            | 0                                     | 0                       | 0                   | 8                                    |
| Mandla Mthembu              | 75,582.00    | 0                                     | 0                       | 75,582.00           | 9                                    |
| Vijayanthimala Singh (Prof) | 88,920.00    | 0                                     | 0                       | 88,920.00           | 11                                   |
| Linda Ingram                | 71,136.00    | 0                                     | 0                       | 71,136.00           | 9                                    |
| Faseega Solomon             | 93,366.00    | 0                                     | 0                       | 93,366.00           | 12                                   |
| Lindiwe Motshwane           | 75,582.00    | 0                                     | 0                       | 75,582.00           | 9                                    |
| Nolitha Mboniswa            | 84,474.00    | 0                                     | 0                       | 84,474.00           | 11                                   |
| Nkosipendiule Ntantala      | 53,352.00    | 0                                     | 0                       | 53,352.00           | 7                                    |
| Dimakatso Peo               | 80,028.00    | 0                                     | 0                       | 80,028.00           | 10                                   |
| Thokozani Mathebula         | 71,136.00    | 0                                     | 0                       | 71,136.00           | 9                                    |
| Patricia Chiloane           | 75,582.00    | 0                                     | 0                       | 75,582.00           | 10                                   |
| Pumla Mzizi                 | 51,444.00    | 0                                     | 0                       | 51,444.00           | 4                                    |
| <b>Total</b>                |              |                                       |                         | <b>1 175 826.00</b> |                                      |






**Committee Chairpersons attending Accounting Authority Meetings only for the Presentation of Committee Reports**

| Name & Surname  | Remuneration | Other Expenses:<br>(Travel Expense) | Total           | Total Number of Meetings<br>Attended |
|-----------------|--------------|-------------------------------------|-----------------|--------------------------------------|
| Linda Nene      | 1,428.00     | 0                                   | 1,428.00        | 1                                    |
| Ebrahim Ansur   | 834.00       | 0                                   | 834.00          | 1                                    |
| David Mawela    | 556.00       | 0                                   | 556.00          | 1                                    |
| Gregory Masondo | 1,390.00     | 0                                   | 1,390.00        | 2                                    |
| Xolani Mdoda    | 1,390.00     | 0                                   | 1,390.00        | 2                                    |
| <b>Total</b>    |              |                                     | <b>5,598.00</b> |                                      |

**Executive Committee Remuneration**

| Name & Surname    | Remuneration | Other Expenses:<br>(Travel Expense) | Total             | Total Number of Meetings<br>Attended |
|-------------------|--------------|-------------------------------------|-------------------|--------------------------------------|
| Duncan Hindle     | 80,024.00    | 0                                   | 80,024.00         | 7                                    |
| Simoné Geyer      | 0            | 0                                   | 0                 | 7                                    |
| Mandla Mthembu    | 62,244.00    | 0                                   | 62,244.00         | 7                                    |
| Lindiwe Motshwane | 62,244.00    | 0                                   | 62,244.00         | 7                                    |
| Faseega Solomon   | 53,352.00    | 0                                   | 53,352.00         | 6                                    |
| <b>Total</b>      |              |                                     | <b>257,864.00</b> |                                      |

## Audit Committee

| Name & Surname         | Remuneration | Other Expenses:<br>(Travel Expense) | Total             | Total Number of Meetings<br>Attended |
|------------------------|--------------|-------------------------------------|-------------------|--------------------------------------|
| Pumla Mzizi            | 68,036.00    | 0                                   | 68,036.00         | 6                                    |
| Raksha Beecum Khadaroo | 53,908.00    | 0                                   | 53,908.00         | 8                                    |
| Nolitha Mboniswa       | 45,016.00    | 0                                   | 45,016.00         | 6                                    |
| Ntsetsa Molalekoa      | 0            | 0                                   | 0                 | 5                                    |
| Linda Nene             | 67,246.00    | 0                                   | 67,246.00         | 10                                   |
| Vernon Makaleni        | 45,728.00    | 0                                   | 45,728.00         | 5                                    |
| <b>Total</b>           |              |                                     | <b>279 934.00</b> |                                      |

## Finance Committee

| Name & Surname    | Remuneration | Other Expenses:<br>(Travel Expense) | Total             | Total Number of Meetings<br>Attended |
|-------------------|--------------|-------------------------------------|-------------------|--------------------------------------|
| Lindiwe Motshwane | 45,728.00    | 0                                   | 45,728.00         | 4                                    |
| Paul Slack        | 71,136.00    | 0                                   | 71,136.00         | 8                                    |
| Maria Walshe      | 88,920.00    | 0                                   | 88,920.00         | 11                                   |
| Thirona Moodley   | 62,244.00    | 0                                   | 62,244.00         | 7                                    |
| Neo Maimane       | 35,568.00    | 0                                   | 35,568.00         | 4                                    |
| Kulula Manona     | 0            | 0                                   | 0                 | 5                                    |
| <b>Total</b>      |              |                                     | <b>303,596.00</b> |                                      |





### Human Resource Committee

| Name & Surname    | Remuneration | Other Expenses:<br>(Travel Expense) | Total             | Total Number of Meetings<br>Attended |
|-------------------|--------------|-------------------------------------|-------------------|--------------------------------------|
| Thembisa Futshane | 0            | 0                                   | 0                 | 6                                    |
| Xolani Mdoda      | 80,862.00    | 0                                   | 80,862.00         | 11                                   |
| Enoch Rabotapi    | 0            | 0                                   | 0                 | 6                                    |
| Duduza Nkosi      | 0            | 0                                   | 0                 | 1                                    |
| Jeanine Topping   | 60,690.00    | 0                                   | 60,690.00         | 9                                    |
| <b>Total</b>      |              |                                     | <b>141,552.00</b> |                                      |

### Remuneration Committee (REMCO)

| Name & Surname    | Remuneration | Other Expenses:<br>(Travel Expense) | Total            | Total Number of Meetings<br>Attended |
|-------------------|--------------|-------------------------------------|------------------|--------------------------------------|
| Dimakatso Peo     | 22,864.00    | 3,319                               | 26,183.00        | 4                                    |
| Sihle Ngubane     | 17,784.00    | 0                                   | 17,784.00        | 4                                    |
| Simone Geyer      | 0            | 0                                   | 0                | 3                                    |
| Enoch Rabotapi    | 0            | 0                                   | 0                | 3                                    |
| Thembisa Futshane | 0            | 0                                   | 0                | 2                                    |
| Lindiwe Motshwane | 0            | 0                                   | 0                | 3                                    |
| <b>Total</b>      |              |                                     | <b>43,967.00</b> |                                      |

### Risk Management Committee

| Name & Surname  | Remuneration | Other Expenses:<br>(Travel Expense) | Total     | Total Number of Meetings<br>Attended |
|-----------------|--------------|-------------------------------------|-----------|--------------------------------------|
| Vernon Makaleni | 40,012.00    | 31,424.00                           | 71,466.00 | 6                                    |

### ICT Governance Committee

| Name & Surname        | Remuneration | Other Expenses:<br>(Travel Expense) | Total             | Total Number of Meetings<br>Attended |
|-----------------------|--------------|-------------------------------------|-------------------|--------------------------------------|
| Nkosipendule Ntantala | 45,728.00    | 0                                   | 45,728.00         | 4                                    |
| David Mawela          | 62,244.00    | 0                                   | 62,244.00         | 9                                    |
| Ebrahim Ansur         | 57,798.00    | 0                                   | 57,798.00         | 9                                    |
| Charles Motau (Dr)    | 26,676.00    | 0                                   | 26,676.00         | 3                                    |
| Anton De Boer         | 48,906.00    | 0                                   | 48,906.00         | 6                                    |
| Nthabiseng Tema       | 0            | 0                                   | 0                 | 5                                    |
| <b>Total</b>          |              |                                     | <b>241,352.00</b> |                                      |



**Quality Assurance Committee**

| Name & Surname       | Remuneration | Other Expenses:<br>(Travel Expense) | Total             | Total Number of Meetings<br>Attended |
|----------------------|--------------|-------------------------------------|-------------------|--------------------------------------|
| Mandla Mthembu       | 40,012.00    | 0                                   | 40,012.00         | 5                                    |
| Renny Somnath        | 57,798.00    | 0                                   | 57,798.00         | 8                                    |
| Confidence Dikgole   | 44,460.00    | 0                                   | 44,460.00         | 6                                    |
| Xolani Mdoda         | 40,014.00    | 0                                   | 40,014.00         | 5                                    |
| Enoch Tinti Rabotapi | 0            | 0                                   | 0                 | 5                                    |
| <b>Total</b>         |              |                                     | <b>182,284.00</b> |                                      |

### Schooling/ECD Chamber Remuneration

| Name & Surname       | Remuneration | Other Expenses:<br>(Travel Expense) | Total             | Total Number of Meetings<br>Attended |
|----------------------|--------------|-------------------------------------|-------------------|--------------------------------------|
| Faseega Solomon      | 42,353.00    | 0                                   | 42,353.00         | 9                                    |
| Jonovan Rustin       | 46,555.00    | 0                                   | 46,555.00         | 14                                   |
| Hema Hariram         | 31,122.00    | 0                                   | 31,122.00         | 8                                    |
| Heidi van Staden     | 39,885.00    | 0                                   | 39,885.00         | 9                                    |
| Betty Khosi Qhinebe  | 53,223.00    | 0                                   | 53,223.00         | 12                                   |
| Johann Guldenpfennig | 22,101.00    | 0                                   | 22,101.00         | 8                                    |
| Wiseman Dinwa        | 39,885.00    | 0                                   | 39,885.00         | 9                                    |
| Mkhuseli Dubula      | 46,554.00    | 0                                   | 46,554.00         | 11                                   |
| Mpho Komana          | 35,439.00    | 0                                   | 35,439.00         | 8                                    |
| Sussan Malima        | 2,306.00     | 0                                   | 2,306.00          | 8                                    |
| Vonani Mathonsi      | 0            | 0                                   | 0                 | 8                                    |
| Charlotte Shirindi   | 0            | 0                                   | 0                 | 8                                    |
| Diseko Gopane        | 0            | 0                                   | 0                 | 6                                    |
| Skhumbuzo Manganye   | 0            | 0                                   | 0                 | 5                                    |
| Ruth Ledwaba         | 0            | 0                                   | 0                 | 9                                    |
| Sandile Beuzana      | 0            | 0                                   | 0                 | 7                                    |
| Brian White          | 0            | 0                                   | 0                 | 7                                    |
| Marubini Lukhaimane  | 0            | 0                                   | 0                 | 6                                    |
| Gavin de Bruyn       | 0            | 0                                   | 0                 | 8                                    |
| Vuyelwa Ntuli        | 0            | 0                                   | 0                 | 4                                    |
| <b>Total</b>         |              |                                     | <b>359,423.00</b> |                                      |





### TVET/CET Chamber Remuneration

| Name & Surname            | Remuneration | Other Expenses:<br>(Travel Expense) | Total             | Total Number of Meetings<br>Attended |
|---------------------------|--------------|-------------------------------------|-------------------|--------------------------------------|
| Langton Nzuma             | 42,237.00    | 0                                   | 42,237.00         | 10                                   |
| Takalani Ratshimulela     | 51,129.00    | 0                                   | 51,129.00         | 12                                   |
| Vuyokazi Mazwi            | 35,568.00    | 0                                   | 35,568.00         | 8                                    |
| Gregory Masondo           | 70,498.00    | 1 220.19                            | 71,718.19         | 12                                   |
| Brenda Ndelu              | 35,568.00    | 0                                   | 35,568.00         | 8                                    |
| Kim Courtois              | 26,676.00    | 0                                   | 26,676.00         | 6                                    |
| Brian Phike               | 17,784.00    | 0                                   | 17,784.00         | 5                                    |
| Sello Sethusha            | 0            | 0                                   | 0                 | 5                                    |
| Mpopelele Agnes Matlawa   | 0            | 0                                   | 0                 | 5                                    |
| Monica Van der Walt (Adv) | 0            | 0                                   | 0                 | 4                                    |
| <b>Total</b>              |              |                                     | <b>280,680.00</b> |                                      |

## HER Chamber Remuneration

| Name & Surname             | Remuneration | Other Expenses:<br>(Travel Expense) | Total             | Total Number of Meetings<br>Attended |
|----------------------------|--------------|-------------------------------------|-------------------|--------------------------------------|
| Vijayantimala Singh (Prof) | 28,580.00    | 0                                   | 28,580.00         | 5                                    |
| Shirley Lloyd (Dr)         | 42,237.25    | 0                                   | 42,237.25         | 10                                   |
| Marion Joseph (Dr)         | 40,014.00    | 0                                   | 40,014.00         | 9                                    |
| Nicholas Taylor (Dr)       | 4,446.00     | 0                                   | 4,446.00          | 1                                    |
| Solly Poee (Dr)            | 33,345.25    | 0                                   | 33,345.25         | 8                                    |
| Lucky Goodman Cele         | 31,122.00    | 0                                   | 31,122.00         | 7                                    |
| Humphrey Khwidzhili (Prof) | 40,014.00    | 0                                   | 40,014.00         | 9                                    |
| Ben Van der Walt (Adv)     | 22,230.00    | 0                                   | 22,230.00         | 5                                    |
| Steward Ngandu             | 33,345.25    | 0                                   | 33,345.25         | 8                                    |
| Mahlubi Chief Mabizela     | 35,568.00    | 0                                   | 35,568.00         | 8                                    |
| Mandisa Calwe              | 0            | 0                                   | 0                 | 5                                    |
| <b>Total</b>               |              |                                     | <b>310,901.75</b> |                                      |







## Risk Management

### Introduction

The ETDP SETA's approach to Risk Management is consistent with the approved Risk Management Policy and Framework.

Regular risk assessments are conducted to identify and analyse risks that have the potential to hamper the entity's strategic objectives as well as determine the effectiveness of the Risk Management Framework. New and emerging risks are regularly identified and monitored through appropriate reporting channels.

The SETA has established a Risk Management Committee that provides oversight on the overall system of Risk Management and ensures the mitigation of risks at unacceptable levels, in line with its approved Risk Management Charter.

The Risk Management Committee is chaired by an external, independent Chairperson, to assist the Accounting Officer with their responsibility for risk management, as required by the PFMA, 1999 (Act No. 1 of 1999) Schedule 3A of Public Entities.

The Risk Management Committee reports to the Audit and Risk Committee (ARC) which exercises oversight and advises the SETA on risk management. Risk Management is embedded in the strategic and

operational processes of the SETA. To ensure that risks within the SETA are well managed and that improvements in the SETA's performance are realised, the SETA's Governance, Risk and Compliance Unit maintained the following instruments:

- The Risk Management Framework.
- The Risk Management Policy.
- The Risk Management Committee Charter.
- The Risk Management Implementation Plan.

## Internal Audit

### Introduction

The ETDP SETA has an Internal Audit function that follows a risk-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 applying a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, internal controls, and governance processes.

Independence

The Internal Audit function is governed by an Internal Audit Charter, which was approved by the Audit and Risk Committee for the reporting period and adheres to the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (Standards) in executing its mandate. The Internal Audit Charter sets out the purpose, authority, and responsibility of the internal audit function. The Charter also sets out the reporting relationships to ensure the team’s independence and objectivity through functional reporting directly to the Audit and Risk Committee and administrative reporting lines to the Chief Executive Officer, and through safeguards to ensure that the internal audit remains free from operational responsibility and does not engage in any other activity that may impair their judgement.

The work of the Internal Audit team during the reporting period was conducted with full independence as set out in the Internal Audit Charter and Standard 7.1 of the 2024 Global Internal Audit Standards.

Summary of Key Activities and Internal Audit Work

Internal Audit provides reasonable assurance to the Board, the 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                                                        |
|-----|-----------------------------------------------------------------------|
|     | Audit & Risk Committee (ARC) Attendance (Q1, Q2, & Q3, Q4 of 2024/25) |
|     | Attendance of Senior Management Team (SMT) Meetings                   |
| 1   | Review of Annual Financial Statements (AFS)- 2023/24 FY               |
| 2   | Audit of Predetermined Objectives – Q4 of 2023/24 FY                  |
| 3   | Review of Annual Performance Report (APR)- 2023/24 FY                 |
| 4   | Financial Management                                                  |
| 5   | Supply Chain Management                                               |





| No. | Audit Activity                                                                              |
|-----|---------------------------------------------------------------------------------------------|
| 6   | Audit of Predetermined Objectives – Q1 of 2024/25                                           |
| 7   | Review of the 1st Draft 2025/26 APP                                                         |
| 8   | Review of the Revised 2024/25 APP                                                           |
| 9   | Environmental, Social & Governance (ESG) Advisory Review - Environmental Component          |
| 10  | Follow-up on Previous AGSA and IA Findings                                                  |
| 11  | Human Resource Audit – Training & Development                                               |
| 12  | Review of Interim Financial Statements – 2024/25                                            |
| 13  | Audit of Predetermined Objectives – Q2 of 2024/25                                           |
| 14  | Review of the second Draft 2025/26 APP                                                      |
| 15  | Review of Discretionary Grants (planning, processing, and disbursement of funds).           |
| 16  | Audit of Predetermined Objectives – Q3 of 2024/25                                           |
| 17  | IT General Controls Review                                                                  |
| 18  | IT Application Controls Review                                                              |
| 19  | Environmental, Social & Governance (ESG) Assurance Review - Social and Governance Component |

The table below sets out the meeting attendance, qualifications, and appointment dates of the Audit Committee members:

| Name of Member               | Qualification                                                                                                                                                                                                                            | Internal/<br>External       | If Internal<br>Position,<br>Position in<br>ETDP SETA | Date<br>Appointed | Date<br>Resigned<br>(Tenure<br>ended) | Number<br>of<br>Meetings<br>Held | Number<br>of<br>Meetings<br>Attended |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------------|-------------------|---------------------------------------|----------------------------------|--------------------------------------|
| Pumla Mzizi<br>(Chairperson) | CA (SA)                                                                                                                                                                                                                                  | External and<br>Independent | Chairperson                                          | 1 August<br>2020  | -                                     | 10                               | 8                                    |
| Raksha Beecum<br>Khadaroo    | BA (Law), LLB, LLM (Tax),<br>Admitted Attorney, Certified<br>Director, Certified Coach, and<br>Ennea Practitioner                                                                                                                        | External and<br>Independent | AC<br>Member                                         | 1 August<br>2020  | -                                     | 10                               | 8                                    |
| Linda Nene                   | FIASA (Fellow of the<br>Institute of Internal Auditors<br>SA), CCSA (Certification in<br>Control Self-Assessment),<br>CRMA (Certification in Risk<br>Management Assurance),<br>and CPrac (SA) (Compliance<br>Practitioner, South Africa) | External and<br>Independent | AC<br>Member                                         | 1 August<br>2020  | -                                     | 10                               | 10                                   |
| Ntsetsa Molalekoa            | BCom                                                                                                                                                                                                                                     | AA Nominee                  | AC<br>Member                                         | 1 August<br>2020  | -                                     | 10                               | 5                                    |
| Nolitha Mboniswa             | Bachelor of Arts, Higher<br>Diploma in Education,<br>Certificate in Human Resource<br>Management, Certificate in<br>Project Management, and<br>Advanced Certificate in Labour<br>Law                                                     | AA Member                   | AC<br>Member                                         | 1 August<br>2020  | -                                     | 10                               | 6                                    |





## Compliance with Laws and Regulations

The ETDP SETA remains committed to ensuring full compliance with all relevant legislative and regulatory requirements. The organisation continuously strives to align its operations with best practices, standards, and applicable laws.

To support this commitment, the ETDP SETA has developed a comprehensive Compliance Regulatory Universe. This tool serves as a structured framework that identifies and categorises all applicable legislative requirements, prioritising them based on their impact as high, medium, or low. This enables the organisation to effectively monitor and manage its compliance obligations and ensures that appropriate attention is given to critical areas.

## Fraud and Corruption

The SETA maintains a zero-tolerance stance towards fraud and corruption. The Fraud Prevention Policy assists 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 confidential reporting of fraud and unethical matters. The Tip-offs telephone: 0800 204 937 and the Email: ETDP SETA@behonest.co.za. The email address is placed on the SETA website. The GRC function also investigates all incidents of fraud, and the appropriate actions were taken.

## Minimising Conflict of Interest

The ETDP SETA Accounting Authority members and Committees that support the Accounting Authority are required to disclose any actual or potential conflicts of interest at the commencement of their tenure and at the start of each meeting where substantive matters are discussed. During the period under review, Governance Structure Members completed an “Annual Declaration of Interest”.

Staff members of the SETA are required to submit Annual Declarations of Interest and are also obligated to update their declarations if there are any changes that occur during the year. Additionally, all new Board members and employees are required to declare their interests upon appointment or commencement of employment with the SETA.

## Code of Conduct

The Code of Conduct Policy has been approved and is applicable to governance members, while employees’ conduct is governed by provisions outlined in the Human Resources (HR) Policy. Additionally, the SETA’s standard constitution includes a Code of Conduct for committee members and executive management, which clearly defines corporate governance principles and the roles of various committees. All ETDP SETA employees are also required to submit annual declarations of interest. In addition to the documents aforementioned, the Confidentiality Policy was developed and is awaiting approval by the Accounting Authority.

### 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 No. 85 of 1993) and to this end, a Health and Safety Committee was established to monitor the health and safety of employees and their work environment. To enhance the skills of the committee to deal with multiple OHS requirements, the committee was trained in firefighting and first aid. As a way of ensuring that first aid is provided effectively when required or when an employee has sustained an injury or minor health hazard, the first aid kit was replenished, and committee members received training on its use. An emergency drill was conducted at the head office of the SETA and OHS audits were conducted as per the table below.

| Office Name | Date              |
|-------------|-------------------|
| WC          | 26 April 2024     |
| MP          | 3 May 2024        |
| NW          | 10 May 2024       |
| GP          | 10 September 2024 |
| NC          | 12 September 2024 |
| LP          | 13 September 2024 |
| EC          | 16 September 2024 |
| KZN         | 17 September 2024 |

As most of these offices had only recently been occupied at the time of the audits, no adverse findings were made, and all offices were found to be compliant with OHS requirements.

### Legal and Compliance

The ETDP SETA implements its APP targets primarily through projects, and, once procurement processes are completed, enters into contracts with appointed providers, constituencies, and stakeholders through Service Level Agreements (SLAs), Memorandum of Understanding (MOUs), or Memorandum of Agreement (MOAs). To ensure compliance, SLAs, MOUs and MOAs went through a vetting process before signing.





## 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       | The ETDP 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 |

# Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2025.

## Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 27.1 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 all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

## Effectiveness of the internal control systems

In line with the Public Finance Management Act, 1999, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved

by evaluating internal controls to determine their adequacy and efficiency, and by developing recommendations for enhancement or improvement. The Accounting Authority retains responsibility for implementing such recommendations as per Treasury Regulation 27.1.7. The reports of Internal Audit and AGSA indicated that the system of internal control in areas pertaining to financial reporting, performance reporting and compliance with laws and regulations were adequate but ineffective.

## Internal Audit

The Audit Committee approved a risk-based three-year rolling Strategic Plan and an Annual Internal Audit Coverage Plan for period 1 April 2024 to 31 March 2025. Nineteen (19) audits were planned and conducted during the year.

The following internal audit work was completed during the year under review:







| No. | Audit Activity                                                                              | Opinion                                              |
|-----|---------------------------------------------------------------------------------------------|------------------------------------------------------|
| 1   | Review of Annual Financial Statements (AFS)- 2023/24 FY                                     | N/A- Advisory Services                               |
| 2   | Audit of Predetermined Objectives – Q4 of 2023/24 FY                                        | Adequate but Ineffective                             |
| 3   | Review of Annual Performance Report (APR)- 2023/24 FY                                       | Adequate but Ineffective                             |
| 4   | Financial Management                                                                        | Adequate but Ineffective                             |
| 5   | Supply Chain Management                                                                     | Adequate but Ineffective                             |
| 6   | Audit of Predetermined Objectives – Q1 of 2024/25                                           | Adequate but Ineffective                             |
| 7   | Review of the 1st Draft 2025/26 APP                                                         | N/A – Advisory Services                              |
| 8   | Ad-hoc Reviewed of the Revised 2024/25 APP                                                  | N/A – Advisory Services                              |
| 9   | Follow-Up on Previous AGSA and IA Findings                                                  | 60% Resolved; 20% Not Resolved; 20% was not yet due. |
| 10  | Human Resource Audit – Training & Development                                               | Inadequate                                           |
| 11  | Review of Interim Financial Statements – 2024/25                                            | N/A – Advisory Services                              |
| 12  | Audit of Predetermined Objectives – Q2 of 2024/25                                           | Adequate but Ineffective                             |
| 13  | Review of the 2nd Draft 2025/26 APP                                                         | N/A – Advisory Services                              |
| 14  | Review of Discretionary Grants (Planning, processing, and disbursement of funds)            | Adequate but Ineffective                             |
| 15  | Audit of Predetermined Objectives – Q3 of 2024/25                                           | Adequate but Ineffective                             |
| 16  | IT General Controls Review                                                                  | Adequate but Ineffective                             |
| 17  | IT Application Controls Review                                                              | Adequate but Ineffective                             |
| 18  | Environmental, Social & Governance (ESG) Advisory Review - Environmental Component          | N/A – Advisory Services                              |
| 19  | Environmental, Social & Governance (ESG) Assurance Review - Social and Governance Component | Inadequate                                           |

**The following were areas of concern:**

- Non-payment within 30 days
- Ineffective use of AIM system
- Weaknesses in performance information reporting
- Misalignment between reported achievements and Portfolio of evidence
- Misalignment between APP, strategic plan, and reported achievements

## In-Year Management and Quarterly Reporting

The SETA has reported quarterly to the National Treasury and National Department of Higher Education and Training as is required by the PFMA. The quality of the in-year reporting will be improved by preparation of the interim financial statements as that remains a concern to the Audit Committee. The Audit Committee has engaged with management to remedy shortcomings relating to reports on performance against predetermined objectives.

## Evaluation of the Annual Financial Statements and Annual Performance Report

The Audit Committee evaluated the Annual Financial Statements (AFS) and the Annual Performance Report (APR) for the year ended 31 March 2025 and duly recommended them for the Accounting Authority's approval prior to being submitted to the AGSA for audit. The Audit Committee has discussed the external audit outcomes to be included in the annual report with the AGSA and the Accounting Authority. The Audit Committee also considered the material findings on the AFS and APR.

## Risk Management

Management is responsible for the establishment and maintenance of an effective system of governance, risk management, the prevention and detection of fraud and implementation of effective internal controls. Based on the quarterly audit committee reviews and the assessment by the AGSA, the departmental risk and fraud management system is adequate and effective. The Audit Committee remains concerned that not all ICT risks are being addressed or mitigated.

## Compliance With Laws and Regulations

The Audit Committee is concerned with the status of compliance with laws and regulations as there were numerous areas of noncompliance that were raised by both internal audit and AGSA. The entity needs to implement an adequate and effective compliance framework and system to prevent noncompliance.

## Auditor General's Report

We have reviewed the implementation plan for audit issues raised in the previous year and based on our interactions, AGSA and the internal audit reports, the committee is satisfied that substantial progress has been made in addressing AGSA findings. The Audit Committee concurs and accepts the conclusions of the AGSA on the annual financial statements, annual performance report and compliance with legislation and is of the opinion that the audited annual financial statements and audited annual performance report should be accepted and read together with the report of the AGSA.

## General

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

*SP Mzizi CA(SA)*

Ms Pumla Mzizi CA(SA)  
Chairperson of the Audit Committee  
Date: 31 July 2025



# PART

## Human Resource Management



# Overview of Human Resources Matters

The Human Resources Management Unit provides support to all the business 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 had a staff establishment of 148 posts, of which 137 were filled by the end of the 2024/25 financial year. The 137 employees were allocated across the following business units as captured on the organisational structure:

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

The following sections provide a comprehensive human resources information for the 2024/25 financial year.

## Priorities Identified for the Year Under Review

For the ETDP SETA to attain its strategic objectives and annual targets, it requires capable employees or human capital. As such, the organisation placed more focus on staff development. With this being the case, ninety-nine (99) employees were trained against the APP target of ninety (90). This target was achieved through formal training which focused on Project Management, Environmental, Social and Governance (ESG), and Occupational Health and Safety.

## Workforce Planning Framework and Key Strategies to Attract and Recruit Skilled and Capable Workforce

During the period under review, the ETDP SETA recruited employees with the skills and knowledge required to contribute to the achievement of its mandate. Vacant posts were filled through a fair and objective recruitment and selection process. Towards our quest to attract and recruit a skilled and capable workforce, the ETDP SETA has put in place the following strategies:





- A Human Resource Development Strategy links skills development to the management of human capital interventions, ensuring consistent and equitable treatment of staff in identifying and meeting both organisational and individual learning and development needs.
- A market-related Total-Cost-to-Company (TCTC) remuneration that is inclusive of employment benefits.

### Actual Achievements

The following are the actual achievements:

#### Training and Development

The ETDP SETA trained ninety-nine (99) employees against the APP target of ninety (90). In addition to this achievement, twenty-one (21) employees were awarded bursaries to further their studies.

#### Employee Performance Management and Development Framework

The Performance Management and Development policy was developed and recommended by the Human Resources Committee for approval by the AA. The ETDP SETA convened a Moderation Committee to moderate performance of employees against the performance of the organisation.

### Employee Wellness and Well-Being Interventions

There were no major employee health and wellness interventions during the year, except that the SETA participated in the Inter-SETA Employee Health and Wellness Day on 29 November 2024. Employees took part in football, netball, and volleyball activities.

### Human Resource Policies

Performance Management and Development Policy was developed and recommended for approval by the AA for implementation in 2025/26 financial year.

#### Support to Staff Dependents

During the period under review, the ETDP SETA awarded 26 bursaries, valued at R1,900,174.96, to employee dependents for various qualifications.

### Achievements

The Human Resources department achieved the following:

- Trained ninety-nine (99) staff members, including governance members, against the APP target of ninety (90), thereby enhancing service delivery.
- Proper moderation of staff performance against the SETA's performance by the Moderation Committee.
- Reduced the vacancy rate to below 8%.
- Establishment of the Skills Development Committee.
- Reconstituted of the Bursary Committee.

## Challenges

The challenges encountered include the 14.8% staff turnover and the slowness in filling of vacancies. These challenges had an impact on the implementation of targets.

## Labour Relations

The ETDP SETA remains committed to fostering sound and harmonious employee relations. The ETDP SETA has a recognition agreement with the National Education, Health, and Allied Workers' Union (NEHAWU), which represents the majority of employees in the organisation. No labour unrest occurred during the period under review. A one-year agreement was concluded on 4 September 2024. Two employees were dismissed for misconduct during the period under review. One of the two employees has challenged the dismissal at the CCMA. One employee is undergoing an incapacity (ill-health) hearing.

## Staff Turnover

At the end of the reporting period, the organisation recorded a staff turnover rate of 14.8% due to resignations and internal movement.

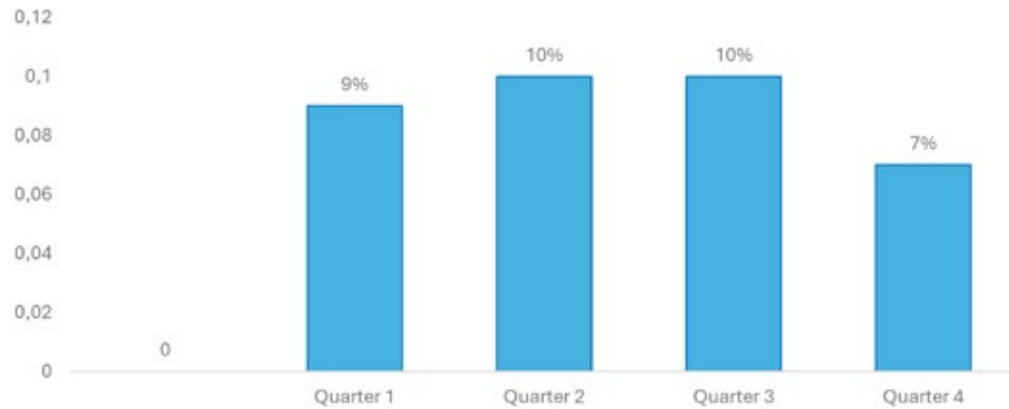
## Future HR Plans

Whilst the challenges are limited to the high staff turnover and slowness in filling of vacancies, a process to improve the management of HR will include the following:

- Implementation of an e-recruitment system
- A review of HR Policies



### Q1 - Q4 Vacancy Rate



### Human Resource Oversight Statistics

#### Personnel Cost by Programme

| Programme    | Total Expenditure for the Entity (R'000) | Personnel Expenditure (R'000) | Personnel Expenditure as a Percentage (%) of Total Expenditure | No. of Employees | Average Personnel Cost per Employee (R'000) |
|--------------|------------------------------------------|-------------------------------|----------------------------------------------------------------|------------------|---------------------------------------------|
| Programme 1  | 155,107                                  | 44 211                        | 6                                                              | 54               | 818                                         |
| Programme 2  | 108,305                                  | 6 102                         | 1                                                              | 6                | 1 017                                       |
| Programme 3  | 505,845                                  | 59 538                        | 8                                                              | 76               | 783                                         |
| Programme 4  | 17,790                                   | 9 251                         | 1                                                              | 10               | 952                                         |
| <b>Total</b> | <b>787,049</b>                           | <b>119 102</b>                |                                                                | <b>*146</b>      | <b>816</b>                                  |

\*The total number of employees includes permanent and temporary staff.

### Personnel Cost by Salary Band

| Level                    | Personnel Expenditure<br>(R'000) | Percentage (%) of<br>Personnel Expenditure to<br>Total Personnel Cost | No. of Employees | Average Personnel Cost<br>per Employee<br>(R'000) |
|--------------------------|----------------------------------|-----------------------------------------------------------------------|------------------|---------------------------------------------------|
| Top management           | 4 731                            | 0.04                                                                  | 2                | 2 365                                             |
| Senior management        | 10 959                           | 0.10                                                                  | 8                | 1 369                                             |
| Professionally qualified | 30 983                           | 0.27                                                                  | 30               | 1 032                                             |
| Skilled                  | 69 547                           | 0.58                                                                  | 94               | 739                                               |
| Semi-skilled             | 2 882                            | 0.03                                                                  | 12               | 240                                               |
| <b>Total</b>             | <b>119 102</b>                   | <b>1.00</b>                                                           | <b>146</b>       | <b>816</b>                                        |

### Performance Rewards per Band

| Programme                | Performance Rewards<br>(R'000) | Personnel Expenditure<br>(R'000) | Percentage (%) of Performance<br>Rewards to Total Personnel Cost |
|--------------------------|--------------------------------|----------------------------------|------------------------------------------------------------------|
| Top management           | 99                             | 4 731                            | 0.08                                                             |
| Senior management        | 289                            | 10 959                           | 0.24                                                             |
| Professionally qualified | 420                            | 30 983                           | 0.35                                                             |
| Skilled                  | 1 064                          | 69 547                           | 0.89                                                             |
| Semi-skilled             | 72                             | 2 882                            | 0.06                                                             |
| <b>Total</b>             | <b>1 944</b>                   | <b>119 102</b>                   | <b>1.63</b>                                                      |







## Training Costs

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

| Personnel Expenditure<br>(R'000) | Training Expenditure<br>(R'000) | Training Expenditure<br>as a Percentage (%) of<br>Personnel Cost | No. of Employees Trained | Average Training Cost per<br>Employee<br>(R'000) |
|----------------------------------|---------------------------------|------------------------------------------------------------------|--------------------------|--------------------------------------------------|
| 119 102                          | 778                             | 0,65                                                             | 99                       | 7                                                |

## Table on Training Costs

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

| Training Programme          | Personnel<br>Expenditure<br>(R'000) | Training Expenditure<br>(R'000) | Training Expenditure,<br>as a Percentage (%) of<br>Personnel Cost | No. of Employees<br>Trained | Average Training Cost<br>per Employee<br>(R'000) |
|-----------------------------|-------------------------------------|---------------------------------|-------------------------------------------------------------------|-----------------------------|--------------------------------------------------|
| Top management              | 4 731                               | 11                              | 0.01                                                              | 1                           | 11                                               |
| Senior management           | 10 959                              | 6                               | 0.01                                                              | 1                           | 6                                                |
| Professionally<br>qualified | 30 983                              | 48                              | 0.04                                                              | 6                           | 8                                                |
| Skilled                     | 69 547                              | 563                             | 0.47                                                              | 57                          | 9                                                |
| Semi-skilled                | 2 882                               | 194                             | 0.16                                                              | 18                          | 10                                               |
| <b>Total</b>                | <b>119 102</b>                      | <b>778</b>                      | <b>0.65</b>                                                       | <b>83</b>                   | <b>9</b>                                         |

## Employment and Vacancies

| 2023/2024        | 2024/2025      |                  |           |             |
|------------------|----------------|------------------|-----------|-------------|
| No. of Employees | Approved Posts | No. of Employees | Vacancies | % Vacancies |
| 134              | 148            | 136              | 12        | 8%          |

|                          | 2023/2024      |                  | 2024/2025      |                  |           |             |
|--------------------------|----------------|------------------|----------------|------------------|-----------|-------------|
| Level                    | Approved Posts | No. of Employees | Approved Posts | No. of Employees | Vacancies | % Vacancies |
| Top management           | 4              | 2                | 3              | 2                | 1         | 33%         |
| Senior management        | 8              | 6                | 12             | 9                | 3         | 17%         |
| Professionally qualified | 27             | 25               | 27             | 27               | 0         | 0%          |
| Skilled                  | 95             | 89               | 93             | 85               | 8         | 8%          |
| Semi-skilled             | 14             | 12               | 13             | 13               | 0         | 0%          |
| Unskilled                | 0              | 0                | 0              | 0                | 0         | 0%          |
| <b>Total</b>             | <b>148</b>     | <b>134</b>       | <b>148</b>     | <b>136</b>       | <b>12</b> | <b>8%</b>   |





## 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           | 2                                         | 0            | 0            | 2                                   |
| Senior management        | 6                                         | 2            | 0            | 8                                   |
| Professionally qualified | 25                                        | 6            | 4            | 27                                  |
| Skilled                  | 89                                        | 5            | 8            | 86                                  |
| Semi-skilled             | 12                                        | 1            | 0            | 13                                  |
| Unskilled                | 0                                         | 0            | 0            | 0                                   |
| <b>Total</b>             | <b>134</b>                                | <b>14</b>    | <b>12</b>    | <b>136</b>                          |

*\*Two internal appointments were made, resulting in alterations in occupational level.*

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                     | 0      | 0%              |
| Resignation               | 7      | 58%             |
| Dismissal                 | 3      | 25%             |
| Retirement                | 0      | 0%              |
| Ill health                | 0      | 0%              |
| Expiry of contract        | 0      | 0%              |
| Other (Internal Movement) | 2      | 17%             |
| Total                     | 12     | 100%            |

Labour Relations: Misconduct and Disciplinary Action

The following is a record of misconduct and disciplinary action:

| Disciplinary Action    | Numbers |
|------------------------|---------|
| Verbal Warnings        | 1       |
| Written Warnings       | 1       |
| Final Written Warnings | 1       |
| Dismissals             | 3       |
| TOTAL                  | 6       |

Three (3) employees were dismissed for misconduct. Two (2) employees were given a written warning and a final written warning respectively for misconduct. One (1) employee was given a verbal warning.





### Employment Workforce Profile in terms of Occupational Levels

| MALE                     | African   | Coloured | Indian   | White    |
|--------------------------|-----------|----------|----------|----------|
| Levels                   | Current   | Current  | Current  | Current  |
| Top management           | 0         | 0        | 0        | 0        |
| Senior management        | 5         | 0        | 0        | 1        |
| Professionally qualified | 14        | 0        | 2        | 0        |
| Skilled                  | 27        | 0        | 1        | 0        |
| Semi-skilled             | 1         | 0        | 0        | 0        |
| Unskilled                | 0         | 0        | 0        | 0        |
| <b>TOTAL</b>             | <b>47</b> | <b>0</b> | <b>3</b> | <b>1</b> |

### Employment Workforce Profile in terms of Occupational Levels

| FEMALE                   | African   | Coloured | Indian   | White    |
|--------------------------|-----------|----------|----------|----------|
| Levels                   | Current   | Current  | Current  | Current  |
| Top management           | 2         | 0        | 0        | 0        |
| Senior management        | 2         | 0        | 0        | 0        |
| Professionally qualified | 9         | 0        | 1        | 1        |
| Skilled                  | 48        | 6        | 1        | 3        |
| Semi-skilled             | 10        | 2        | 0        | 0        |
| Unskilled                | 0         | 0        | 0        | 0        |
| <b>TOTAL</b>             | <b>71</b> | <b>8</b> | <b>2</b> | <b>4</b> |

### Employment Workforce Profile in terms of Occupational Levels

| DISABLED STAFF           | Male     | Female   |
|--------------------------|----------|----------|
| Levels                   | Current  | Current  |
| Top management           | 0        | 0        |
| Senior management        | 0        | 0        |
| Professionally qualified | 0        | 0        |
| Skilled                  | 0        | 2        |
| Semi-skilled             | 0        | 0        |
| Unskilled                | 0        | 0        |
| <b>TOTAL</b>             | <b>0</b> | <b>2</b> |

### Equity Target and Employment Equity Status

| Male                     |           |          |          |          |          |          |          |          |
|--------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|
|                          | African   |          | Coloured |          | Indian   |          | White    |          |
| Levels                   | Current   | Target   | Current  | Target   | Current  | Target   | Current  | Target   |
| Top management           | 0         | 2        | 0        | 0        | 0        | 1        | 0        | 0        |
| Senior management        | 5         | 1        | 0        | 0        | 0        | 1        | 1        | 1        |
| Professionally qualified | 14        | 1        | 0        | 1        | 2        | 0        | 0        | 0        |
| Skilled                  | 27        | 2        | 0        | 1        | 1        | 0        | 0        | 0        |
| Semi-skilled             | 1         | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Unskilled                | 0         | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b>             | <b>47</b> | <b>8</b> | <b>0</b> | <b>2</b> | <b>3</b> | <b>2</b> | <b>1</b> | <b>1</b> |





| Female                   |           |           |          |          |          |          |          |          |
|--------------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|
|                          | African   |           | Coloured |          | Indian   |          | White    |          |
| Levels                   | Current   | Target    | Current  | Target   | Current  | Target   | Current  | Target   |
| Top management           | 2         | 2         | 0        | 1        | 0        | 0        | 0        | 0        |
| Senior management        | 2         | 3         | 0        | 0        | 0        | 1        | 0        | 0        |
| Professionally qualified | 9         | 2         | 0        | 1        | 1        | 0        | 1        | 1        |
| Skilled                  | 48        | 1         | 6        | 2        | 1        | 0        | 3        | 1        |
| Semi-skilled             | 10        | 2         | 2        | 0        | 0        | 0        | 0        | 0        |
| Unskilled                | 0         | 0         | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b>             | <b>71</b> | <b>10</b> | <b>8</b> | <b>4</b> | <b>2</b> | <b>1</b> | <b>4</b> | <b>2</b> |

| DISABLED STAFF           |          |          |          |          |
|--------------------------|----------|----------|----------|----------|
|                          | Male     |          | Female   |          |
| Levels                   | Current  | Target   | Current  | Target   |
| Top management           | 0        | 0        | 0        | 0        |
| Senior management        | 0        | 1        | 0        | 0        |
| Professionally qualified | 0        | 0        | 0        | 0        |
| Skilled                  | 0        | 0        | 2        | 1        |
| Semi-skilled             | 0        | 1        | 0        | 0        |
| Unskilled                | 0        | 0        | 0        | 0        |
| <b>TOTAL</b>             | <b>0</b> | <b>2</b> | <b>2</b> | <b>1</b> |

# PART

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## PUBLIC FINANCE MANAGEMENT ACT (PFMA) COMPLIANCE REPORT







# Information on Irregular, Fruitless and Wasteful Expenditure, and Material Losses

## a) Reconciliation of Irregular Expenditure

| Description                                               | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------------------------------|------------------|------------------|
| Opening balance                                           | 1 018            | 3 721            |
| Add: Irregular expenditure confirmed                      | 5 620            | 5 878            |
| Less: Irregular expenditure condoned                      | 0                | (5 719)          |
| Less: Irregular expenditure not condoned and removed      | 0                | (2 862)          |
| Less: Irregular expenditure recoverable                   | 0                | 0                |
| Less: Irregular expenditure not recovered and written off | 0                | 0                |
| <b>Closing balance</b>                                    | <b>6 638</b>     | <b>1 018</b>     |

## Reconciling Notes

| Description                                                                             | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------------------------------------------------------------|------------------|------------------|
| Irregular expenditure that under assessment                                             | 1 590            | 0                |
| Irregular expenditure that relates to the prior year and identified in the current year | 0                | 0                |
| Irregular expenditure for the current year                                              | 5 620            | 5 878            |
| <b>Total</b>                                                                            | <b>7 210</b>     | <b>5 878</b>     |

## b) Details of Irregular Expenditure (under assessment, determination, and investigation)

| Description                               | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------------------------------|------------------|------------------|
| Irregular expenditure under assessment    | 1 590            | 0                |
| Irregular expenditure under determination | 0                | 0                |
| Irregular expenditure under investigation | 0                | 0                |
| <b>Total</b>                              | <b>1 590</b>     | <b>0</b>         |





### Details of Irregular Expenditure Condoned

| Description                    | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------|------------------|------------------|
| Irregular expenditure condoned | 0                | 5 719            |
| <b>Total</b>                   | <b>0</b>         | <b>5 719</b>     |

### d) Details of Irregular Expenditure Removed (Not Condoned)

| Description                                    | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------------------------------|------------------|------------------|
| Irregular expenditure NOT condoned and removed | 0                | 2 862            |
| <b>Total</b>                                   | <b>0</b>         | <b>2 862</b>     |

### e) Details of Irregular Expenditure Recovered

| Description                     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|---------------------------------|------------------|------------------|
| Irregular expenditure recovered | 0                | 0                |
| <b>Total</b>                    | <b>0</b>         | <b>0</b>         |

#### f) Details of Irregular Expenditure Written Off (Irrecoverable)

| Description                       | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------|------------------|------------------|
| Irregular expenditure written off | 0                | 0                |
| <b>Total</b>                      | <b>0</b>         | <b>0</b>         |

#### g) Disciplinary or Criminal Steps Taken as a Result of Irregular Expenditure

Labour Relations is in the process of investigating the source of the irregular expenditure, and action will be taken after the report is completed.

#### - Reconciliation of Fruitless and Wasteful Expenditure

| Description                                          | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------------------------------------|------------------|------------------|
| Opening balance                                      | 933              | 908              |
| Add: Fruitless and wasteful expenditure confirmed    | 670              | 29               |
| Less: Fruitless and wasteful expenditure written off | 0                | 0                |
| Less: Fruitless and wasteful expenditure recoverable | (670)            | 4                |
| <b>Closing balance</b>                               | <b>933</b>       | <b>933</b>       |



**Reconciling Notes**

| Description                                                                                          | 2024/25<br>R'000 | 2023/24<br>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                                              | 670              | 29               |
| <b>Total</b>                                                                                         | <b>0</b>         | <b>29</b>        |

**- Details of Fruitless and Wasteful Expenditure (under assessment, determination, and investigation)**

| Description                                            | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------------------------------|------------------|------------------|
| Fruitless and wasteful expenditure under assessment    | 0                | 0                |
| Fruitless and wasteful expenditure under determination | 670              | 933              |
| Fruitless and wasteful expenditure under investigation | 0                | 0                |
| <b>Total</b>                                           | <b>670</b>       | <b>933</b>       |

### - Details of Fruitless and Wasteful Expenditure Recoverable

| Description                                    | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------------------------------|------------------|------------------|
| Fruitless and wasteful expenditure recoverable | 670              | 4                |
| <b>Total</b>                                   | <b>670</b>       | <b>4</b>         |

### - Details of Fruitless and Wasteful Expenditure Not Recovered and Written Off

| Description                                    | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------------------------------|------------------|------------------|
| Fruitless and wasteful expenditure written off | 0                | 0                |
| <b>Total</b>                                   | <b>0</b>         | <b>0</b>         |

### - Details of Disciplinary or Criminal Steps Taken as a Result of Fruitless and Wasteful Expenditure

Consequence management processes are underway for the fruitless and wasteful expenditure confirmed in the current financial year.

Processes of recovering the amount disclosed in the fruitless and wasteful expenditure section were initiated during the year and are still in progress. Furthermore, legal proceedings will follow in the 2025/26 financial year in order for the SETA to recover the funds.

### - Details of Material Losses Through Criminal Conduct

No material losses suffered by the SETA through criminal conduct.





#### **- Details of Other Material Losses**

No other material losses suffered from the expenditure incurred.

#### **- Other Material Losses Recoverable**

No material losses recovered as at the reporting period.

#### **- Other Material Losses Written Off**

No losses written off as at the reporting period.

# Information on Supply Chain Management

| Project Description                                                                                                                                | Name of Supplier                  | Type of Procurement by Other Means / Procurement Method                                                                                                                                                  | Contract Number | Value of Contract (R) |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|
| Renewal of caseware license for the period of 01 May 2024 to 30 April 2025                                                                         | Adapt IT                          | Single sourcing – Caseware Africa is the sole distributor of caseware software products in South Africa; therefore, they are the sole provider of the license                                            | N/A             | R174,087.13           |
| Transportation of photocopy machines for Head Office, KZN and Northern Cape                                                                        | Konica Minolta                    | Single sourcing – Transportation was managed by the sole supplier that was awarded via transversal contract RT 3 of 2022 from National Treasury                                                          | N/A             | R13,030.27            |
| Accommodation for an official who attended the Integrated Strategic Planning Framework for Teacher Education and Development on the 12 August 2024 | Garden Court Kimberley            | Single sourcing – The invitation to attend the ISPFTED Strategic session was received late. There was not enough time to obtain three quotations                                                         | N/A             | R7,860.00             |
| Accommodation for an official who attended the Umalusi 40th AEAA Annual Conference in Cape Town on the 19 August 2024                              | Cape Town Marriott Hotel          | Single sourcing – Conference attendees were provided with a list of hotels from which to book, but these were above the government rate for accommodation                                                | N/A             | R2,712.87             |
| Lease of office space for Free State                                                                                                               | Regus Management Group (Pty) Ltd  | Single sourcing – The ETDP SETA was unable to secure a compliant bidder in an open tender which was advertised three times                                                                               | N/A             | R691,944.00           |
| New salary structure and pay progression                                                                                                           | Emergency Human Capital (Pty) Ltd | Single sourcing – The extension is to conduct a presentation before the ETDP SETA's governance structure to ensure successful adoption and understanding of the new salary structure and pay progression | N/A             | R11,320.60            |
| <b>TOTAL</b>                                                                                                                                       |                                   |                                                                                                                                                                                                          |                 | <b>R900,954.87</b>    |

The ETDP SETA utilised the National Treasury Instruction Note 3 of 2021/22, paragraph 4 for transactions that could not be procured via the normal bidding processes. The above table shows the six transactions on which the deviation processes were applied.







### Contract Variations and Expansions

| Project Description                                             | Name of Supplier                 | Contract Modification Type (Expansion or Variation) | Contract Number   | Original Contract Value | Value of Previous Contract Expansion/s or Variation/s (if Applicable) | Value of Current Contract Expansion or Variation |
|-----------------------------------------------------------------|----------------------------------|-----------------------------------------------------|-------------------|-------------------------|-----------------------------------------------------------------------|--------------------------------------------------|
| Expansion of Scope of Work for Lease of Free State Office Space | Regus Management Group (Pty) Ltd | Expansion                                           | 20/FS/Lease /2024 | R691,944.00             | N/A                                                                   | R66,263.00                                       |
| <b>Total</b>                                                    |                                  |                                                     |                   | <b>R691,944.00</b>      |                                                                       | <b>R66,263.00</b>                                |

National Treasury Instruction Note 3 of 2021/22, paragraph 5, was applied for the extension of contracts as per the table above.

The ETDP SETA approved the lease contract for the Free State provincial office. The contract had to be extended to allow for the installation of IT Infrastructure for business continuity within the province.

# Information on Late and/or Non-Payment of Suppliers

| Nature                                    | Number of Invoices | Amount         | Comments                                                                                                              |
|-------------------------------------------|--------------------|----------------|-----------------------------------------------------------------------------------------------------------------------|
| Number of invoices received               | 4 633              | 515,630,056.00 | -                                                                                                                     |
| Number of invoices paid within 30 days    | 4 031              | 499,119,863.00 | -                                                                                                                     |
| Number of invoices not paid with 30 days  | 602                | 16,510,193.00  | Late payments were mainly due to disputes on contract deliverables which were subsequently resolved and payments made |
| Number of invoices not paid with disputes | 0                  | 0              | -                                                                                                                     |





# PART

## ANNUAL FINANCIAL STATEMENTS



# Report of the Auditor-General to Parliament on the Education, Training and Development Practices Sector Education and Training Authority

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Education, Training and Development Practices Sector Education and Training Authority set out on pages 137 to 192, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Education, Training and Development Practices Sector Education and Training Authority as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the requirements of the Skills Development Act 97 of 1998 (SDA).





## Basis for qualified opinion

### General administration expense

3. The public entity did not correctly account for general administration expenses in accordance with, GRAP 1 – Presentation of Financial Statements. Certain general administration expense transactions were recognised in an incorrect accounting period, resulting in an overstatement of general administration expenses disclosed in note 7 by R10 380 022. Additionally, there was an impact on the surplus for the period and the accumulated surplus.

### Discretionary Grants Expenditure

4. I was unable to obtain sufficient appropriate audit evidence for discretionary grants expenditure disclosed in note X to the financial statements, stated at R637 646 000. The public entity did not maintain accurate and complete records to support the transactions recorded. As a result, I could not confirm the validity of the discretionary grants expenditure. I was unable to audit the financial statements by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the financial statements as a whole.

### Commitment

5. I was unable to obtain sufficient appropriate audit evidence for commitment adjustments amounting to R57 958 649, as the public entity did not maintain accurate and complete records supporting the calculation of these adjustments. I was unable to confirm the amounts by alternative means. Consequently, I could not determine whether any adjustment was necessary to the commitments disclosed in note 21 to the financial statements stated at R1 276 789 000.
6. Furthermore, the commitments were not prepared in accordance with GRAP 1 – Presentation of Financial Statements. The entity incorrectly accounted for adjustments, as the amounts written off did not agree to the supporting audit evidence. As a result, the commitments balance was overstated by R55 397 881, leading to a material misstatement in the financial statements.

## Context for opinion

7. 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.

8. 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.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Emphasis of matters

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

### Restatement of corresponding figures

11. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2025.

### Responsibilities of the accounting authority for the financial statements

12. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and 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.
13. 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

14. 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.
15. 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 133, forms part of my auditor's report.
17. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

| Programme                                     | Page numbers | Purpose                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Programme 2: Research and skills planning     | 33           | The purpose of the 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 | 40           | 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                | 51           | The purpose of this programme is to ensure quality provisioning of occupationally directed programmes for occupations in high demand.                                                                                                                                                                                                 |

## Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

18. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

19. 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 / measures taken to improve performance.

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

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







## Other matters

22. I draw attention to the matters below.

### Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements / measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.
24. 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 / measures taken to improve performance are included in the annual performance report on pages 32 to 53.

### Programme 3: Learning programmes and projects

| Targets achieved: 85%<br>Budget spent: 22%                                                             |                |                      |
|--------------------------------------------------------------------------------------------------------|----------------|----------------------|
| Key indicator not achieved                                                                             | Planned target | Reported achievement |
| Indicator 3.3: Number of TVET college students who completed their work-integrated learning placements | 1 130          | 1 097                |
| Indicator 3.6: Number of unemployed learners completed Internships programmes                          | 1 578          | 958                  |
| Indicator 3.12: Number of bursaries awarded to students (Renewals)                                     | 800            | 543                  |
| Indicator 3.22: Number of partnerships established with private FET Colleges                           | 20             | 15                   |

### Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

26. 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.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

#### **Annual Financial Statement**

29. 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) (a) and (b) of the PFMA.
30. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided, which resulted in the financial statements receiving a qualified opinion.

#### **Consequence management**

31. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e) (iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.





### Other information in the annual report

32. 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 on in this auditor's report.
33. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
34. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

35. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

36. 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.
37. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified and the material findings on compliance with legislation included in this report.

38. The accounting authority did not exercise adequate oversight responsibility over financial reporting and compliance with legislation, as well as the related internal controls. Effective and appropriate measures were not implemented in a timely manner to prevent and detect material errors in the submitted annual financial statements, and to prevent and detect non-compliance with legislation.
39. The accounting authority developed an action plan to address the prior years' significant findings, but adherence to the plan was not adequately monitored on a timely basis by the appropriate level of management, resulting in numerous material findings relating to the financial statements, performance report and compliance with laws and regulations.
40. Senior management did not adequately ensure that the financial statements prepared were accurate and complete and agreed to supporting schedules, as numerous misstatements were identified on the financial statements submitted for audit. Daily and monthly control activities that support accurate and reliable reporting, such as reconciliations, were generally lacking.

41. Senior management did not implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support the financial statements. The audit team experienced difficulties (delays in submission) during the audit due to poor record keeping in certain areas and the lack of supporting evidence for recorded balances and transactions that are reviewed by senior management

*Auditor-General*

Auditor-General Pretoria

31 July 2025





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

### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Communication with those charged with governance**

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

**Compliance with legislation – selected legislative requirements**

The selected legislative requirements are as follows:

| Legislation                             | Sections or regulations                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Finance Management Act 1 of 1999 | Section 51(1)(b)(i); 51(1)(b)(iii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)                                                                                                                                                                                                                                                                    |
| Treasury Regulations, 2005              | Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3 |





| Legislation                                                    | Sections or regulations                                                                                                          |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Companies Act 71 of 2008                                       | Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)                   |
| Construction Industry Development Board Act 38 of 2000         | Section 18(1)                                                                                                                    |
| Construction Industry Development Board Regulations, 2004      | Regulation 17; 25(7A)                                                                                                            |
| National Treasury Instruction No. 5 of 2020/21                 | Paragraph 4.8; 4.9; 5.3                                                                                                          |
| Second Amendment National Treasury Instruction No. 5 of 202/21 | Paragraph 1                                                                                                                      |
| Erratum National Treasury Instruction No. 5 of 202/21          | Paragraph 2                                                                                                                      |
| National Treasury Instruction No. 1 of 2021/22                 | Paragraph 4.1                                                                                                                    |
| National Treasury Instruction No. 4 of 2015/16                 | Paragraph 3.4                                                                                                                    |
| National Treasury SCM Instruction No. 4A of 2016/17            | Paragraph 6                                                                                                                      |
| National Treasury SCM Instruction No. 03 of 2021/22            | Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6                                                                          |
| National Treasury SCM Instruction No. 11 of 2020/21            | Paragraph 3.4(a); 3.4(b); 3.9                                                                                                    |
| National Treasury SCM Instruction No. 2 of 2021/22             | Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1                                                                                          |
| National Treasury Practice Note 5 of 2009/10                   | Paragraph 3.3                                                                                                                    |
| National Treasury Practice Note 7 of 2009/10                   | Paragraph 4.1.2                                                                                                                  |
| Preferential Procurement Policy Framework Act 5 of 2000        | Section 1; 2.1(a); 2.1(f)                                                                                                        |
| Preferential Procurement Regulations, 2022                     | Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4                                                                                |
| Preferential Procurement Regulations, 2017                     | Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004  | Section 34(1)                                                                                                                    |

# Annual Financial Statements

## Annual Financial Statements for the year ended March 31, 2025

### 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 pages **137 - 192**, which have been prepared on the going concern basis, were approved by the accounting authority on 15 August 2025 and were signed on its behalf by:



**MS SESI NOMBULELO NXESI**

Chief Executive Officer | Accounting Authority



## Statement of Financial Position as at March 31, 2025

| R'000                                      | Note(s) | 2025             | 2024<br>Restated |
|--------------------------------------------|---------|------------------|------------------|
| <b>Assets</b>                              |         |                  |                  |
| <b>Non-Current Assets</b>                  |         |                  |                  |
| Property, plant and equipment              | 9       | 6,306            | 4,857            |
| Intangible assets                          | 10      | 25               | 93               |
|                                            |         | <b>6,331</b>     | <b>4,950</b>     |
| <b>Current Assets</b>                      |         |                  |                  |
| Cash and cash equivalents                  | 11      | 2,170,812        | 1,939,254        |
| Consumables                                |         | 687              | 243              |
| Receivables from non-exchange transactions | 12      | 25,864           | 26,031           |
| Receivables from exchange transactions     | 13      | 11,744           | 9,506            |
|                                            |         | <b>2,209,107</b> | <b>1,975,034</b> |
| <b>Total Assets</b>                        |         | <b>2,215,438</b> | <b>1,979,984</b> |
| <b>Liabilities</b>                         |         |                  |                  |
| <b>Current Liabilities</b>                 |         |                  |                  |
| Payable from non-exchange transactions     | 14      | 236,003          | 342,887          |
| Payables from exchange transactions        | 15      | 11,588           | 14,356           |
| Accrued employee entitlements              | 16      | 19,550           | 16,961           |
| Provisions for exempt employers            | 17      | 8,254            | 7,869            |
|                                            |         | <b>275,395</b>   | <b>382,073</b>   |
| <b>Total Liabilities</b>                   |         | <b>275,395</b>   | <b>382,073</b>   |
| Assets                                     |         | 2,215,438        | 1,979,984        |
| Less: Liabilities                          |         | (275,395)        | (382,073)        |
|                                            |         | <b>1,940,043</b> | <b>1,597,911</b> |
| <b>Net Assets</b>                          |         | <b>1,940,043</b> | <b>1,597,911</b> |
| Administration reserve                     |         | 6,331            | 4,950            |
| Employer grant reserve *                   |         | 259              | 266              |
| Discretionary grant reserve *              |         | 1,933,453        | 1,592,695        |
| <b>Total Net Assets</b>                    |         | <b>1,940,043</b> | <b>1,597,911</b> |

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

## Statement of Financial Performance

| R'000                                                         | Note(s) | 2025               | 2024               |
|---------------------------------------------------------------|---------|--------------------|--------------------|
| <b>Revenue</b>                                                |         |                    |                    |
| Revenue from non-exchange transactions                        | 4       | 1,207,170          | 1,127,108          |
| Revenue from non-exchange transaction: Penalties and Interest | 4.1     | 5,778              | 11,100             |
| Interest income from exchange transactions                    | 5       | 163,662            | 145,395            |
| Other income from exchange transactions                       |         | 226                | 276                |
| Gain on disposal of assets                                    |         | -                  | 79                 |
| <b>Total revenue</b>                                          |         | <b>1,376,836</b>   | <b>1,283,958</b>   |
| <b>Expenses</b>                                               |         |                    |                    |
| Consultancy fees                                              |         | (17,381)           | (23,973)           |
| Repairs and maintenance                                       |         | (613)              | (408)              |
| QCTO expenditure                                              |         | (5,137)            | (4,733)            |
| Mandatory grants *                                            |         | (158,604)          | (144,071)          |
| Discretionary grants *                                        | 6       | (637,646)          | (672,891)          |
| General administration expenses **                            | 7       | (23,231)           | (19,716)           |
| Employee costs                                                | 8       | (123,213)          | (120,483)          |
| Depreciation                                                  | 9       | (1,790)            | (2,693)            |
| Impairment loss                                               | 9       | (39)               | (25)               |
| Amortisation                                                  | 10      | (69)               | (136)              |
| IT Licenses                                                   |         | (10,985)           | (9,503)            |
| IT Maintenance                                                |         | (7,307)            | (3,352)            |
| Travel and subsistence allowance **                           |         | (12,982)           | (6,963)            |
| Loss on disposal of assets                                    |         | (26)               | (161)              |
| Operating rentals- buildings **                               |         | (16,291)           | (19,225)           |
| Auditors remuneration **                                      |         | (5,705)            | (4,771)            |
| Advertising, marketing, promotions and communication **       |         | (6,859)            | (6,846)            |
| Hire of equipment **                                          |         | (6,826)            | (7,006)            |
| <b>Total expenditure</b>                                      |         | <b>(1,034,704)</b> | <b>(1,046,956)</b> |
| <b>Surplus for the year</b>                                   |         | <b>342,132</b>     | <b>237,002</b>     |

\* A split was done between mandatory and discretionary grants expenditure for presentation purposes.

\*\* The line item has been presented separately on the face to align with GRAP 1 principles.

## Statement of Changes in Net Assets

| R'000                                                 | Administration reserves | Employer grant reserves | Discretionary grant reserves | Unappropriated surplus | Total net assets |
|-------------------------------------------------------|-------------------------|-------------------------|------------------------------|------------------------|------------------|
| Opening balance as previously reported                | 5,033                   | 269                     | 1,316,848                    | -                      | 1,322,150        |
| Prior year adjustments                                | -                       | -                       | 38,759                       | -                      | 38,759           |
| <b>Balance at 31 March 2023 Restated</b>              | <b>5,033</b>            | <b>269</b>              | <b>1,355,607</b>             | <b>-</b>               | <b>1,360,909</b> |
| 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)                | 36,366                       | -                      | -                |
| <b>Balance at 31 March 2024</b>                       | <b>4,950</b>            | <b>266</b>              | <b>1,592,695</b>             | <b>-</b>               | <b>1,597,911</b> |
| Changes in net assets                                 |                         |                         |                              |                        |                  |
| Net surplus per statement of financial performance    | -                       | -                       | -                            | 342,132                | 342,132          |
| Allocation of unappropriated surplus (see note 3)     | 4,772                   | 37,979                  | 299,381                      | (342,132)              | -                |
| Excess reserves transferred to discretionary reserves | (3,391)                 | (37,986)                | 41,377                       | -                      | -                |
| <b>Balance at March 31, 2025</b>                      | <b>6,331</b>            | <b>259</b>              | <b>1,933,453</b>             | <b>-</b>               | <b>1,982,685</b> |
| Note(s)                                               | 3                       | 3                       | 3                            |                        |                  |

## Cash Flow Statement

| R'000                                                    | Note(s) | 2025               | 2024             |
|----------------------------------------------------------|---------|--------------------|------------------|
| <b>Cash flows from operating activities</b>              |         |                    |                  |
| <b>Receipts</b>                                          |         |                    |                  |
| Levies, interest and penalties received                  |         | 1,212,948          | 1,136,538        |
| Investment income                                        |         | 163,356            | 146,286          |
|                                                          |         | <u>1,376,304</u>   | <u>1,282,824</u> |
| <b>Payments</b>                                          |         |                    |                  |
| Compensation of employees                                |         | (120,624)          | (117,819)        |
| Grants and project payments                              |         | (907,886)          | (764,406)        |
| Payments to suppliers                                    |         | (112,918)          | (103,267)        |
|                                                          |         | <u>(1,141,428)</u> | <u>(985,492)</u> |
| Total receipts                                           |         | 1,376,304          | 1,282,824        |
| Total payments                                           |         | (1,141,428)        | (985,492)        |
| <b>Net cash flows from operating activities</b>          | 18      | <b>234,861</b>     | <b>297,332</b>   |
| <b>Cash flows from investing activities</b>              |         |                    |                  |
| Purchase of property, plant and equipment                | 9       | (3,314)            | (2,944)          |
| Proceeds from insurance claims                           | 9       | 10                 | 89               |
| <b>Net cash utilised in investing activities</b>         |         | <b>(3,304)</b>     | <b>(2,855)</b>   |
| <b>Net increase in cash and cash equivalents</b>         |         | <b>231,557</b>     | <b>294,477</b>   |
| Cash and cash equivalents at the beginning of the period |         | 1,939,254          | 1,644,777        |
| <b>Cash and cash equivalents at the end of the year</b>  | 11      | <b>2,170,811</b>   | <b>1,939,254</b> |

## Statement of Comparison of Budget and Actual Amounts

| Budget on Cash Basis                                 |                    |                    |                    |                                    |                                            |
|------------------------------------------------------|--------------------|--------------------|--------------------|------------------------------------|--------------------------------------------|
| R'000                                                | Approved budget    | Adjustments        | Final Budget       | Actual amounts on comparable basis | Difference between final budget and actual |
| <b>Statement of Financial Performance</b>            |                    |                    |                    |                                    |                                            |
| <b>Revenue</b>                                       |                    |                    |                    |                                    |                                            |
| <b>*see note 29</b>                                  |                    |                    |                    |                                    |                                            |
| Other income from exchange transactions              | -                  | -                  | -                  | 226                                | 226                                        |
| Investment income                                    | 166,295            | -                  | 166,295            | 163,662                            | (2,633)                                    |
| Skills development levy income                       | 1,263,510          | -                  | 1,263,510          | 1,212,948                          | (50,562)                                   |
| <b>Total revenue</b>                                 | <b>1,429,805</b>   | <b>-</b>           | <b>1,429,805</b>   | <b>1,376,836</b>                   | <b>(52,969)</b>                            |
| <b>Expenditure</b>                                   |                    |                    |                    |                                    |                                            |
| Employee costs                                       | (136,043)          | -                  | (136,043)          | (123,213)                          | 12,830                                     |
| Mandatory grants                                     | (172,009)          | -                  | (172,009)          | (158,604)                          | 13,405                                     |
| Discretionary grants                                 | (980,348)          | (1,533,954)        | (2,514,302)        | (637,646)                          | 1,876,656                                  |
| Repairs and maintenance                              | (796)              | -                  | (796)              | (613)                              | 183                                        |
| Depreciation                                         | (2,869)            | -                  | (2,869)            | (1,790)                            | 1,079                                      |
| Impairment loss                                      | -                  | -                  | -                  | (39)                               | (39)                                       |
| Consultancy fees                                     | (29,231)           | -                  | (29,231)           | (17,381)                           | 11,850                                     |
| IT Licences                                          | (8,624)            | -                  | (8,624)            | (10,985)                           | (2,361)                                    |
| IT Maintenance                                       | (7,056)            | -                  | (7,056)            | (7,307)                            | (251)                                      |
| QCTO expense                                         | (4,300)            | -                  | (4,300)            | (5,137)                            | (837)                                      |
| Loss on disposal of assets                           | -                  | -                  | -                  | (26)                               | (26)                                       |
| General administration expenses                      | (33,518)           | -                  | (33,518)           | (23,231)                           | 10,287                                     |
| Amortisation                                         | -                  | -                  | -                  | (69)                               | (69)                                       |
| Travel and subsistence allowance                     | (10,827)           | -                  | (10,827)           | (12,982)                           | (2,155)                                    |
| Operating rentals- buildings                         | (29,748)           | -                  | (29,748)           | (16,291)                           | 13,457                                     |
| Auditors remuneration                                | (5,080)            | -                  | (5,080)            | (5,705)                            | (625)                                      |
| Advertising, marketing, promotions and communication | (8,600)            | -                  | (8,600)            | (6,859)                            | 1,741                                      |
| Hire of equipment                                    | (756)              | -                  | (756)              | (6,826)                            | (6,070)                                    |
| <b>Total expenditure</b>                             | <b>(1,429,805)</b> | <b>(1,533,954)</b> | <b>(2,963,759)</b> | <b>(1,034,704)</b>                 | <b>1,929,055</b>                           |
| <b>Operating surplus /(deficit)</b>                  | <b>-</b>           | <b>(1,533,954)</b> | <b>(1,533,954)</b> | <b>342,132</b>                     | <b>1,876,086</b>                           |
| <b>Approved surplus funds</b>                        | <b>-</b>           | <b>1,554,000</b>   | <b>1,554,000</b>   | <b>-</b>                           | <b>1,554,000</b>                           |

Before the start of the financial year, the Executive Authority approved a budget of R1.430b for the period 1 April 2024 to 31 March 2025. Furthermore, approval for the utilisation of surplus of R1.544b and the revised budget of R2.984b was granted in March 2025. The surplus funds have been used to increase discretionary grants budget.

# 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 the 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 rand.

### 1.2 Offsetting

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

### 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 when 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.

## 1.5 Revenue from non-exchange transactions (continued)

80% of SDL 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 in 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 21.1.

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 all nine provinces and the DHET.

- Discretionary: two-thirds of the total allocation
- Administration: one-third

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 their 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 or 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 in 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 or 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 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 comprise:

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

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

## 1.8 Administration expenditure

ETDP SETA recognises administration expenditure when there is a decrease in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets. ETDP SETA presents each administration line item by nature separately on the face of the financial statements, considering the materiality of amount. The amounts are presented on an accrual basis in the accounting period when they are incurred.

### • Prepayments

The ETDP SETA may, in certain instances, when required by the terms of the contract of a service provider or the beneficiary, make advance payments. The ETDP SETA initially records these advance payments as a prepayment (asset), and then charges it to the expense account over the usage period in line with the applicable GRAP requirements pertaining to expenses.

Commitments are future liabilities that arise due to contractual obligations that exist at the end of the financial year that will oblige the ETDP SETA to make a payment or payments in the ensuing year; Contractual obligation' means there is an agreement (written) with specific terms between a SETA and a third party whereby the third party undertakes to perform something in relation to a discretionary project for which a SETA will be obliged to make payment against the discretionary grant; Amounts disclosed in the notes to the final financial statements in respect of commitments are measured on the basis of the contractual amount. Amounts disclosed in the notes to the final financial statements in respect of commitments are derecognised when either the grant programs are terminated, contract expires or when the contractual obligation is fully paid.

### **1.9 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.

### **1.10 Property, plant and equipment**

Property, plant and equipment are 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 bringing 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.

### 1.11 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.

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

| 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.

## 1.12 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.

## 1.13 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

### 1.14 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.

Commitments are future liabilities that arise due to contractual obligations that exist at the end of the financial year that will oblige the ETDP SETA to make a payment or payments in the ensuing year; Contractual obligation' means there is an agreement (written) with specific terms between a SETA and a third party whereby the third party undertakes to perform something in relation to a discretionary project for which a SETA will be obliged to make payment against the discretionary grant; Amounts disclosed in the notes to the Final Financial Statements in respect of commitments are measured on the basis of the contractual amount. Amounts disclosed in the notes to the Final Financial Statements in respect of commitments are derecognised when either the grant programs are terminated, contract expires or when the contractual obligation is fully paid.

Contingent assets and contingent liabilities are disclosed in note 21.

## 1.15 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.

### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- A social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- Non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

### **Subsequent measurement of financial assets and financial liabilities**

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

### **Fair value measurement considerations**

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price

the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

### **Reclassification**

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

### **Derecognition**

#### **Financial assets**

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

In this case, the entity:

- derecognises the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the



part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

### **Financial liabilities**

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven, or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### **1.15.1 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.

**1.15.2 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.

**1.16 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.

**1.17 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.

**1.18 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 of, and for the benefit of, another entity (the principal).

**Identifying whether an entity is a principal or an agent**

When ETDP SETA is a 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.

### 1.19 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 the current financial year unless it is impractical to determine, in which case reasons must be provided in the annual report.

### 1.20 Consumables

Consumables are prepaid stationery, refreshments, and cleaning materials.

Consumables are recognised as an asset, at cost, on the date of acquisition and are subsequently recognised in surplus or deficit as they are consumed. The balance is subsequently measured at the lower of the cost and current replacement cost.

### 1.21 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 entities 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 4/1/2024 to 3/31/2025.

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.

## 1.22 Events after reporting date

Events after the 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 shall adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity shall 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.

## 1.23 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 are 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. A 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.

#### **1.24 Significant accounting 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 the following:

##### **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 for exempt employers**

The employers are exempt from contributing SDL due to legislation changes which came into effect from 1 August 2005. These are employers who's salary bills are less than R500,000 per annum as per the above legislation.

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.

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 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 2. New standards and interpretations

### 2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after April 1, 2025 or later periods:

| Standard/ Interpretation:                                                             | Effective date:<br>Years beginning on or after | Expected impact:                                                       |
|---------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------|
| GRAP 107 (as revised) Mergers                                                         | To be determined                               | Not expected to impact results but may result in additional disclosure |
| GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control | To be determined                               | Not expected to impact results but may result in additional disclosure |
| GRAP 105 Transfer of Functions Between Entities Under Common Control                  | To be determined                               | Not expected to impact results but may result in additional disclosure |
| GRAP 2023 Improvements to the Standards of GRAP 2023                                  | To be determined                               | Impact is currently being assessed                                     |
| GRAP 1 (amended): Presentation of Financial Statements (Going Concern)                | To be determined                               | Impact is currently being assessed                                     |
| GRAP 103 (amended): Heritage Assets                                                   | To be determined                               | Not expected to impact results but may result in additional disclosure |
| iGRAP 22 Foreign Currency Transactions and Advance Consideration                      | April 1, 2025                                  | Not expected to impact results but may result in additional disclosure |
| GRAP 104 (as revised): Financial Instruments                                          | April 1, 2025                                  | Impact is currently being assessed                                     |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 3. Allocation of net surplus for the year to reserves

|                                                                     | Administration<br>reserve | Employer<br>grant reserve | Discretionary<br>reserve | 2024/25          | 2023/24          |
|---------------------------------------------------------------------|---------------------------|---------------------------|--------------------------|------------------|------------------|
| Admin levy income from levy payers                                  | 100,808                   | -                         | -                        | 100,808          | 91,687           |
| Levy income from levy payers                                        | -                         | 196,583                   | 487,291                  | 683,874          | 638,378          |
| QCTO                                                                | 2,383                     | -                         | -                        | 2,383            | 4,584            |
| Levy from departments                                               | 140,035                   | -                         | 280,070                  | 420,105          | 392,459          |
| Penalties and interest                                              | -                         | -                         | 5,778                    | 5,778            | 11,100           |
| Interest income                                                     | -                         | -                         | 163,662                  | 163,662          | 145,395          |
| Other Income                                                        | -                         | -                         | 226                      | 226              | 276              |
| Gains on the disposal of assets                                     | -                         | -                         | -                        | -                | 79               |
| <b>Total revenue</b>                                                | <b>243,226</b>            | <b>196,583</b>            | <b>937,027</b>           | <b>1,376,836</b> | <b>1,283,958</b> |
| Administrative expenses                                             | 233,317                   | -                         | -                        | 233,317          | 225,261          |
| QCTO expense                                                        | 5,137                     | -                         | -                        | 5,137            | 4,733            |
| Employer grants and project expenses                                | -                         | 158,604                   | 637,646                  | 796,250          | 816,962          |
| Total expenses                                                      | 238,454                   | 158,604                   | 637,646                  | 1,034,704        | 1,046,956        |
| <b>Net (deficit)/surplus per statement of financial performance</b> | <b>4,772</b>              | <b>37,979</b>             | <b>299,381</b>           | <b>342,132</b>   | <b>237,002</b>   |



## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### 4. Revenue from Non-exchange transactions

|                                    |                  |                  |
|------------------------------------|------------------|------------------|
| Levy income: Administration grants | <b>243,226</b>   | <b>227,091</b>   |
| Levies received from levy payers   | 103,191          | 96,271           |
| Government levies received         | 140,035          | 130,820          |
| Levy income: Employer grants       | <b>196,583</b>   | <b>183,254</b>   |
| Levies received from levy payers   | 196,583          | 183,254          |
| Levy income: Discretionary grants  | <b>767,361</b>   | <b>716,763</b>   |
| Levies received from levy payers   | 487,291          | 455,124          |
| Government levies received         | 280,070          | 261,639          |
|                                    | <b>1,207,170</b> | <b>1,127,108</b> |

#### 4.1 Revenue from non-exchange transactions: Interest and Penalties

|           |              |               |
|-----------|--------------|---------------|
| Interest  | 2,799        | 7,714         |
| Penalties | 2,979        | 3,386         |
|           | <b>5,778</b> | <b>11,100</b> |

### 5. Interest income from exchange transactions

|                         |                |                |
|-------------------------|----------------|----------------|
| <b>Interest revenue</b> |                |                |
| Accrued Interest        | 979            | 673            |
| Bank Deposits           | 162,683        | 144,722        |
|                         | <b>163,662</b> | <b>145,395</b> |

### 6. Discretionary Grants

|                        |                |                |
|------------------------|----------------|----------------|
| Discretionary grants   | 632,388        | 669,960        |
| 7.5% DG Admin expenses | 5,258          | 2,931          |
|                        | <b>637,646</b> | <b>672,891</b> |

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                                               | 2025          | 2024          |
|-----------------------------------------------------|---------------|---------------|
| <b>7. General expenses</b>                          |               |               |
| <b>Building and related costs</b>                   |               |               |
| Security expenses                                   | 445           | 706           |
| Electricity                                         | 1,843         | 2,127         |
| <b>Other administration cost</b>                    |               |               |
| Meeting and board fees                              | 3,337         | 2,764         |
| Remuneration of audit committee members             | -             | 445           |
| Staff training and development                      | 1,093         | 1,762         |
| Recruitment                                         | 1,447         | 519           |
| Stationery and consumables                          | 1,762         | 1,436         |
| Legal fees                                          | 1,511         | 749           |
| Courier fees                                        | 392           | 288           |
| Insurance                                           | 1,129         | 831           |
| Bank charges                                        | 995           | 685           |
| Workshops and AGM                                   | 1,705         | 1,818         |
| Staff relocation                                    | 751           | 233           |
| Printing and postage                                | 853           | 1,287         |
| Refreshments and catering                           | 670           | 425           |
| Telephone and cellular phone                        | 832           | 770           |
| Interest                                            | 2             | 29            |
| Board training                                      | 586           | -             |
| Other expenses                                      | 3,878         | 2,842         |
| <b>Total per Statement of Financial Performance</b> | <b>23,231</b> | <b>19,716</b> |

Employee travel allowance has been reclassified to travel and subsistence allowance to align with GRAP 1 principles.

## Notes to the Financial Statements

| R'000                                       | 2025           | 2024           |
|---------------------------------------------|----------------|----------------|
| <b>8. Employee costs</b>                    |                |                |
| <b>Salaries and wages</b>                   |                |                |
| Basic *                                     | 99,411         | 100,638        |
| Performance Bonus                           | 2,092          | 3,016          |
| Medical aid- company contributions          | 6,694          | 3,428          |
| UIF                                         | 560            | 299            |
| Leave pay provision charge                  | 3,572          | 1,940          |
| Defined contribution- employees             | 5,442          | 5,581          |
| Defined company contributions               | 5,442          | 5,581          |
|                                             | <b>123,213</b> | <b>120,483</b> |
| <b>Total employee cost</b>                  |                |                |
| Average number of employees 136 (2024: 134) | 123,213        | 120,902        |

\* Employee travel allowance has been reclassified to travel and subsistence allowance to align with GRAP 1 principles from basic salaries.

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 9. Property, plant and equipment

|                           | 2025          |                                                     |                | 2024          |                                                     |                |
|---------------------------|---------------|-----------------------------------------------------|----------------|---------------|-----------------------------------------------------|----------------|
|                           | Cost          | Accumulated depreciation and accumulated impairment | Carrying value | Cost          | Accumulated depreciation and accumulated impairment | Carrying value |
| Furniture and fixtures    | 5,496         | (4,810)                                             | 686            | 6,141         | (5,190)                                             | 951            |
| Motor vehicles            | 1,001         | (883)                                               | 118            | 1,001         | (860)                                               | 141            |
| Office equipment          | 1,778         | (1,272)                                             | 506            | 1,665         | (1,291)                                             | 374            |
| Computer hardware         | 12,989        | (8,738)                                             | 4,251          | 11,642        | (9,068)                                             | 2,574          |
| Leasehold improvements    | 1,394         | (1,211)                                             | 183            | 1,394         | (1,108)                                             | 286            |
| Audio visual equipment    | 1,899         | (1,629)                                             | 270            | 1,886         | (1,562)                                             | 324            |
| Kitchen equipment         | 215           | (122)                                               | 93             | 193           | (112)                                               | 81             |
| Minor assets              | 187           | (184)                                               | 3              | 231           | (231)                                               | -              |
| Assets under construction | 196           | -                                                   | 196            | 126           | -                                                   | 126            |
| <b>Total</b>              | <b>25,155</b> | <b>(18,849)</b>                                     | <b>6,306</b>   | <b>24,279</b> | <b>(19,422)</b>                                     | <b>4,857</b>   |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

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

## Reconciliation of property, plant and equipment - 2025

|                          | Opening balance | Additions    | Disposals   | Depreciation * | Impairment loss | Total        |
|--------------------------|-----------------|--------------|-------------|----------------|-----------------|--------------|
| Furniture and fixtures   | 951             | 84           | (28)        | (317)          | (4)             | 686          |
| Motor vehicles           | 141             | -            | -           | (23)           | -               | 118          |
| Office equipment         | 374             | 376          | (3)         | (210)          | (31)            | 506          |
| Computer hardware        | 2,574           | 2,812        | (2)         | (1,133)        | -               | 4,251        |
| Leasehold improvements   | 286             | -            | -           | (103)          | -               | 183          |
| Audio visual equipment   | 324             | 42           | (3)         | (91)           | (2)             | 270          |
| Kitchen equipment        | 81              | -            | -           | 14             | (2)             | 93           |
| Asset found              | -               | -            | -           | 3              | -               | 3            |
| Asset under construction | 126             | -            | -           | 70             | -               | 196          |
|                          | <b>4,857</b>    | <b>3,314</b> | <b>(36)</b> | <b>(1,790)</b> | <b>(39)</b>     | <b>6,306</b> |

## Reconciliation of property, plant and equipment - 2024

|                          | Opening balance | Additions    | Disposals   | Depreciation * | Impairment loss | Total        |
|--------------------------|-----------------|--------------|-------------|----------------|-----------------|--------------|
| Furniture and fixtures   | 1,089           | 265          | (8)         | (389)          | (5)             | 951          |
| Motor vehicles           | 170             | -            | -           | (28)           | -               | 142          |
| Office equipment         | 516             | 101          | -           | (236)          | (7)             | 374          |
| Computer equipment       | 1,815           | 2,206        | (41)        | (1,398)        | (8)             | 2,574        |
| Leasehold improvements   | 661             | -            | (2)         | (372)          | -               | 286          |
| Audio visual equipment   | 366             | 211          | -           | (253)          | -               | 324          |
| Kitchen equipment        | 67              | 36           | -           | (17)           | (5)             | 81           |
| Asset under construction | -               | 125          | -           | -              | -               | 126          |
|                          | <b>4,684</b>    | <b>2,944</b> | <b>(51)</b> | <b>(2,693)</b> | <b>(25)</b>     | <b>4,858</b> |

\* The re-assessment of useful life adjustment column has been reclassified to the depreciation column for the current- and prior financial year.

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

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

#### Pledged as security

The ETDP SETA has no assets pledged as security:

No repairs and maintenance of assets took place in the current financial year.

During the current financial year an amount of R 39,000 (2024: R25,000) was impaired on assets not in use.

### 10. Intangible assets

|                          | 2025 |                                                     |                | 2024 |                                                     |                |
|--------------------------|------|-----------------------------------------------------|----------------|------|-----------------------------------------------------|----------------|
|                          | Cost | Accumulated amortisation and accumulated impairment | Carrying value | Cost | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software, other | 226  | (201)                                               | 25             | 226  | (133)                                               | 93             |

#### Reconciliation of intangible assets - 2025

|                   | Opening balance | Disposals | Other changes, movements | Amortisation | Total |
|-------------------|-----------------|-----------|--------------------------|--------------|-------|
| Computer software | 93              | -         | -                        | (68)         | 25    |

#### Reconciliation of intangible assets - 2024

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

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### 11. Cash and cash equivalents

Cash and cash equivalents consist of:

|                     |                  |                  |
|---------------------|------------------|------------------|
| Cash on hand        | 21               | 13               |
| Bank balances       | 201,253          | 120,120          |
| Short-term deposits | 1,969,538        | 1,819,121        |
|                     | <b>2,170,812</b> | <b>1,939,254</b> |

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 8.10%).

### 12. Receivables from non-exchange transactions

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Employer receivables                 | 318           | 480           |
| Less: allowance for impairment       | (25)          | (25)          |
| Sundry receivables from non-exchange | 25,571        | 25,576        |
|                                      | <b>25,864</b> | <b>26,031</b> |

#### Receivables from non-exchange transactions

R25.7 million (2024: R25.8 million) was recognised as a receivable for bursary payments to USAF which at the end of the financial year had not been disbursed to beneficiaries.

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### 13. Receivables from exchange transactions

|                          |               |              |
|--------------------------|---------------|--------------|
| Deposits                 | 1,408         | 628          |
| Interest receivable      | 979           | 673          |
| Sundry receivables       | 3,686         | 2,363        |
| Allowance for impairment | (84)          | (75)         |
| Prepayments              | 5,726         | 5,863        |
| Staff debtors            | 29            | 54           |
|                          | <b>11,744</b> | <b>9,506</b> |

The prepayments relate to prepaid licenses and rentals.

### 14. Payables from non-exchange transactions

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| Skills development grants payable | 78,880         | 45,762         |
| Project creditors                 | 81,104         | 39,855         |
| Project accruals                  | 76,019         | 257,270        |
|                                   | <b>236,003</b> | <b>342,887</b> |

### 15. Payables from exchange transactions

|                                                            |               |               |
|------------------------------------------------------------|---------------|---------------|
| Trade payables                                             | 4,959         | 7,009         |
| Accruals                                                   | 1,226         | 2,192         |
| Payroll creditors                                          | 4,124         | 4,953         |
| Liability resulting from straight line valuation of leases | 1,279         | 202           |
|                                                            | <b>11,588</b> | <b>14,356</b> |



## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### 16. Accrued employee entitlement

|                                             | Employee leave | Employee bonus | 2025          | 2024          |
|---------------------------------------------|----------------|----------------|---------------|---------------|
| Opening carrying amount                     | 11,074         | 5,886          | 16,960        | 15,312        |
| Amounts utilised during the year            | (845)          | (2,915)        | (3,760)       | (4,037)       |
| Unutilised amount reversed                  | -              | (3,547)        | (3,547)       | (2,622)       |
| Charged to income statement during the year | 3,572          | 6,325          | 9,897         | 8,307         |
| Closing carrying amount                     | <b>13,801</b>  | <b>5,749</b>   | <b>19,550</b> | <b>16,960</b> |

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. Provisions for exempt employers

#### Reconciliation of provisions for exempt employers - 2025

|                             | Opening Balance | Additions | Reversed during the year | Total |
|-----------------------------|-----------------|-----------|--------------------------|-------|
| Levies refundable provision | 7,869           | 1,234     | (849)                    | 8,254 |

#### Reconciliation of provisions for exempt employers - 2024

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

The 2025 amount R8.3 million (2024: R7.9 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                                      | 2025           | 2024           |
|--------------------------------------------|----------------|----------------|
| <b>18. Cash generated from operations</b>  |                |                |
| Surplus                                    | 342,132        | 237,002        |
| <b>Adjustments for:</b>                    |                |                |
| Depreciation                               | 1,790          | 2,693          |
| (Profit)/loss on sale of assets            | 26             | 82             |
| Amortisation                               | 69             | 136            |
| Impairment                                 | 39             | 25             |
| Increase in provisions                     | 2,974          | 1,810          |
| <b>Changes in working capital:</b>         |                |                |
| Consumables                                | (444)          | (104)          |
| Receivables from exchange transactions     | (2,238)        | (113)          |
| Receivables from non-exchange transactions | 167            | (920)          |
| Payables from exchange transactions        | (2,770)        | 4,330          |
| Payables from non-exchange transactions    | (106,884)      | 52,391         |
|                                            | <b>234,861</b> | <b>297,332</b> |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### 19. Reserves

#### 19.1.1 Discretionary grants commitments

Of the balance of R1.9 billion (2024: R1.6 billion) available in the Discretionary grants reserves at the end of the period, the commitments detailed below of R1.3 billion (2024: 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 2024/25

|                                                                                             | Opening balance  | New contracts  | Adjustment       | Total expenditure | Closing Balance  |
|---------------------------------------------------------------------------------------------|------------------|----------------|------------------|-------------------|------------------|
| DBE PARTNERSHIP                                                                             | 4,184            | -              | -                | -                 | 4,184            |
| NSDP Outcome 2: Linking education and the workplace                                         | 909,296          | 532,794        | (150,246)        | (550,215)         | 741,629          |
| NSDP Outcome 3: Improving the level of skills in the South African workforce                | 236,198          | 352,996        | (41,021)         | (72,049)          | 476,124          |
| NSDP Outcome 5: Support the growth of the public college system                             | 2,962            | 49,265         | (3,706)          | (8,484)           | 40,037           |
| NSDP Outcome 6: Skills development support for entrepreneurship and cooperative development | 149              | 1,500          | (149)            | -                 | 1,500            |
| NSDP Outcome 7                                                                              | -                | 1,488          | -                | (1,024)           | 464              |
| NSDP Outcome 8: Support for career development services                                     | 40               | 149            | -                | (154)             | 35               |
| Program 3.1                                                                                 | 8,667            | -              | -                | -                 | 8,667            |
| Project Admin Fee                                                                           | 4,613            | -              | 5,250            | (5,720)           | 4,143            |
|                                                                                             | <b>1,166,109</b> | <b>938,192</b> | <b>(189,872)</b> | <b>(637,646)</b>  | <b>1,276,783</b> |

## Notes to the Financial Statements

| R'000                                                                                       | 2025             |                    |                          |                |                  |                   | 2024             |
|---------------------------------------------------------------------------------------------|------------------|--------------------|--------------------------|----------------|------------------|-------------------|------------------|
| 2023/24                                                                                     | Opening balance  | Prior period error | Restated opening balance | New contracts  | Adjustment       | Total expenditure | Closing balance  |
| Programme 3.1                                                                               | 36,219           | (2,660)            | 33,559                   | -              | (10,878)         | (14,015)          | 8,666            |
| Programme 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 | 5,307            | (53)               | 5,254                    | -              | (247)            | (4,858)           | 149              |
| NSDP 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            |
|                                                                                             | <b>1,198,450</b> | <b>(11,655)</b>    | <b>1,186,795</b>         | <b>870,866</b> | <b>(218,660)</b> | <b>(672,892)</b>  | <b>1,166,109</b> |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 19. Reserves (continued)

## 19.1.2 Administrative Commitments

| 2024/25                    | Opening Balance | Adjustments | New Contracts | Total Expenditure | Closing balance |
|----------------------------|-----------------|-------------|---------------|-------------------|-----------------|
| Administrative commitments | 51,781          | 2           | 19,401        | (22,017)          | 49,167          |
| <b>Total</b>               | <b>51,781</b>   | <b>2</b>    | <b>19,401</b> | <b>(22,017)</b>   | <b>49,167</b>   |

| 2024/25                    | Opening Balance | Adjustments  | New Contracts | Total Expenditure | Closing balance |
|----------------------------|-----------------|--------------|---------------|-------------------|-----------------|
| Administrative commitments | 28,607          | (615)        | 50,176        | (26,387)          | 51,781          |
| <b>Total</b>               | <b>28,607</b>   | <b>(615)</b> | <b>50,176</b> | <b>(26,387)</b>   | <b>51,781</b>   |

## 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 | 6,331        | 4,950        |
|                                                                                                                                            | <b>6,331</b> | <b>4,950</b> |

## 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. | 259        | 266        |
|                                                                                                                                                                                                                      | <b>259</b> | <b>266</b> |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 20. Operating lease commitments

### 20.1 Operating Leases - Buildings

|                                                   |               |               |
|---------------------------------------------------|---------------|---------------|
| Not later than one year                           | 10,742        | 6,530         |
| Later than one year and not later than five years | 37,669        | 10,380        |
|                                                   | <b>48,411</b> | <b>16,910</b> |

| Offices           | Services | Commencement date | Termination date  | Option to renew |
|-------------------|----------|-------------------|-------------------|-----------------|
| Bloemfontein      | Rental   | 1 November 2024   | 30 September 2025 | Yes             |
| Cape Town         | Rental   | 1 January 2024    | 31 December 2025  | No              |
| CBD, Johannesburg | Rental   | 1 July 2025       | 31 March 2030     | Yes             |
| Durban            | Rental   | 1 January 2024    | 31 December 2028  | Yes             |
| East London       | Rental   | 1 March 2024      | 29 February 2029  | Yes             |
| Kimberley         | Rental   | 1 July 2025       | 31 March 2030     | 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             |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 20.2 Operating Leases - Photocopiers

|                                                   |              |           |
|---------------------------------------------------|--------------|-----------|
| Not later than one year                           | 688          | 57        |
| Later than one year and not later than five years | 746          | -         |
|                                                   | <b>1,434</b> | <b>57</b> |

| 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 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### 21. Contingencies

#### 21.1 Retention of surpluses (Restated\*)

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 ETDPSETA has a surplus of R1,933,025, an amount of R1,276,783 has been committed.

**The surplus for the period is as follows:**

|                           |                  |                   |
|---------------------------|------------------|-------------------|
| Cash and Cash Equivalents | 2,170,812        | 1,939,254         |
| Plus: Net Receivables     | 37,608           | 35,537            |
| Less: Current Liabilities | (275,395)        | (382,073)         |
|                           | <b>1,933,025</b> | <b>1,592,718*</b> |

\*Please refer to note 26.1 prior period error for the impact on the prior year surplus of 38 M

#### 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.



Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

21. Contingencies (continued)

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 are 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, 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, whereas the mandatory grant has been maintained at 20%. To date no further communication has been received regarding gazetting these regulations.

Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

21. Contingencies (continued)

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 the 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.

21.3.3 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 R 1, 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 with the Labour Appeal Court for leave to appeal both the judgments of the Labour Court.

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 R259 (2024: R94) will be payable. The amount is contingent on the number of submissions received and approved.

Notes to the Financial Statements

|       |      |      |
|-------|------|------|
| R'000 | 2025 | 2024 |
|-------|------|------|

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 disclosure only takes into account transactions and balances undertaken on more or less favourable terms and conditions ( i.e., not at arms length) and those that are outside the normal operating parameters established by the SETA's 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)

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), National Skills Authority (NSA) South African Qualification Authority (SAQA), Council on Higher Education (CHE), National Institute for Humanities and Social Sciences (NIHSS) and Human Resource Development council (HRDC)

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 that 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.

## Notes to the Financial Statements

| R'000          |                                  |                                     |                                      | 2025               | 2024 |
|----------------|----------------------------------|-------------------------------------|--------------------------------------|--------------------|------|
| <b>2024/25</b> | <b>Mandatory grants payables</b> | <b>Mandatory grants receivables</b> | <b>Discretionary grants payables</b> | <b>Commitments</b> |      |
| NIHSS          | (34)                             | -                                   | -                                    | -                  |      |
| QCTO           | (151)                            | -                                   | -                                    | -                  |      |
| SAQA           | (58)                             | -                                   | -                                    | (113)              |      |
| SETA's         | (1,045)                          | -                                   | -                                    | (5,799)            |      |
| TVET colleges  | (447)                            | 58                                  | (5,606)                              | (154,438)          |      |
| Universities   | (40,130)                         | -                                   | (6,136)                              | (36,341)           |      |
| DHET           | -                                | -                                   | (999)                                | -                  |      |
|                | <b>(41,865)</b>                  | <b>58</b>                           | <b>(12,741)</b>                      | <b>(196,691)</b>   |      |
| <b>2023/24</b> | <b>Mandatory grants payables</b> | <b>Mandatory grants receivables</b> | <b>Discretionary grants payables</b> | <b>Commitments</b> |      |
| NIHSS          | (35)                             | -                                   | -                                    | -                  |      |
| QCTO           | (124)                            | -                                   | -                                    | -                  |      |
| SAQA           | (89)                             | -                                   | -                                    | (2,078)            |      |
| SETA's         | (873)                            | -                                   | -                                    | (16,994)           |      |
| TVET colleges  | (447)                            | 140                                 | (4,277)                              | (142,117)          |      |
| Universities   | (17,454)                         | 127                                 | (12,817)                             | (69,442)           |      |
| DHET           | -                                | -                                   | -                                    | (12,716)           |      |
|                | <b>(19,022)</b>                  | <b>267</b>                          | <b>(17,095)</b>                      | <b>(243,347)</b>   |      |

The following related parties are under the common control of the Department of Higher Education and Training:

- All public universities have been included in the note as they pay levies to the seta
- All tvet colleges have been included as they pay levies to the seta
- All levie paying seta have been included

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### Remuneration of management

#### Key management personnel

##### 2025

| Name                 | Basic salary | Performance bonus | Medical aid | Pension    | Other benefits received | Total        |
|----------------------|--------------|-------------------|-------------|------------|-------------------------|--------------|
| Ms. NS Nxesi (CEO)   | 2,459        | 99                | -           | 136        | -                       | 2,694        |
| Mr. M Rapotle (ACOO) | 1,438        | 44                | 30          | 69         | 156                     | 1,737        |
| Ms N Mafahla (CFO)   | 1,798        | -                 | 39          | 87         | -                       | 1,924        |
|                      | <b>5,695</b> | <b>143</b>        | <b>69</b>   | <b>292</b> | <b>156</b>              | <b>6,355</b> |

##### 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          |
|                               | <b>7,705</b> | <b>71</b>         | <b>196</b>  | <b>756</b> | <b>68</b>               | <b>8,796</b> |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 22. Related parties (continued)

## 22.3 Employers/Organisations relating to the Accounting Authority members

## 2025

| Name    | AA Members   | Levies Received<br>'R'000 |
|---------|--------------|---------------------------|
| DBE     | Ms S Geyer   | 1,421                     |
| DBE     | Ms Futshane  | -                         |
| USAF    | Dr Singh     | -                         |
| APPETD  | Ms L Ingram  | -                         |
| NAPTOSA | Mr. Ntantala | -                         |
|         |              | <b>1,421</b>              |

## 2024

| Name    | AA Members   | Levies Received<br>'R'000 |
|---------|--------------|---------------------------|
| DBE     | Ms S Geyer   | 1,421                     |
| DBE     | Ms Futshane  | -                         |
| USAF    | Dr Singh     | -                         |
| APPETD  | Ms L Ingram  | -                         |
| NAPTOSA | Mr. Ntantala | -                         |
|         |              | <b>1,421</b>              |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 22. Related parties (continued)

## Remuneration of Accounting Authority Members

## 2025

| Name                  | Fees for services<br>as a member of<br>management | Other benefits<br>received | Total        |
|-----------------------|---------------------------------------------------|----------------------------|--------------|
| D Hindle- Chairperson | 206                                               | -                          | 206          |
| M Mthembu             | 178                                               | -                          | 178          |
| V Singh               | 118                                               | -                          | 118          |
| L Ingram              | 71                                                | -                          | 71           |
| N Mboniswa            | 129                                               | -                          | 129          |
| N Ntantala            | 99                                                | -                          | 99           |
| DM Peo                | 103                                               | 3                          | 106          |
| P Chiloane            | 76                                                | -                          | 76           |
| T Mathebula           | 71                                                | -                          | 71           |
| LM Motshwane          | 184                                               | -                          | 184          |
| F Solomon             | 189                                               | -                          | 189          |
|                       | <b>1,424</b>                                      | <b>3</b>                   | <b>1,427</b> |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 22. Related parties (continued)

## Remuneration of Accounting Authority Members

## 2024

| Name                  | Fees for services<br>as a member of<br>management | Other benefits<br>received | 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 Mbonisiwa           | 148                                               | -                          | 148          |
| N Ntantala            | 86                                                | -                          | 86           |
| P Chiloane            | 54                                                | -                          | 54           |
| H Ntlatleng           | 1                                                 | -                          | 1            |
| DM Peo                | 58                                                | -                          | 58           |
| LM Motshwane          | 176                                               | -                          | 176          |
| T Mathebula           | 58                                                | -                          | 58           |
| S Geyer               | 1                                                 | -                          | 1            |
| T Futshane            | 1                                                 | -                          | 1            |
|                       | <b>1,083</b>                                      | <b>104</b>                 | <b>1,187</b> |



## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### 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 2025  | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---------------------------------------------|------------------|-----------------------|-----------------------|--------------|
| Trade and other payables                    | 163,308          | -                     | -                     | -            |
| Financial instruments: as at March 31, 2024 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Trade and other payables                    | 306,326          | -                     | -                     | -            |

#### 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.

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 23. Financial Instruments (continued)

| Financial instruments: as at 31 March 2025 | Amount    | Average interest rate % pa | Non-interest bearing | Total     |
|--------------------------------------------|-----------|----------------------------|----------------------|-----------|
| Financial Assets                           |           |                            |                      |           |
| Cash and cash equivalents                  | 2,170,812 | 8 %                        | -                    | 2,170,812 |

| Financial instruments: as at 31 March 2024 restated | Amount    | Average interest rate % pa | Non-interest bearing | Total     |
|-----------------------------------------------------|-----------|----------------------------|----------------------|-----------|
| Financial Assets                                    |           |                            |                      |           |
| Cash and cash equivalents                           | 1,939,254 | 8 %                        | -                    | 1,939,254 |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 23. Financial Instruments (continued)

## Financial instruments: as at 31 March 2025

|                         | Gross        | Impaired | Total        |
|-------------------------|--------------|----------|--------------|
| <b>Financial Assets</b> | -            | -        | -            |
| Not past due 0-30 days  | 1,008        | -        | 1,008        |
|                         | <b>1,008</b> | <b>-</b> | <b>1,008</b> |

## Financial instruments: as at 31 March 2024

|                         | Gross        | Impaired    | Total        |
|-------------------------|--------------|-------------|--------------|
| <b>Financial Assets</b> | -            | -           | -            |
| Not past due 0-30 days  | 3,280        | -           | 3,280        |
| Past due 31-90          | 4,081        | -           | 4,081        |
| Past due 91-120         | 75           | (75)        | -            |
|                         | <b>7,436</b> | <b>(75)</b> | <b>7,361</b> |

## Reconciliation of debt provision

|                                                                      | 2025      | 2024      |
|----------------------------------------------------------------------|-----------|-----------|
| Opening balance                                                      | 75        | 1,032     |
| Doubtful debts written off against provision / reversal of provision | 9         | (957)     |
|                                                                      | <b>84</b> | <b>75</b> |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

## 23. Financial Instruments (continued)

## 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 7.5% (Prior year: 8.10%).

## Financial instruments: as at 31 March 2025

|                           | Amount           | Average interest rate % pa | Non-interest bearing | Total            |
|---------------------------|------------------|----------------------------|----------------------|------------------|
| <b>Financial Assets</b>   |                  |                            |                      |                  |
| Cash and cash equivalents | 2,170,812        | 8 %                        | -                    | 2,170,812        |
| Receivables               | 26,550           | 8 %                        | 5,094                | 31,644           |
| Subtotal                  | 2,197,362        | 8 %                        | 5,094                | 2,202,456        |
| Financial Liabilities     | (4,959)          | 8 %                        | (158,349)            | (163,308)        |
|                           | <b>2,192,403</b> | <b>8 %</b>                 | <b>(153,255)</b>     | <b>2,039,148</b> |

## Financial instruments: as at 31 March 2024 restated

|                           | Amount           | Average interest rate % pa | Non-interest bearing | Total            |
|---------------------------|------------------|----------------------------|----------------------|------------------|
| <b>Financial Assets</b>   |                  |                            |                      |                  |
| Cash and cash equivalents | 1,939,254        | 8 %                        | -                    | 1,939,254        |
| Receivables *             | 26,249           | 8 %                        | 2,991                | 29,240           |
| Subtotal                  | 1,965,503        | 8 %                        | 2,991                | 1,968,494        |
| Financial Liabilities     | (7,009)          | 8 %                        | (299,317)            | (306,326)        |
|                           | <b>1,958,494</b> | <b>8 %</b>                 | <b>(296,326)</b>     | <b>1,662,168</b> |

Notes to the Financial Statements

|       |      |      |
|-------|------|------|
| R'000 | 2025 | 2024 |
|-------|------|------|

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.

25. Principal-Agent relationship

The ETDP SETA has entered into Memorandum of Agreements with Universities South Africa (USAF) to assist the ETDP SETA with two of its APP targets namely New bursary and Bursary renewals.

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 have to date not changed:

ETDP SETA shall:

- Facilitate communication between all stakeholders ie;USAf,Universities and the learners
- Support and fund the identified Skills Development Project;
- Process all payments as per USAF instruction(s);
- Facilitate the establishment of the Project Steering Committee (if applicable); and
- Report on the partnership projects to the Department of Higher Education and Training (DHET).

The USAF shall:

- Identify the unemployed students from 26 public universities who qualify for bursaries;
- Monitor the implementation and management of the project;
- Report to the ETDP SETA regularly as and when required concerning the progress on the project; 6.2.4 Request in writing any deviation or change of implementation plan to the ETDP SETA; and
- Report to the ETDP SETA on projects activities and progress.

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### 25. Principal-Agent relationship (continued)

There are no significant risks identified from the arrangement.

Receivables from USAf 2025 (R25 million) 2024(R25 million)

The receivables relates to unspent spent funds on the project.

### 26. Prior period errors

#### 26.1 USAF

In the previous financial years, amounts paid on some of the bursary related USAF projects were recognized fully as expenditure. Reconciliations performed in the current year suggested that not all funds were allocated into the beneficiaries accounts resulting into an overstatement of expenditure in the prior years, furthermore there were accruals which were processed in the prior years as a results of learners being registered at university which has been reversed as the accrual wont be settled by the SETA as all amounts due have been paid.

#### Statement of Financial Position

|                                            | 2024<br>(Previously<br>stated) | Correction of<br>account balances | 2024<br>(Restated) |
|--------------------------------------------|--------------------------------|-----------------------------------|--------------------|
| Receivables from non-exchange transactions | 455                            | 25,576                            | 26,031             |
| Payable from non-exchange transactions     | (356,072)                      | 13,185                            | (342,887)          |
| Discretionary grant reserve                | (1,553,931)                    | (38,761)                          | (1,592,692)        |
|                                            | <b>(1,909,548)</b>             | <b>-</b>                          | <b>(1,909,548)</b> |

## Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

### 26. Prior period errors (continued)

#### 26.2 Related parties

In the prior year, the related party disclosure note did not include balances for entities under the common control of Department of Higher Education and Training. This has been corrected in the current financial year. Refer to note 22 comparative figures.

### 27. Events after the reporting date

There were no significant after balance sheet date.

### 28. Irregular and Fruitless and Wasteful Expenditure

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Irregular expenditure              | 5,621        | 5,878        |
| Fruitless and wasteful expenditure | 670          | 29           |
| <b>Closing balance</b>             | <b>6,291</b> | <b>5,907</b> |

Notes to the Financial Statements

| R'000 | 2025 | 2024 |
|-------|------|------|
|-------|------|------|

29. Budget differences

The material differences explained below are based on the SETA's materiality benchmark of R4.6 million.

Material differences between budget and actual amounts

Levy Income

The ETDP SETA received less levies compared to budget in the year. This is attributable to less contributions from the departments of education than anticipated.

Employee cost

Employee cost was 9% below budget due to vacant positions that were vacant during the financial year, this includes higher positions such as the COO and the risk officers. This is within an acceptable range.

Mandatory grants

Mandatory grants expenditure was 8% below budget due to levies received for more than 3500 employer and only 1200 submitted their WSPs and ATRs. This is within acceptable range.

Discretionary grants

Expenditure on discretionary grants was 75% below budget. This is due to delayed implementation of projects and late approval of the revised budget.

General expenditure

Administration expenditure was 19% below budget which is linked to slow implementation of projects and cost containment measures.

Consultancy fees

Consultancy fees were 41% below budget due to late implementation of projects for the current year.





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