



2024/2025

Annual *Report*

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PART

A



GENERAL INFORMATION

1

PUBLIC ENTITY'S GENERAL INFORMATION

The Safety and Security Sector Education and Training Authority (SASSETA), along with 21 other SETAs, was re-established by the government under the Skills Development Act (Act No. 97 of 1998) to enhance skills development across various economic sectors.

SASSETA is not profit-driven. It serves the best interest of all South Africans with focus on the safety and security sector. The Skills Development Act of 1998, as amended (SDA) gives SASSETA a statutory mandate to develop and facilitate the skills development in the sector.

The SASSETA Annual Report aims to promote accountability and transparency by presenting financial and non-financial information for the 2024/25 financial year.

The Annual Report provides general information, a detailed account of organisational performance, achievements and challenges in tabular format in relation to the Strategic Plan and Work Programme as prescribed by the Department of Planning, Monitoring and Evaluation (DPME) in the Annual Report Guide. It further gives an overview of human resource (HR) management information and meticulous financial information, and the report of the Auditor-General of South Africa.

External Auditors

Auditor General of South Africa

Bankers:

Nedbank (Transacting and short-term investments)

South African Reserve Bank – Corporation for Public Deposits (Short -term investments)

Secretary of the Accounting Authority:

Mzuyanda Dlanga (Mr)



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FORWARD ON BEHALF OF THE ACCOUNTING AUTHORITY

Safety and security are fundamental to a stable, inclusive, and prosperous South Africa. In this vital sector, the Safety and Security Sector Education and Training Authority (SASSETA) plays an essential role.

The 2024/25 financial year marked the final year of implementation of our Strategic Plan (2020–2025), a period during which SASSETA has steadily reinforced its relevance, resilience, and results-driven approach amidst an evolving and often challenging national context.

During the year under review, our country experienced continued economic pressure, elevated levels of unemployment - especially among the youth, and ongoing social issues such as crime, inequality, and gender-based violence. These challenges highlight the need for impactful and coordinated responses. SASSETA's role, through targeted and responsive skills development interventions, has still been pivotal in addressing these complex and interlinked issues.

Through its skills development mandate, SASSETA continues to function as a catalyst for change, resilience, and opportunity. During the 2024/25 financial year, SASSETA built upon its foundation of solid performance and strategic relevance, advancing a developmental agenda rooted in impact, equity, and national priorities.

SASSETA recognises that inclusive economic growth, job creation, and social cohesion require bold interventions.

Many young people in the country remain excluded from education, training, and employment. SASSETA aligned its efforts and implementation with national frameworks such as the National Skills Development Plan (NSDP) 2030, the White Paper for Post School Education and Training, and the National Development Plan (NDP) 2030, and once

adopted by the Seventh Administration - Medium-Term Development Plan (MTDP).

In pursuit of the NSDP Outcomes and the sector's strategic evolution, SASSETA identified and adopted six strategic skills priority actions to guide its direction during the period 2020 to 2025: (i) Building and strengthening strategic partnerships, (ii) Advancing programmes that support the professionalisation and transformation of the sector, (iii) Accelerating the production of information communication and technology (ICT) skills, (iv) Supporting the development of technical and specialised skills, (v) Contributing towards building active citizenry, and (vi) Supporting SMMEs and entrepreneurship, including cooperatives. These priorities translated into practical, high-impact interventions that extended across the country and targeted diverse beneficiary groups. The focus areas for the period included:

- Rural-oriented training and development programmes.
- Work-integrated learning (WIL) and lecturer development.
- Women empowerment and youth employability initiatives.
- Bursaries, learnerships, apprenticeships, and re-skilling programmes.
- Special programmes such as GBV and victim empowerment, offender reintegration, ICT and drone training, and support for CPF structures.
- Occupational health and safety interventions and post-COVID-19 recovery training.
- Strategic support for SMMEs, cooperatives, and transformation-focused projects.

Performance overview and key metrics: I am proud to report that SASSETA has once again met or exceeded its annual performance plan targets for 2024/25. This marks the culmination of five consecutive years of disciplined implementation, innovation, and impact. The SETA was able to fulfil its five-year strategic commitments by March 2025, underpinned by consistent clean audit outcomes and increasing stakeholder confidence.

Strategic Alignment and Forward Focus: SASSETA's work is fully aligned with the priorities of the 7th Administration, particularly the goals of investing in people through education, reducing poverty, enabling inclusive growth, and building an ethical and capable state. We continued to support outcomes identified by the Justice, Crime Prevention and Security Cluster, including modernising the criminal justice system, securing cyberspace, and combating corruption and organised crime.

Furthermore, SASSETA is contributing meaningfully to the implementation of SETA Integrated High-Impact Projects (SIHIP), which include public sector capacitation, entrepreneurial development, and rural community impact. These initiatives, among others, are positioning SASSETA as a leader in skills innovation and public value creation.

Conclusion and Appreciation

I extend heartfelt thanks to the members of the Accounting Authority, the Audit and Risk Committee, and Chamber Committees for their stewardship and commitment, to the Executive Management and staff for their tireless execution of our mandate, and to our stakeholders and social partners whose collaboration continues to elevate our collective impact. We also remain grateful to the Minister, Deputy Ministers, and the Department of Higher Education and Training for their oversight and leadership.

It is with great honour that I present the **SASSETA Annual Report for the period 1 April 2024 to 31 March 2025** - a report that captures not only our achievements but our growing resolve to contribute to the transformation, safety, and prosperity of South Africa.

Yours faithfully,



Thamsanqa Mdontswa (Mr)
Interim Accounting Authority



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EXECUTIVE OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

Summary of Operational Performance

We are pleased to report that SASSETA achieved 100% of the Annual Performance Plan (APP) targets for the 2024/25 Financial Year. This demonstrates the organisation's sustained operational excellence, strategic focus, and unwavering dedication to our mandate. The APP was duly approved by the Minister of Higher Education and tabled in Parliament. Details of our performance achievements are set out in Part B of this report.

General Financial Review of the SETA - Revenue

SASSETA recorded another year of growth in revenue, supported by employer compliance with skills development levy (SDL) payments. Our revenue for the year under review amounted to **R704.5 million**. The sources of revenue remained unchanged, with income derived from SDL contributions amounting to **R631.7 million**, penalties and interest amounting to **R9.3 million**, and investment returns from funds placed with the Corporation for Public Deposits amounting to **R62.4 million**. We are grateful to employers in both the public and private sectors for their continued compliance and support.

Expenditure

Expenditure patterns remained consistent with previous years. The bulk of our spending was directed toward discretionary grants at **R330.2 million** and mandatory grants where **R92.4 million** was spent, with the balance allocated to administration at **R219.3 million**. While spending was prudent and aligned with our priorities, constraints within the 10.5% administration budget limited our ability to fully implement some of the Board's innovative initiatives and strategic investments.

Overcoming Challenges Facing the SETA

SASSETA operated in a demanding environment with several key challenges.

- **ICT Capacity and Infrastructure:** Our business processes remain largely manual and paper-based. The digitisation and automation of systems remains a strategic imperative under our digital transformation agenda.
- **Stakeholder Delays:** Although some stakeholders in our learning programmes have experienced implementation delays, these challenges highlight the importance of strengthening coordination and collaboration. We continue to work closely with partners to align timelines and improve the pace of delivery, ensuring we meet our development targets.
- **Human Capital:** Our current staffing levels have required us to be innovative and resourceful in delivering on our expanding mandate, including additional functions delegated by the QCTO. This underscores the need for strategic workforce planning and presents an opportunity to grow our internal capacity in alignment with our evolving role.
- **Employer Engagement:** Meaningful and effective engagement with employers, particularly small and medium-sized enterprises remains a work in progress. However, this ongoing effort has opened new pathways for dialogue and partnership, and we are committed to developing more inclusive and impactful engagement strategies.
- **Budget Constraints:** While administrative budget ceilings have limited the pace of certain innovations, they have also encouraged us to prioritise effectively and pursue cost-efficient, high-impact solutions.

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STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

This constraint reinforces our commitment to financial discipline while remaining focused on strategic enhancements.

Requests for Rollover of Funds

The discretionary grant surplus continues to be managed in line with the regulatory framework. Approval from the Executive Authority is being pursued to ensure responsible allocation of these funds. Multi-year commitments remain a priority to ensure continuity and long-term impact.

Discontinued Activities / Activities to be Discontinued

No activities were discontinued during the reporting period.

New or Proposed Activities

No major new activities were introduced in this period.

Supply Chain Management

SASSETA maintained effective internal control systems in Supply Chain Management to ensure compliance, transparency, and operational integrity.

Future Outlook

SASSETA remains committed to efficient financial management and operational improvement. While the administration budget constraint continues to pose a challenge, our multi-year infrastructure investment plan and digital transformation strategy are designed to enhance efficiency and service delivery in the medium to long term.

Events After the Reporting Date

No material events occurred after the reporting date that require disclosure.

Irregular Expenditure

There were no significant new incidents of irregular expenditure during the current financial year.

Economic Viability

SASSETA continues to be a going concern with sufficient financial reserves to support operations. Our license to operate extends to 31 March 2030, subject to any future changes by the Minister of Higher Education and Training.

Looking ahead, SASSETA is poised to deepen its impact through greater stakeholder engagement, smarter technology adoption, and improved programme delivery. We remain committed to advancing our mission with integrity and purpose.

On behalf of SASSETA, I wish to thank all stakeholders, employers, partners, and institutions for their continued support. I express my appreciation to the Executive Authority, Director-General, Chairperson, members of the Accounting Authority, Audit and Risk Committee, and Chamber Committees for their guidance and collaboration. A special word of thanks also goes to our management team and staff for their resilience and commitment to delivering another successful year.

This overview captures our journey through 2024/25 and our outlook for the future. With strategic focus and collaborative effort, we are confident in our ability to continue delivering value to our sector and to our country.



Mr Thamsanqa Mdontswa
Chief Executive Officer

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

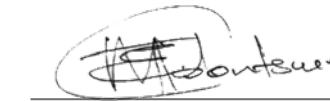
- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, correct and is free from any omissions.
- The annual report has been prepared in accordance with guidelines issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- External auditors are engaged to express an independent opinion on the annual financial statements.

- In our opinion, the annual report fairly reflects the operations, the performance information, the human resource information and the financial affairs of the SETA for the year ended 31 March 2025.

Yours faithfully,



Mr Thamsanqa Mdontswa
Chairperson of Accounting Authority (Interim)



Mr Thamsanqa Mdontswa
Chief Executive Officer

5 STRATEGIC OVERVIEW

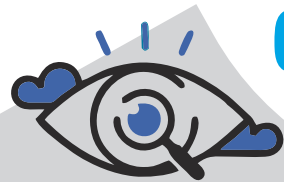
SASSETA's vision, mission and values form the basis of our strategy.



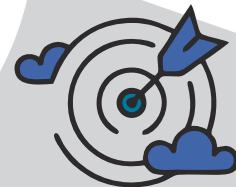
An educated, skilled and capable workforce for South Africa.

The South African population in 2025 is estimated at

61,7 million



To be the leader in skills development for the safety and security sector



Transforming and professionalising the safety and security sector by providing qualifications and quality skills through effective and efficient partnerships



SASSETA is supported by the culture of Ubuntu and subscribes to the following values:

Leadership

We commit to decisive leadership in advancing skills development with the sector.

Equity

We commit to treat all diverse stakeholders in an equitable manner.

Professionalism

We work as a team and value the contribution of others, while maintaining proficiency and service excellence.

Accountability, transparency and integrity

We pledge to execute SASSETA's responsibilities in an open, honest and ethical manner.

6 LEGISLATIVE AND OTHER MANDATES

SASSETA is a Schedule 3A Public Entity and derives its mandate from the Constitution of the Republic of South Africa, 1996 and the Skills Development Act (SDA), Act 97 of 1998 (as amended). SASSETA is a national skills agency for the Department of Higher Education and Training (DHET) accountable to the Minister of Higher Education and Training.

The SETA's activities are governed by the Skills Development Act, Act 97 of 1998, which requires SETAs to promote skills development in their economic sectors. Additionally, the SETA is advancing various legislations and policies.

The Supreme law of the Republic, the constitution, **Section 29 states** as follows:

Everyone has the right -

- (a) to a basic education, including adult basic education, and
- (b) to further education, which the state, through reasonable measures, must make progressively available and accessible.

The SETAs were re-licenced until 31 March 2030 to operate within the skills development framework articulated in the National Skills Development Plan 2030 (NSDP) framework and other policies and strategies as set out below:

- Skills Development Act, Act 97 of 1998
- Skills Development Levies Act (SDLA), Act 9 of 1999
- SETA Grant Regulations, 2012
- Public Finance Management Act (PFMA), Act 1 of 1999
- National Qualification Framework Act, Act 12 of 2019
- Continuing Education and Training Act, Act 16 of 2006

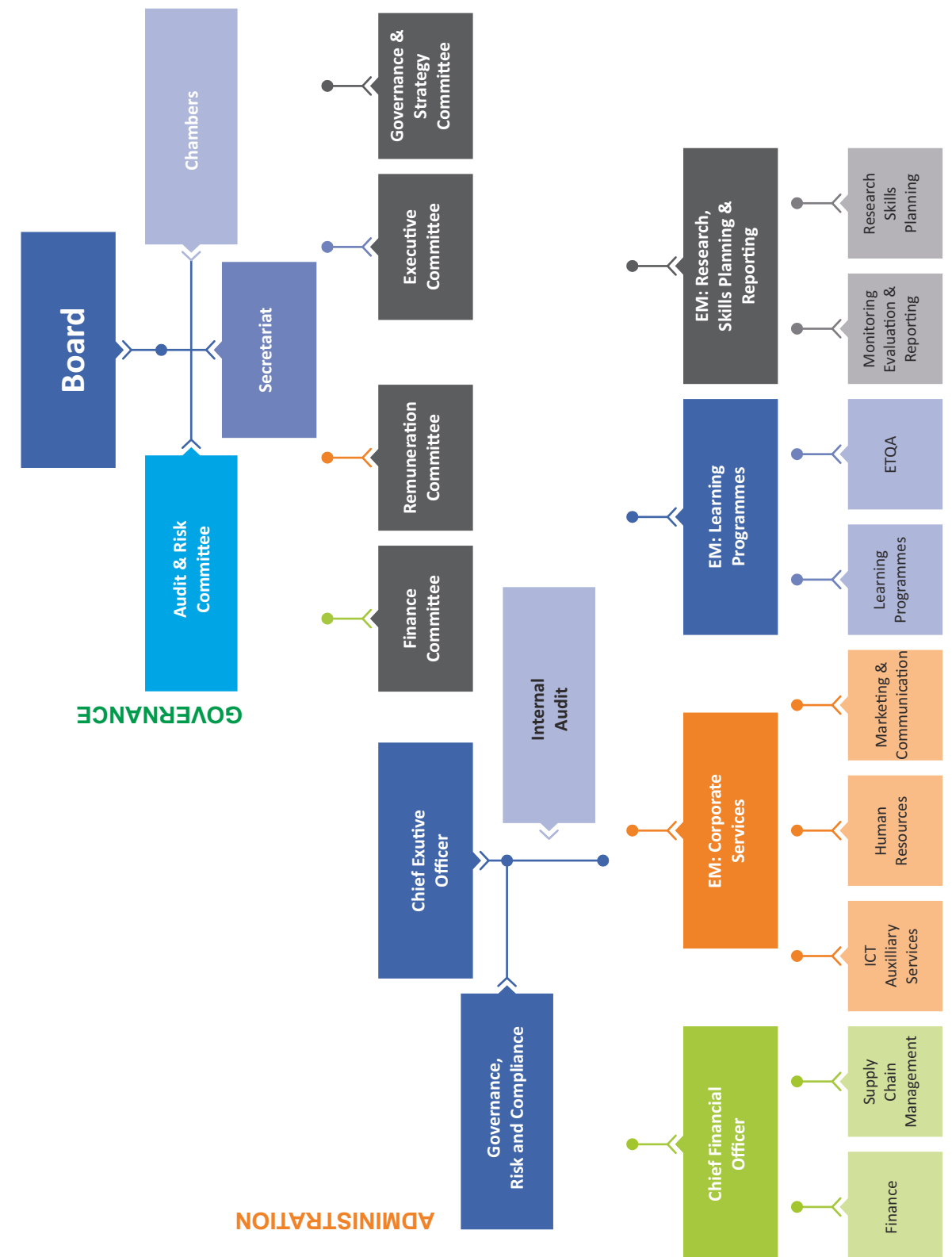
The following national strategies and policies guide SASSETA's strategy and operations:

- The National Development Plan (NDP) 2030 which sets the vision for the Post-School Education and Training (PSET) system.
- National Skills Development Plan (NSDP) which sets skills development priorities up to 2030.
- The White Paper for Post-School Education and Training (PSET) which provides policy priorities for the PSET system and directs the Department to "elaborate a concrete development plan for the period up to 2030".
- National Plan for PSET (NPPSET) which serves as an instrument central to the achievement of the vision.
- Human Resource Development Strategy for South Africa (HRDS) sets out government HRD priorities.
- Medium-Term Strategic Framework (MTSF) sets out the five-year government priorities.
- Economic Reconstruction and Recovery Plan sets out ten interventions to ensure that the skills needed are produced.
- National Skills Accord.
- New Growth Path (NGP).

The scope of coverage for SASSETA, as determined by the Minister of Higher Education and Training standard industrial classification (SIC) Codes, and SASSETA Sub-sectors and Constituencies of the safety and security sector are as follows:

SIC Codes	Subsector	Constituency
9110A*	Policing	The Independent Complaints Directorate (IPID), The Secretariat for Safety and Security, Civilian Secretariat for Police, The South African Police Service (SAPS)
91301 91302		- Municipal and Metro Police Services, Traffic Management / Law Enforcement - Road Traffic Management Corporation (RMTC)
9110B*		- The Department of Correctional Services (DCS) - Private correctional services providers - Kutama Sinthumule Correctional Centre - Mangaung Correctional Centre - Judicial Inspectorate for Correctional Services - Correctional Supervision and Parole Boards
9110D*	Defence	- The Department of Defence (DOD) - South African National Defence Force (SANDF), SA Navy, SA Air force - SA Military Health
9110C*	Justice	- The Department of Justice and Constitutional Development (DoJCD) - National Prosecuting Authority (NPA), Special Investigations Unit (SIU)
91104 91105	Intelligence Activities	- The National Intelligence Agency (NIA) - The South African Secret Service (SASS)
88110		Legal and paralegal services
88111		- Sheriffs - Legal Aid Services
88920	Private Security and Investigation Activities	Private security, investigation, and polygraph services

7 ORGANISATIONAL STRUCTURE





PART

B

PERFORMANCE INFORMATION

8 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

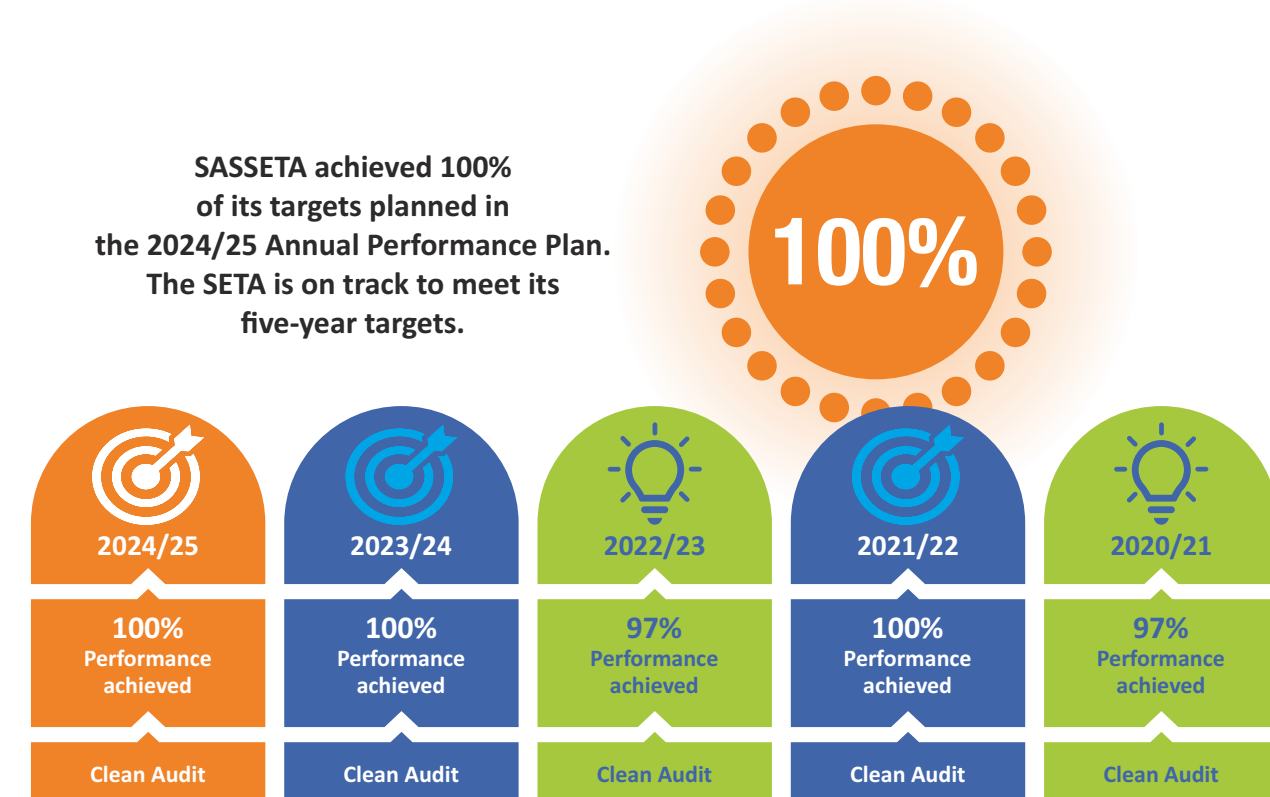
Auditor-General's report: Report on the audit of Performance Information. Refer to paragraphs 10 – 15 of the Auditor-General's report on page 69.

9 OVERVIEW OF ORGANISATIONAL PERFORMANCE

The Auditor-General had performed the necessary audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion as detailed in paragraphs 1 - 26 of the Auditors report on pages 68 - 70.

2024/25 Result: Audit Outcomes

SASSETA achieved 100% of its targets planned in the 2024/25 Annual Performance Plan. The SETA is on track to meet its five-year targets.



NB: In the above context, a **Clean Audit** outcome refers to an **Unqualified Audit Opinion** from the AGSA.

10 PROGRESS TOWARDS ACHIEVEMENT OF IMPACTS AND OUTCOMES

Understanding the complexities in sectoral occupations in high demand can help to shift the emphasis on programmes and maximise investments in the production of the skills, competencies and occupations in demand, but also the scarcity of quality jobs and strategic workforce planning. The organisation has met all its statutory obligations including the submission of the Strategic Plan, Medium Term Expenditure Framework, the Sector Skills Plan (SSP) and the Annual Report for the period under review.

The overall organisational strategic goal is to contribute towards ensuring that South Africa has adequate, appropriate, and high-quality skills that contribute towards economic growth, employment creation and social development. SASSETA identified six (6) strategic skills priority actions to drive its strategic direction, namely:

- Building and strengthening strategic partnerships,
- Advancing programmes that support professionalisation and transformation of the sector,
- Accelerating the production of information communication and technology (ICT) skills,
- Supporting the production of technical and specialised skills,
- Contributing toward building active citizenry, and
- Supporting small, medium and micro enterprises (SMMEs) & Entrepreneurships (Incl. Co-operatives).

These strategic skills priority actions are anchored by the following nine strategic outcomes that the organisation aims to achieve in pursuit of its mandate. These outcomes are aligned to the development outcomes in the National Development Plan (NDP), National Skills Development Plan (NSDP) and the Medium-Term Strategic Framework (MTSF):

- Build and strengthen collaboration with stakeholders to advance skills development within the sector.
- Enhanced risk intelligence to promote good governance and an ethical environment.
- Identified occupations in high demand.
- Increased production of occupations in high demand.
- Linking education and the workplace.

- Improved level of skills in the safety and security sector.
- Increased access to occupationally directed programmes.
- The growth of the public college system supported.
- Ensured efficiency in the delivery of occupational qualifications for the safety and security sector.

The priority skills plan is intended to ensure that skills gaps are not a hindrance to the sector and economic growth and job creation. SASSETA progressed purposely along the journey set in its Five-year Strategic Plan for 2020/21 to 2024/25. With the complexities of crime and growing appreciation of threats to security, institutional and organisational reforms have been set in motion which are having – and will continue to have – a significant impact on the level and structure of demand for security goods and services.

11 PROGRAMME PERFORMANCE INFORMATION

11.1 PROGRAMME 1: ADMINISTRATION

This programme provides support and is tasked with building organisational resilience, capability and ability to respond to the mandate. It is also tasked to drive organisational excellence through streamlined and digitised processes.

Linking programmes with strategic outcomes: Programme 1 contributes to the following strategic outcomes:

- Build and strengthen collaboration with stakeholders to advance skills development within the sector.
- Enhanced risk intelligence to promote good governance and an ethical environment.

Sub-programmes: Functions residing within the ambit of this programme include Finance, Supply Chain Management, Human Resources Management, Information and Communications Technology, Marketing and Communications, Governance, Risks and Compliance, Auxiliary Services, Stakeholder Management and Internal Audit.

Programme 1 contained a total of two indicators in the tabled Annual Performance Plan (APP) for the 2024/25 financial year. **Programme 1 achieved 100%** of its annual targets as of 31 March 2025 and all targets were achieved as scheduled. The table below reports on outcomes, outputs, output indicators, targets, actual achievements, variances and reasons for deviations against the tabled APP for the 2024/25 financial year.

2024/25 Financial Year Gains and Continuous Improvements

- Internal control environment.
- Risk management and compliance.
- General administration of the organisation.
- Communication with stakeholders.
- Turnaround time for provider payments with completed mandatory documents (i.e., on average two weeks).

2024/25 Financial Year Challenges

- ICT capacity and infrastructure.
- Delayed business processes automation, and
- Delayed or non-contribution of skills levies by some stakeholders.

PROGRAMME 1: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23			Audited Actual Performance 2023/24	Planned Annual Target 2024/25	*Actual Achievement 2024/25 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators / Annual Targets
Strengthened collaboration with stakeholders to advance skills development within the sector	Newly established partnerships with stakeholders	Number of newly established partnerships with stakeholders to promote skills development within the sector by 31 March 2025	4			8	4	10	Annual target overachieved +6	More strategic partners came forward with skills needs aligned with our mandate.	No revisions were made
Enhance risk intelligence to promote good governance and ethical environment	Risk Management Framework fully implemented	Implemented Risk Management Framework which consists of Risk Management Policy, PFMA Quarterly Compliance Charter, and Good Governance Quarterly Report by 31 March 2025	100%			100%	100%	100%	-	-	No revisions were made
	Maintain the risk maturity assessment level 5 (100% achievement)	Maintain annual assessment of Risk Management maturity level 5 by 31 March 2025	-			Level 5	Level 5	Level 5	-	-	

FINANCE AND SUPPLY CHAIN MANAGEMENT SUB-PROGRAMME

Overview

The objective of these sub-programmes is to provide effective and efficient financial planning, management, and administrative support to SASSETA. This includes among others the effective, efficient, and economical acquisition of goods and services within the procurement legislation.

Policy Development

The finance and supply chain management policies are updated and effectively implemented. The SETA also continued to implement the preferential procurement points policy for all competitive procurements as directed by the National Treasury.

Revenue

Levies received from the Private Sector and Government Departments amounted to R485.7 million and R146 million, respectively while investment income was R62.4 million. Private sector levies account for over 68% of the total revenue collected. Penalties and interest of R9.3 million were from overdue payments of levies by employers which contributed to the SETA's performance income.

Some government departments contribute levies monthly (while others contribute quarterly) based on actual basic salary figures. The contributed levies are affected by variables such as resignations and appointments in these departments during the year. Most government departments can only afford to contribute on a 10% basis in terms of the Department of Public Service and Administration human resources development circular.

Investment income of R62.4 million is earned from surplus funds invested with the South African Reserve Bank - Corporation for Public Deposits Account. This amount accounts for 8.9% of the total revenue collected. The other income for the financial year amounted to R488 thousand and was mainly from a grant received.

Sources of Revenue	2024/2025			2023/2024		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
Skills Development Levy: Private Companies	484 229	485 717	1 448	454 090	464 731	10 641
Skills Development Levy: Government Departments	145 257	146 010	753	134 679	131 763	2 916
Skills Development Levy: Penalties and Interest	9 145	9 338	193	10 779	8 674	(2 105)
Other Income	-	1 025	1 025	-	55	55
Investment Income	61 519	62 489	970	60 677	58 820	(1 857)
Total	700 150	704 579	4 389	649 445	655 368	5 923

Revenue collected is slightly higher than budgeted. To some extent, the implementation of some of the elements of the organisation revenue enhancement strategy and investment decisions informed the improved contribution of levies and investment income.

Capital Investment

The SETA invested in the integrated management information system (IMIS) and the processes automation project which are at the advanced stages of implementation. It is expected that these projects will be finalised during the 2025-2026 financial year.

Expenditure

The largest expenditure category remained the discretionary grants which is the core business of the SETA from the service delivery perspective. The disbursement of mandatory grants is attributable to the extent of the compliance of the received and compliant work skills plans (WSPs) and annual training reports (ATRs). The largest part of the administration expenditure remained compensation of employees. A considerable effort is kept to continuously stabilise the financial situation of SASSETA.

Commitments

SASSETA continued to manage and sustain its commitments balances from the previous financial years within the acceptable norm and without over-committing the organisation. The increasing balance of commitments to R 698.1 million is mainly because of the delayed implementation of awarded projects which, in most cases, was outside of the SETA's control.

Irregular Expenditure

The organisation implemented sound processes to ensure strict and uncompromised adherence to procurement laws and regulations to mitigate the occurrence of irregular expenditure instances. Notwithstanding, the SETA incurred irregular expenditure amounting to R1.26 million during the financial year under review.

As previously reported, this irregular expenditure was triggered by process deficiencies that occurred at DHET in the appointment of some of the members of the Accounting Authority. It is unfortunate that irregular expenditure is reported against the budget that incurred it, thus SASSETA reports irregular expenditure in this regard. This incident is unfortunately beyond the SETA's control.

Challenges

Delayed and/or non-contribution of the skills development levies by some of the stakeholders which adversely affects the operations of the organisation. Delayed submission of compliant invoices and stipends documentation needed to support payments in respect of implemented projects which adversely affects timeous processing of payments.

Future Goals

- Effective implementation of the revenue enhancement strategy which is geared to improve the financial situation of the organisation.
- Automation of business processes within the organisation with the intention to realise efficiencies in all areas of business.

Measures to Address Under-performance.

There was no under-performance in the achievement of targets for the Finance and Supply Chain Management Sub-programmes.

Changes to the Planned Targets

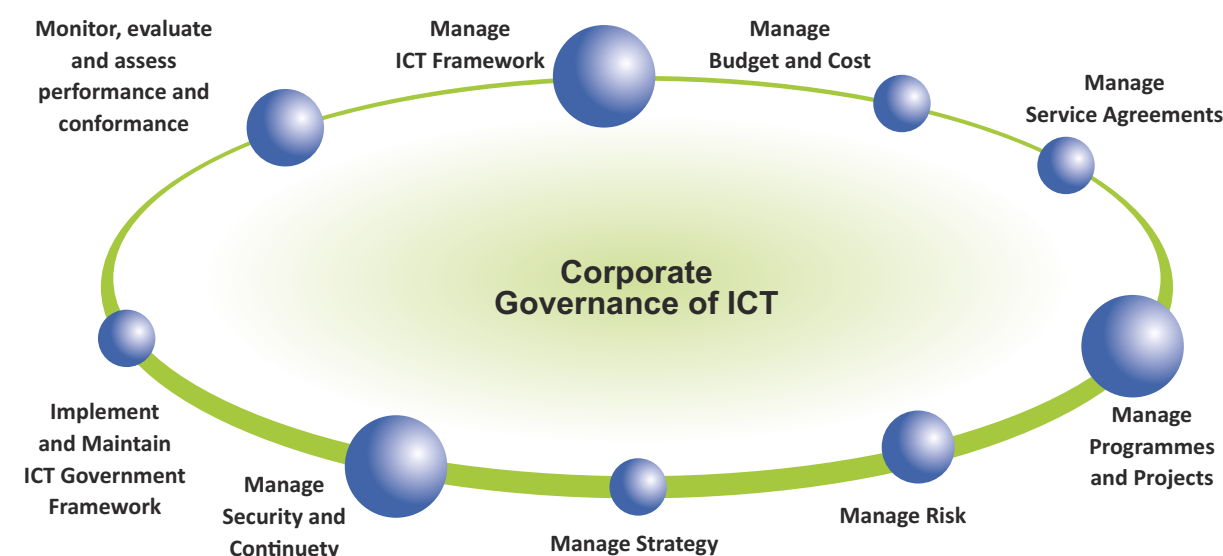
There were no changes to planned targets during the 2024/2025 financial year.

ICT SUB-PROGRAMME

Overview

The strategic aim of Information and Communication Technology (ICT) is the effective provisioning of ICT to support the business of the SETA. SASSETA developed an ICT Strategy which seeks to reposition the SETA at a centre of digitisation and transforming operational capabilities through automation to derive efficiencies and economies of scale on the business processes.

The ongoing implementation of the Corporate Governance of ICT Policy Framework (CGICTPF) yielded positive results within the SETA. At this stage, SASSETA continues an iterative process aimed at improving continuously the Corporate Governance of ICT as indicated in the diagram below:



ICT Priorities for the Year Under Review and the Impact of these Priorities

Strengthened collaboration with stakeholders to advance skills development within the sector through the provisioning of ecosystems facilitated following the Data Management Strategy and underpinned by a robust data warehouse, knowledge management, business intelligence, and business dashboard reporting in alignment with the Digital Transformation Strategy.

Furthermore, all the required hardware, software, environmental controls, and facilities were implemented and strengthened during the year under review. We continued to manage, keep and support the implemented Integrated Management Information System (IMIS), Cloud Backup Solution with Disaster Recovery Services, Cyber Security measures, Office 365 services and other related core ICT solutions.

During the year under review, enhancements were made to several systems: the Human Resource Management System, Infrastructure Capacity and Management Tool, Intranet, Call Centre Management System, and the Supply Chain Module within the Financial System. Additionally,

there was moderate capacity building for internal stakeholders, including management and employees, focusing on the dynamics of remote working.

Maintain and implement Disaster Recovery test plans and comply with assurance requirements relating to the approval of the Disaster Recovery Plan, alternate site, test plans, and off-site storage of the plan. Stabilisation of the infrastructure, network, and security environments, as well as the implementation of effective and efficient service level management. The automation of manual business processes and integration of existing digitised processes is underway, with notable progress achieved during the year. Initial phases have been implemented, laying the groundwork for broader rollout in the next financial year.

Policy Development

To strengthen the ICT Governance and Operations, support, and enablement of SASSETA ICT policies were developed and implemented. The newly developed policies will be implemented in the next financial year.

ACHIEVEMENTS

- During the year under review, the ICT Strategy and Master Systems Plan incorporating the Digital Transformation Strategy aligned to the Strategic and Annual Performance Plans were developed and enhanced. ICT Governance (including policies and related documents) was strengthened through alignment with best practice frameworks, including King IV, CGICTPF, COBIT, ITIL, and ISO standards. The process of approving these developed and enhanced documents is currently underway and is expected to be finalised early in the next financial year.
- The implementation of Information Security Management Systems (ISMS) in line with ISO 27001 for compliance purposes was further enhanced through the engagement of Virtual CISO (vCISO) and Security Operations Centre (SOC) services, aimed at strengthening the overall cybersecurity environment.
- The development of the enhanced Integrated Management Information System was completed during the year.

Challenges

- Limited integration of organisational systems, which affects the ability to generate a holistic view of business performance. This challenge is being mitigated through ongoing investments in ICT solutions and optimisation efforts to align with evolving organisation needs.
- ICT continues to strengthen its cybersecurity posture through measures such as the implementation of ISO 27001, and the engagement of vCISO and SOC services.

Future Goals

- In alignment to the ICT MSP, integration of organisation ICT systems and business processes to meet organisation needs.
- Implement all ICT and organisation initiatives as per the ICT MSP.
- Maintain effective and efficient ICT (Infrastructure hardware and software) with a target of 99% uptime.

Measures to Address Under-performance.

- There was no under-performance in the achievement of targets of the ICT Sub-programme.

Changes to the Planned Targets

- There were no changes to planned targets during the 2024/2025 financial year.



MARKETING AND COMMUNICATIONS SUB-PROGRAMME

Overview

The Marketing and Communications sub-program aims to promote the SASSETA brand and enhance relationships with both internal and external stakeholders. The department plays a role in shaping public perception, driving stakeholder engagement, and ensuring that the organisation's aims and initiatives are effectively communicated to all stakeholders.

The Marketing and Communications uses various platforms e.g. digital communication, email campaigns, advertising and stakeholder engagements events, to disseminate the SASSETA message and raise brand awareness.

The sub-programme ensures SETA's communication reaches all stakeholders.

Policy development

The Marketing and Communications Policies were approved in Quarter 4 of the 2024/2025 financial year.

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Digital stakeholder communications

SASSETA expanded its use of digital platforms to strengthen stakeholder communication and engagement. Social media pages grew, with Facebook reaching 6,100 followers and LinkedIn growing to 2,087 followers. These platforms were used to share important updates, promote SASSETA programmes, and answer questions from stakeholders, helping the organisation stay open and easy to reach.

SASSETA also launched a new TikTok account (@sassetasetta) in August, which gained 196 followers. The YouTube channel grew to 419 subscribers, and the X (formerly Twitter) account reached 172 followers. These digital efforts help SASSETA connect better with young people and different communities by using videos and other online content to make sure everyone can access information easily.

Email marketing

SASSETA uses email communication effectively to engage with external stakeholders, sharing updates and announcements about Discretionary Grants through regular emails. This communication channel ensures that stakeholders stay informed, engaged, and can respond or participate in initiatives in a prompt manner.

SASSETA also distributes The Safety Plug, the electronic quarterly newsletter. The newsletter provides stakeholders with a more in-depth look at the organisation's achievements, upcoming events and sector insights.

Eventing

The 2023/2024 Annual General Meeting (AGM) was successfully staged in November 2024, providing a platform to present SASSETA's performance, achievements, and strategic plans to stakeholders.

Throughout the year, SASSETA also conducted Workplace Skills Plan (WSP)/Annual Training Report (ATR) Roadshows across all nine provinces, reaching a wide range of stakeholders.

The organisation also participated in Career Expos, as well as hosted various ETQA (Education and Training Quality Assurance) and Learning Programmes stakeholder engagements to promote sector awareness, compliance, and skills development opportunities.

The Marketing and Communications department coordinated and supported the successful delivery of these initiatives by managing logistics, branding, and publicity.

Internal Communications

The main communication channel is the e-mail platform, known as Snippets. This platform is used to update employees on organisational developments, policy changes and upcoming events.

Website

The SASSETA website 'sasseta.org.za' was updated during the 2024/2025 financial year to improve user experience and facilitate ease of access to information.

Challenges

SASSETA has achieved significant progress in its initiatives to engage with rural and marginalised communities. These initiatives are continuously enhancing awareness of the safety and security sector as a viable career path.

The communication in the rural communities will continue in the 2025/2026 financial year.

Future goals

- The SETA will undertake initiatives to inform the public about the sector and the opportunities available within it. The initiatives will include public awareness campaigns, workshops with stakeholders, community events, and easy-to-understand digital content. The objective is to enhance individuals' comprehension of the safety and security sector and to demonstrate how they can benefit from the various opportunities it provides.
- Expanding into rural and underserved communities, which often lack essential information and resources.

Measures to address under-performance.

There was no under-performance in the achievement of targets for the Marketing and Communications sub-programme.

Changes to the planned targets

There were no changes to planned targets during the 2024/2025 financial year.

AUXILIARY SERVICES SUB-PROGRAMME

Overview

The purpose of the Auxiliary Sub-programme is to ensure a safe, user-friendly, and conducive work environment for employees and stakeholders in the SASSETA space. As the custodian of general maintenance, it is its responsibility to improve office refurbishments and accelerate service delivery to the organisation. This sub-programme mission is to achieve unique goals, objectives, and bring beneficial change or added value to our end-users. It will continuously support SASSETA by implementing strategies to prevent accidents and injuries which may be harmful to the environment and employees.

The role of Auxiliary Services is to identify maintenance needs, prioritising deferred maintenance, and strategising for long-term building and equipment requirements at the core of Auxiliary Services. The goal of Auxiliary Services is to proactively manage the growing list of maintenance needs associated with the facilities we oversee.

Policy Development

There are operational changes in the occupational health and safety (OHS) environment, which needed the review of the following policies were adhered to in ensuring alignment with OHS practices:

- OHS Policy including,
- Fleet Management Policy,
- Security Management Policy.



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- Annual service of the fire maintenance equipment was conducted, and a certificate of service was issued.
- OHS workshop was executed, and attendance certificates and appointment letters were issued to OHS Committee members.
- The statutory annual emergency evacuation drill was conducted in line with the OHS Act requirements.
- First-Aid Room was created in the workplace for injury on duties and life-saving care until professional medical care arrives.
- The organisation's fleet is intensively managed to reduce abuse and/or unnecessary damage that will incur cost. The fleet is also serviced regularly to ensure that vehicles are in a good condition.
- A well-rounded Security Services Management is in place and discharges their responsibilities in line with the Control of Access to Public Premises and Vehicle Act.
- Hand-held scanners are used to detect threat objects, e.g., weapons.
- Maintenance of Heating, Ventilation and Air-conditioning (HVAC) systems.
- Close-circuit Television (CCTV) was installed in all strategic areas.
- 24-hour response and panic buttons are in place for emergency purposes.

Challenges

- Improve spatial planning – our internal storerooms are not designed to keep files and other equipment, e.g., machines.
- Ignorance by staff to follow OHS Policy in the workplace, e.g., smoking in the workplace.

Future Goals

- Collaborate with the other tenants in the building on issues of OHS and Security Management.
- Continue to implement and enforce Health and Safety Standards.
- Prevent unauthorised access to the premises.
- Overcome effects of natural disaster.
- Plan and coordinate all installations, i.e. electrical, plumbing and refurbishments.

Measures to Address Under-performance.

There was no under-performance in the unit, however, it is essential to constantly train OHS representatives, fire marshals and first-aiders to be adequately empowered to deal with the work environment.

Changes to the Planned Targets for the Sub-programme

There were no changes to planned targets during the 2024/2025 financial year.

11.2 PROGRAMME 2: RESEARCH, SKILLS PLANNING, MONITORING, EVALUATION AND REPORTING

This programme is tasked with ensuring that skills investment, learning and training opportunities are more responsive and better aligned with current and future skills needs for the sector and the economy. The aim is to ensure that intelligence led system is at the heart of our approach and that data and evidence effectively drive our decisions

Linking programmes with strategic outcomes: Programme 2 contributes to the following strategic outcomes:

- Increased production of occupations in high demand.

Sub-programmes: Functions falling within the ambit of this programme include Research, Skills Planning, Monitoring, Evaluation and Reporting.

Programme 2 contained a total of four indicators in the tabled APP for the 2024/25 financial year. **Programme 2 achieved 100%** of its annual targets as of 31 March 2025 and all targets were achieved as scheduled. The table below reports on outcomes, outputs, output indicators, targets, actual achievements, variances and reasons for deviations against the tabled APP for the 2024/25 financial year.

2024/25 Financial Year Gains and Continuous Improvements

- Intensified monitoring and evaluation processes.
- Continuous improvement of internal research capacity.
- Increased number of impact studies in informing the sector of skills priority needs.

2024/25 Financial Year Challenges

- Research capacity and infrastructure.



PROGRAMME 2: RESEARCH, SKILLS PLANNING AND REPORTING

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23			Audited Actual Performance 2023/24	Planned Annual Target 2024/25	*Actual Achievement 2024/25 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations	Reasons for Revisions to the Outputs/ Output Indicators / Annual Targets
Identified occupations in high demand	Conducting and publishing research reports.	The number of research studies focused on skills development matters that are completed by 31 March 2025	4			6	8	8	Annual target achieved	n/a	No revisions were made
	Conducting and publishing evaluation reports	The number of evaluations (tracer studies) and or impact studies focused on skills development matters completed by 31 March 2025	4			6	8	8	Annual target achieved	n/a	No revisions were made
2024/25 update of the SSP approved by SASSETA Board and submitted to DHET	2024/25 update of the SSP approved by SASSETA Board and submitted to DHET by the due date	2023/24 Update of the SSP approved by SASSETA Board and submitted to DHET by due date	2024/25 Update of the SSP by SASSETA Board and submitted to DHET by due date			2025/26 Update of the SSP approved by SASSETA Board and submitted to DHET by due date.	2025/26 Update of the SSP approved by SASSETA Board and submitted to DHET by due date	Annual target achieved	n/a	No revisions were made	
Number of approved WSPs/ ATRs for small, medium and large firms	Number of approved WSPs/ ATRs for small firms by the 31 March 2025.	New indicator	482			330	501	Target overachieved +171	More employers submitted their mandatory grant applications than anticipated.	No revisions were made	
	Number of approved WSPs/ ATRs for medium firms by the 31 March 2025.	New indicator	197			151	197	Target overachieved +53	More employers submitted their mandatory grant applications than anticipated.	No revisions were made	
	Number of approved WSPs/ ATRs for large firms by the 31 March 2025.	New indicator	316			173	327	Target overachieved +154	More employers submitted their mandatory grant applications than anticipated.	No revisions were made	

Research Agenda: One of the principal mandates of SETAs is to develop a credible and professionally researched Sector Skills Plan (SSP) to ensure that scarce and critical skills are developed. It is for this reason that the SETA undertakes various research projects to determine the skills needs of the sector and to produce accurate various monographs and information to be used for planning, implementation and evaluation of skills development initiatives.

SASSETA's Research Agenda provides in-depth insight into the nature of skills needs within the sector and informs the SETA's Strategic Plan.

ACHIEVEMENTS

The following research topics were undertaken during the period under review:

- 2025/26 SSP Update.
- Are internship programmes building skills, self-confidence and work experience amongst the youth of South Africa?
- Understanding the hard to fill occupations and future skills in the safety and security sector: A case study of the Private security and Legal service
- Understanding the role of technology in advancing road safety in South Africa
- Understanding the skills needs for Small, Medium, and Micro-sized Enterprises (SMMEs) in the safety and security sector.
- The rise of crime in South Africa: Exploring causes and consequences.
- Trade Union Involvement in Skills development: A Safety and Security review.
- Understanding the hard to fill occupations and future skills in the safety and security sector: A case study of the Justice subsector
- The impact of integrating Cybersecurity and Physical Security Systems in South Africa.

Impact Studies: In its commitment to addressing skills shortages in the safety and security sector, SASSETA deems it important to understand the challenges, outcomes and ascertains the impact of its programmes. This allows the SETA to draw lessons and aligns its skills development initiatives to the needs of the safety and security sector, particularly our mission to transform and professionalise the safety and security sector by providing qualifications and skills through effective and efficient partnerships.

The following impact assessment studies that were completed during the period under review:

- Assessment of the impact of the TVET Lecturer Development Programme on the Safety and Security sector
- Evaluation study on the effectiveness of the ICT Skills interventions within the safety and security sector
- Assessing the Impact of the ODEDTP Training Programme
- Evaluation study on the contribution of SASSETA towards transformation in the Safety and Security sector
- Understanding the contribution of the QCTO amendments in skills supply and demand in the security sector
- Evaluation Study on SASSETA's Career Fairs
- Evaluation Study on Small, Medium, and Micro Enterprises (SMMEs) Programme funded by SASSETA
- Evaluation Study on Business Administration Learnership Programme funded by SASSETA

Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs): Mandatory grants form a key part of SASSETA's fulfilment of its statutory mandate and achievement of the goals set out in the Skills Development Act (SDA). It gives effect to the SETA grants read with Section 3(1) of the Skills Development Levy Act (SDLA) which defines mandatory grant as a payment made to all levy paying organisations upon submission of WSPs and ATRs. In accordance with the SDA, SDLA, and SETA Grant Regulations, SETAs are required to disburse grants in alignment with the Constitutional principles of transparency, fairness, and equity. Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) are essential for providing comprehensive baseline statistical data on the sector. During the year under review, a total of 1 007 WSPs/ATRs have been received, evaluated and approved in line with the requirements. SASSETA has achieved the service level agreement (SLA) targets in all company categories.

11.3 PROGRAMME 3: LEARNING PROGRAMMES

Programme purpose This programme facilitates and addresses scarce critical skills gaps and hard-to-fill vacancies in the safety and security sector through the provision of high-quality learning programmes. Functions of this programme include the implementation of learnerships, apprenticeships, skills programmes, internships, work-integrated learning and employed bursaries for students at TVET colleges and higher education institutions (HEIs).

Linking programmes with strategic outcomes: Programme 3 contributes to the following strategic outcomes:

- **Linking Education and the Workplace**
Through implementation of TVET placements, University of Technology Placements, Candidacy, Internships and Unemployed Learnerships.
- **Improved level of skills in the Safety and Security Sector**
Through implementation of Employed Learnerships, Employed Bursaries, Employed Skills Programmes.
- **Increased access to occupationally directed programmes**
Through implementation of Artisan programmes and Recognition of Prior Learning (RPL) and Unemployed Skills programmes.
- **The growth of the public college system supported**
Through implementation of projects under unemployed skills programmes in partnerships with CET Colleges.
- **Support career development services**
Learners being absorbed into employment

Programme 3 comprised of a total of 29 indicators. The programme achieved 29 out of 29 indicators thus achieving 100% of its annual targets as of 31 March 2025. The table below reports on outcomes, outputs, output indicators, targets, actual achievements, variances and reasons for deviations against the tabled APP for the 2024/2025 financial year.



PROGRAMME 3: LEARNING PROGRAMMES

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24			Planned Annual Target 2024/25	*Actual Achievement 2024/25 until the date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Increased production of occupations in high demand	Bursaries allocated for unemployed youth by 31 March 2025	Number of bursary agreements entered into for unemployed youth by 31 March 2025	230	263			200	211	Annual target overachieved +11	More funds became available than initially budgeted, and more learners were supported	No revisions were made
	Unemployed youth completed studies through bursaries awarded in prior years by 31 March 2025	Number of unemployed youth who completed studies under a SASSETA-funded Bursary by 31 March 2025	65	62			45	50	Annual target overachieved +5	More learners successfully completed studies than forecasted based on historical data	No revisions were made
Linking Education and the Workplace	TVET students entered work- integrated learning placement programmes by 31 March 2025	Number of TVET students entered work- integrated learning placement programmes by 31 March 2025	655	590			750	873	Annual target overachieved +123	More funds became available than initially budgeted, and more learners were supported	No revisions were made
	TVET students completed work- integrated learning placement programmes by 31 March 2025	Number of TVET students who completed work- integrated learning placement programmes by 31 March 2025	335	590			500	504	Annual target overachieved +4	More learners successfully completed studies than forecasted based on historical data	No revisions were made
	University of technology students provided with work- integrated learning to complete their qualifications	Number of university of technology students placed in work- integrated learning by 31 March 2025 to complete their qualifications	312	344			480	489	Annual target overachieved +9	More funds became available than initially budgeted, and more learners were supported	No revisions were made
	University of technology students placed who complete work-integrated learning thereby enabling them to complete their qualifications in due course	Number of University of Technology students who complete their work integrated learning by 31 March 2025, thereby enabling them to complete their qualifications	290	311			290	403	Annual target overachieved +113	More students successfully completed their studies than initially forecasted based on historical data	No revisions were made
	Graduates entered workplace-based learning programmes in strong partnerships with the industry	Number of law graduates placed in candidacy programmes by 31 March 2025	186	208			200	379	Annual target overachieved +179	More funds became available than initially budgeted, and more learners were supported	No revisions were made
	Graduates/ completed workplace-based learning programmes	Number of law graduates placed; completing candidacy programmes by 31 March 2025	93	124			85	88	Annual target overachieved +3	More students successfully completed than initially forecasted based on historical data	No revisions were made

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24			Planned Annual Target 2024/25	*Actual Achievement 2024/25 until the date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
	Graduates entered workplace-based learning programmes in strong partnerships with the industry	Number of graduates and interns entered workplace-based learning programmes, in partnership with industry, by 31 March 2025	602	1022			600	727	Annual target overachieved +127	There has been a demand and government focus on internships. More students were therefore supported when more funds became available than initially planned became available.	No revisions were made
	Graduates completed workplace-based learning programmes	Number of graduates and interns who completed workplace-based learning programmes by 31 March 2025	255	476			320	324	Annual target overachieved +4	More students successfully completed studies than initially forecasted based on historical data	No revisions were made
	Unemployed learners entered learnerships by 31 March 2025	Number of unemployed learners entered learnerships by 31 March 2024	1459	1222			1400	2088	Annual target overachieved +688	There has been demand from levy payers for unemployed learnerships. More funds became available than initially budgeted, and more learners were supported	No revisions were made
	Unemployed learners completed learnerships by 31 March 2025	Number of unemployed learners who completed learnerships by 31 March 2025	513	1016			960	1161	Annual target overachieved +201	More students successfully completed studies than initially forecasted based on historical data	No revisions were made
Improved level of skills in the Safety and Security Sector	Employed learners entered learnerships by 31 March 2025	Number of employed learners entered learnerships by 31 March 2025	706	706			610	753	Annual target overachieved +143	More funds became available than initially budgeted, and more learners were supported	No revisions were made
	Employed learners completed learnerships by 31 March 2025	Number of employed learners who completed learnerships by 31 March 2025	316	479			520	527	Annual target overachieved +7	More students successfully completed studies than initially forecasted based on historical data	No revisions were made
	Employed learners entered bursary agreements by 31 March 2025	Number of employed learners entered bursary agreements by 31 March 2025	95	104			100	103	Annual target overachieved +3	More funds became available than initially budgeted, and more learners were supported	No revisions were made
	Employed learners holding bursaries who completed studies by 31 March 2025	Number of SASSETA funded employed learners having bursaries who completed studies by 31 March 2025	37	47			30	38	Annual target overachieved +8	More students successfully completed studies than initially forecasted based on historical data	No revisions were made
	Employed learners entered skills programmes/ short courses by 31 March 2025	Number of employed learners entered skills programmes/short courses by 31 March 2025	1457	1528			2280	2343	Annual target overachieved +63	More funds became available than initially budgeted, and more learners were supported	No revisions were made

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24			Planned Annual Target 2024/25	*Actual Achievement 2024/25 until the date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
	Employed learners completed skills programmes/ short courses by 31 March 2025	Number of employed learners completed skills programmes/short courses by 31 March 2025	915	1016			1961	2070	Annual target overachieved +109	More students successfully completed studies than initially forecasted based on historical data	No revisions were made
Increased access to occupationally directed programmes	Learners entering artisan-related learning programmes by 31 March 2025	Number of learners entering artisan-related learning programmes by 31 March 2025	105	127			200	252	Annual target overachieved +52	More funds became available than initially budgeted, and more learners were supported	No revisions were made
	Learners completing artisan-related learning programmes by 31 March 2025	Number of persons declared competent on Trade Tests by 31 March 2025	53	57			84	118	Annual target overachieved +34	More students successfully completed studies than initially forecasted based on historical data	No revisions were made
	Support the TVET colleges	Number of MOUs entered into with Centres of Specialisations aimed at supporting the centre by 31 March 2025	New indicator	1			1	1	Annual target achieved	Target achieved	No revisions were made
	Employed learners entering RPL programmes by 31 March 2025	Number of learners entering Recognition of Prior Learning Programmes by 31 March 2025	New indicator	51			60	164	Annual target overachieved +104	More funds became available than initially budgeted, and more learners were supported	No revisions were made
	Employed learners completed RPL programmes by 31 March 2025	Number of learners completed Recognition of Prior Learning Programmes by 31 March 2025	New indicator	50			50	138	Annual target overachieved +88	More students successfully completed studies than initially forecasted based on historical data	No revisions were made
	Entrepreneurs supported by 31 March 2025	Number of entrepreneurs supported by 31 March 2025	32	16			20	24	Annual target overachieved +4	More funds became available than initially budgeted, and more learners were supported	No revisions were made
The growth of the public college systems supported.	Unemployed learners entered skills programmes/short courses by 31 March 2025	Number of unemployed learners entered skills programmes/short courses by 31 March 2025	414	486			430	443	Annual target overachieved +13	More funds became available than initially budgeted, and more learners were supported	No revisions were made
	Unemployed learners completed skills programmes/short courses by 31 March 2025	Number of unemployed learners completed skills programmes/short courses by 31 March 2025	360	260			260	415	Annual target overachieved +155	More students successfully completed studies than initially forecasted based on historical data	No revisions were made
Support career development services	Provision of career guidance	Number of career development events in urban and rural areas focusing on occupations in high demand by 31 March 2025	New indicator	29			27	34	Annual target overachieved +7	More funds became available than initially budgeted, and more events were supported	No revisions were made

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24			Planned Annual Target 2024/25	*Actual Achievement 2024/25 until the date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
		Number of Capacity Building Workshops on Career Development Services held by 31 March 2025	New indicator	1			2	2	Annual target achieved	Target achieved	No revisions were made
		Number of learners who completed Workplace-based Learning programmes absorbed into employment or in self-employment by 31 March 2025	New Indicator	New Indicator			30	69	Annual target overachieved +39	This was a new APP target that was set based on employers who did absorb learners in the past, however other employers also absorbed learners and were duly reported upon	No revisions were made

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Employed and Unemployed Learners Entering and Completing Learnerships: Learnerships are learning programmes that are NQF aligned and lead to an occupational qualification. They include classroom and on-the-job training that will result in graduates achieving a national qualification at the end of the learnership. In the current year, SASSETA has enrolled 734 employed and 1, 274 unemployed learners in the following learnerships:

- ODETDP
- IT Technician
- General Security Practices NQF 3
- Generic Management Certificate NQF 4
- Paralegal Practice Certificate NQF 5
- Public Administration Diploma NQF 6
- Traffic Officers Diploma NQF 6

Employed and Unemployed Learners Entering and Completing Skills Programmes: One of the ways a learner can achieve a qualification is through skills programmes, which are shorter, bitesize learning programmes which are ideal for topping up existing skills. Most employed people prefer this to learnerships as they are easy to balance against work demands. In the current year, SASSETA has enrolled 1,512 employed learners and 487 unemployed learners on Skills Programmes.

In line with the National Skills Development Plan (NSDP), SASSETA has partnered with the Western Cape Community Education and Training College in the delivery of Skills Programmes for both entered and completed initiatives. Some of the programmes that were prioritised included the following:

- Mentorship
- Conveyancing
- Fire Fighting
- Conduct internal investigations

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Candidacy: Our partnerships with the legal profession have enabled SASSETA to grow its candidacy programme intake by 45% from 2023/2024. SASSETA's candidacy programme helps facilitate the admission of more LLB graduates as attorneys, and pupils as advocates. It is through the leveraging of its strategic partnerships with Law Society of South Africa (LSSA) and Legal Practice Council (LPC) that SASSETA was able to expand its reach.

SASSETA continued to fulfil its commitment of assisting the legal profession to address its shortage of attorney conveyancers. At least 20 candidate attorneys were exposed to conveyancing work as part of their articles. The following is a summary of some of the key projects which advanced our strategic objectives that were implemented during the period under review:

Unemployed Absorptions: Seventy (70) Learners under various programmes completed and were subsequently absorbed by the employer, which has a positive impact on unemployment in the sector. There has been a considerable increase in the absorptions from prior years. We have included this for the first time as a target in the APP for the 2024/25 financial year. A tremendous amount of emphasis is being given in this area to ensure that we as the SASSETA play a conscious role in assisting to curb the unemployment rate.

The focus of the SETA has shifted to implementing programmes that will help the Not in Employment, Education or Training (NEET) group in the country. To that end, employers are encouraged to recruit learners from deep rural areas and to try and secure employment for these learners after they successfully complete training.

2024/25 challenges

Delays on the evaluation, awarding and implementation of learning programmes, for example, late awards, delays in the evaluation process, manual processes, incorrect documents being submitted, delay in recruitment, enrollment and completion of learners.

2024/25 gains and continuous improvements

- Continuous engagement with quality assurance partners on non-primary focus learning programmes.
- Support of sector to increase the number of workers completing learning programmes, and
- Revised discretionary grant processes to realise efficiency and compliance.
- Stakeholder engagement sessions were held to provide capacity building to stakeholders on pivotal programmes.

Grants and Projects Management (GPM)

During the year under review SASSETA implemented many special targeted projects aimed at dealing with societal challenges. Below is a summary of the impacts of these projects

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• Crowd Psychology Training for South African Police Service Public Order Police.

SASSETA successfully implemented the inaugural SAPS Crowd Psychology Training Programme, a pioneering initiative supported through non-pivotal project funding. This was the first time such a programme had been introduced, requiring the development of new, context-specific content to address emerging challenges in Public Order Policing in the South African Police Service (POP).

The project was delivered in full and achieved all its objectives with 431 POP members trained. Key achievements included the design and rollout of a comprehensive curriculum, the capacitation of OP members through targeted workshops, and the strengthening of partnerships between SAPS, academic experts in University of KwaZulu-Natal, and SASSETA. The successful execution of this project has laid the foundation for future training and policy development in crowd psychology within the law enforcement sector. This project was a response to the Sixth Parliament's call for SASSETA to assist with the training of POP members.

• Driver's License Programme for Unemployed Youth

As part of its commitment to improving youth employability in under-resourced communities, SASSETA successfully implemented a Driver's License Programme targeting unemployed youth in the rural areas of Mpumalanga and Northern Cape Provinces. The programme aimed to equip 150 learners per province with Code 10 (C1) driver's licenses, a critical skill for accessing job opportunities in sectors such as security, policing, security, and emergency services. A total of 150 learners successfully completed the programme in Mpumalanga, with an additional 31 learners who completed in the Northern Cape. The initiative specifically prioritised beneficiaries of previous SASSETA interventions who remained unemployed, thereby reinforcing the SASSETA's impact-driven approach to sustainable skills development. This project has not only enhanced the practical capabilities of the participants but has also improved their chances of meaningful economic participation in their communities.

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• Gender-Based Violence Prevention Programme

SASSETA successfully implemented a comprehensive Gender-Based Violence (GBV) Training and Advocacy Programme in partnership with Tshwane University of Technology (TUT). This impactful initiative, which exceeded its original target by training 1,084 individuals including students, staff, and security personnel in TUT, focused on equipping participants with the knowledge and tools to prevent, respond to, and advocate against GBV within the higher education environment. Through structured training sessions and an innovative advocacy campaign that reached over 1,500 additional individuals, the programme significantly contributed to raising awareness, strengthening campus safety, and building institutional capacity to combat GBV. By fostering collaboration across key stakeholder groups and anchoring the intervention in the specific context of South African higher education, the project demonstrated the power of strategic partnerships in addressing systemic challenges. This programme not only aligns with national imperatives to combat GBV but also positions SASSETA as a leading force in driving transformation and social justice through skills development.

• Ex Offender Social Re-Integration

As part of SASSETA's ongoing commitment to restorative justice, social reintegration, and inclusive economic development, three impactful projects on ex-offender social re-integration were successfully implemented during the year under review. All initiatives were supported by the Department of Correctional Services, further enhancing the effectiveness and reach of these programmes.

- The first project which was implemented in the Eastern Cape, provided 100 parolees, probationers, and ex-offenders with psychosocial support and accredited skills training in high-demand trades such as welding, plumbing, electrical work, and cosmetology, alongside entrepreneurship development and digital literacy to enable sustainable reintegration.
- The second project focused on 10 female ex-offenders in the Western Cape, offering holistic rehabilitation that included trauma counselling, parenting support, life and health skills, addiction recovery, spiritual guidance, and vocational training in sewing, culinary arts, and cosmetology combined with practical placements and tailored startup toolkits.
- Complementing these efforts, SASSETA-funded New Venture Creation Learnership for 30 individuals, parolees, probationers, victims of crime, and broader community members in KwaZulu-Natal. This initiative empowered participants with entrepreneurial competencies to start and manage small businesses, further reinforcing self-reliance and economic inclusion.
- Collectively, these projects exemplify SASSETA's role in driving social impact through skills development and highlight the power of inter-sectoral collaboration in breaking the cycle of reoffending, restoring dignity, and building safer, more resilient communities.

• Capacity Building for Private Security Sector Union Officials

SASSETA has completed a project in collaboration with the National Bargaining Council for the Private Security Sector (NBCPSS) to promote transformation through quality skills development within the sector. This initiative delivered a training programme aimed at enhancing professional competencies of shop stewards of private sector unions.

By uplifting the workforce through education and practical training, this collaboration is helping to professionalise the security industry, ensure safer communities, and promote sustainable employment. The success of this partnership demonstrates the value of aligning sectoral priorities with targeted grant funding and lays the groundwork for future collaborations aimed at empowering security personnel across the country.

11.4 PROGRAMME 4: QUALITY ASSURANCE (ETQA)

Overview

SASSETA, as a QCTO-delegated ETQA body, ensured quality education and training in the safety and security sector. Activities included the rollout of EISA assessments, accreditation of SDPs, and capacity-building workshops. A total of **14,083 certificates** were issued within turnaround time and **4 occupational qualifications** were submitted to QCTO for evaluation and registration.

Key Functional Areas

- Accreditation recommendations of Skills Development Providers and Assessment Centres
- Registration of Assessors and Moderators
- Development and Realignment of Occupational Qualifications
- Learner Certification and Data Upload to NLRD
- Monitoring and Evaluation
- Management of Assessment functions

Capacity Building Workshops

Workshops were held on:

- 26 July 2024
- 16 August 2024
- 18 October 2024
- 19 March 2025

These sessions were instrumental in equipping Skills Development Providers (SDPs) with the knowledge and tools required to align their training and assessment practices with the Quality Council for Trades and Occupations (QCTO)'s updated accreditation framework. The workshops also served as a collaborative platform for sharing best practices, addressing common challenges, and fostering a consistent understanding of compliance expectations across the sector.

PROGRAMME 4: QUALITY ASSURANCE (ETQA)

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23			Audited Actual Performance 2023/24	Planned Annual Target 2024/25	*Actual Achievement 2024/25 until the date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Ensure efficiency in the delivery of occupational qualifications for the safety and security sector	Occupational qualifications submitted to QCTO for registration	Number of qualifications realigned or newly developed in the sector and submitted to QCTO for approval by 31 March 2025	4			4	4	4	N/A	N/A	N/A

First roll-out of the External Integrated Summative Assessments for Occupational Qualifications

The QCTO sets the standards through the model of qualifications, the provisioning as well as the assessments for Occupational Qualifications. The assessment component includes the External Integrated Summative Assessment (EISA). SASSETA as the QCTO delegated Quality Partner (QP) is mandated to manage and monitor the implementation of EISA examinations for Occupational Qualifications.

EISA is a single, national assessment that results in competent learners being awarded Occupational Certificates. The purpose of the final EISA is to allow qualifying learners to become officially recognised as practitioners of a particular trade or occupation. This is an integral and critical component of QCTO's quality assurance system as it ensures that the assessment of occupational qualifications, part-qualification and trades is standardised, consistent and credible.

External Integrated Summative Assessment (EISA)

- Qualification: Occupational Certificate: Non-Commissioned Police Official (56836, Level 6)
- Assessment Dates: 4 & 6 March 2025
- Assessment Centre: SAPS Academy Ulundi
- Learners Qualified: 138 out of 144

Notably, the Department also engaged in the activities summarised in the table below.

Summary of registration for legacy qualifications, Assessors and Moderators and Certificates issued:

No	Category of Accreditation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
1.	Monitoring Visits	15	15	15	15	60
2.	Verification of learner achievement results – External Moderation conducted by SASSETA at Skills Development Providers	70	57	73	66	266
3.	Assessor Registration for Legacy Qualifications	23	55	04	16	98
4.	Moderator Registration for Legacy Qualifications	09	13	14	03	39
5.	Certification on Legacy Qualifications	2445	3942	3119	4577	14083
Recommendation of SDPs for Occupational qualification and Part-qualifications Accreditation to the QCTO						
6.	Recommend Accreditation of Assessment Centres	13	23	10	08	54
7.	Recommend Accreditation of SDP's for Occupational Qualifications	49	21	35	18	123

The following Occupational Qualifications have been realigned and submitted to the QCTO for approval:

No.	Occupational Qualification Title	NQF Level	Credits
1.	Occupational Higher Certificate: Statutory Intelligence Officer	5	158
2.	Occupational Higher Certificate: Special Force Operator	5	127
3.	Occupational Certificate: Defense Intelligence	5	166
4.	Advance Occupational Diploma: Military Detective	5	166

Notes: the first three (3) occupational qualifications were also recommended for registration with South African Authority (SAQA) by the QCTO.

PART

GOVERNANCE, RISK AND COMPLIANCE

REPORT OF THE AUDIT & RISK COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Audit and Risk Committee Responsibility

The ARC reports that it has complied with its responsibilities arising from Sections 51 and 77 of the PFMA and National Treasury Regulation 27.1. The ARC has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this Charter, and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Controls

The system of controls within SASSETA is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance. This is achieved by a risk-based internal audit plan, Internal Audit assessing the adequacy and effectiveness of controls mitigating the risks and the ARC monitoring implementation of corrective actions.

From our review of the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the AGSA, we can conclude that the system of internal control as applied over financial and non-financial matters at SASSETA is generally adequate and effective.

The ARC believes that the internal control environment will continue to improve.

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

- Human Capital review
- Information technology general control environment review
- Cyber and Network Security review
- Information and communication technology security review
- Compliance and Governance review
- Annual Financial Statements review
- Audit of Performance Information review
- Supply Chain Management review
- Discretionary Grants (Including Commitments) review

- Research review
- Quarterly follow-up reviews
- Learning programmes review
- Review of the annual performance report

The ARC has noted Management's commitment to address the internal control environment. The ARC will be monitoring Management's progress in this regard.

Risk Management

The ARC is responsible for the oversight of the risk management function. The Board has adopted a Risk Management Framework, Strategy and relevant policies for SASSETA, in line with the PFMA. SASSETA has established a Risk Management Committee, chaired by an independent ARC member that reports quarterly to the ARC. The risk management processes are reviewed by internal audit. The audit and risk committee is satisfied with the overall risk management function and made recommendations to Management to enhance the risk function.

Progress of digitising the SASSETA environment

SASSETA has embarked on a rigorous reengineering exercise as the foundation to the automation programme to transform the manual business processes of the SETA.

The programme involves every department facilitated involves a cultural shift towards modern technologies, moving from average solutions to advanced, integrated systems.

Some of the key initiatives included deploying a full-fledged cloud environment, implementing Office 365, and overhauling core systems to eliminate manual, paper-driven processes. SASSETA is currently delivering critical projects such as a robust Management Information System, automated SCM procurement, an electronic meeting management system, and an automated enterprise risk management solution. The goal is to complete the full integration of these processes, ensuring a future aligned with cutting-edge technology across all key ICT domains.

In-year Management and Quarterly Report

As a public entity, SASSETA reports monthly and quarterly to the Executive Authority and National Treasury, as is required by the PFMA. The ARC reports its satisfaction with the content and quality of the Quarterly Reports, prepared and submitted by SASSETA during the year under review, to the Executive Authority and National Treasury.

Quarterly ARC Chairperson's Reports are also prepared and submitted to the Board on any matters to be noted as the Accounting Authority.

Evaluation of Financial Statements

The Audit and Risk Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and Management.
- Reviewed the AGSA's Management Report and Management's response thereto.
- Reviewed accounting policies and practices as reported in the Annual Financial Statements.
- Reviewed significant financial reporting judgements and estimates contained in the Annual Financial Statements.
- Reviewed clarity and completeness of disclosures and whether disclosures made have been set properly in context.
- Reviewed the quality and acceptability of, and any changes in, accounting policies and practices.
- Compliance with accounting standards and legal requirements.
- Reflected on unusual circumstances or events and Management's explanation for the accounting treatment adopted.
- Reviewed reasons for major year-on-year fluctuations, including variances of actual versus budget.
- Reviewed specific provisions.
- Reviewed Write-offs and reserve transfers.
- Reviewed the basis for the going concern assumption, including any financial sustainability risks and issues.
- Reviewed adjustments resulting from the audit of the entity.
- Reviewed changes to the Annual Financial Statements as presented by the entity for the year ending 31 March 2025.

- Reviewed the entity's processes for compliance with legal and regulatory provisions.

Evaluation of Report on Predetermined Objectives

The responsibilities of the ARC include the review of performance management. The ARC has in terms of the performance of the SASSETA performed the following functions:

- Reviewed on compliance with statutory requirements and performance management best practices and standards.
- Reviewed the alignment of the APP, budget and strategic plan and compliance with the Framework for managing performance.
- Reviewed the Quarterly Performance Reports and making recommendations for improvement on performance management.

Internal Audit

The entity has established an Internal Audit system under the ARC's control, in compliance with Sections 76 and 77 of the PFMA of 1999.

The primary objective of Internal Audit is to provide independent and objective assurance designed to add value and improve the SETA's operations. It helps the SETA accomplish its objectives by bringing a systematic, disciplined approach to evaluate and recommend improvements regarding the effectiveness of risk and compliance management, internal controls, and governance processes. A risk based annual audit plan for 2024/25 was compiled and approved by the ARC. Internal Audit has evaluated and contributed to the improvement of risk management, controls, and governance systems of the entity through the performance of adequate assurance activities in key areas identified in the risk assessment and by conducting audits in areas mandated by the PFMA and Treasury Regulations.

The Internal Audit function has operated effectively, addressed the relevant risks to SASSETA in its audits, and provided value-adding services to assist the entity in achieving both financial and operational objectives.

Report of the Auditor-General of South Africa

We have on a quarterly basis reviewed the entity's implementation plan for audit issues raised in the prior year and the ARC is satisfied that the matters previously reported have been adequately resolved. The ARC accepts the conclusions of the Auditor-General of SA on the Annual Financial Statements and Performance Reports and is of

the opinion that the audited Annual Financial Statements and Performance Report be accepted and read together with the Auditor-General's report.

Appreciation

The ARC acknowledges the dedication and effort of SASSETA's Executive Management, Management, and Officials. We appreciate the cooperation and information provided by AGSA and the outsourced Internal Audit to help us fulfill our responsibilities.



Mr Faizal Docrat

Chairperson of the Audit and Risk Committee
(Appointed as Chairperson from May 2024)



13 GOVERNANCE, RISK AND COMPLIANCE

13.1 Introduction

SASSETA adheres to governance standards essential for managing public finances and resources through coordinated structures, ensuring effective, efficient, and economical use of resources. Corporate governance is a system of rules, practices and processes by which SASSETA is directed, controlled and held to account.

In addition to legislative requirements, corporate governance at SASSETA is applied through precepts of the Skills Development Act and runs in tandem with the principles contained in King's Report on Corporate Governance.

13.2 Portfolio Committees

The Portfolio Committee on Higher Education and Training is appointed to perform an oversight role on the work performed by the DHET and its entities which also includes SASSETA.

The role of the Portfolio Committee is to:

- Deal with the entities Strategic Plans, Sector Skills Plans, Annual Performance Plans and Budgets.
- Consider Bills.
- Deal with departmental budget votes; and
- Oversee the work of the Department and its entities and enquire and make recommendations about any aspect of the Department and its entities, including its structure, functioning and policies.

The work of the Committee is not restricted to government. The Committee can investigate any matter of public interest that falls within their area of responsibility.

The Board of SASSETA received an invitation to present its organisational Annual Report for the 2023/24 financial year to the Portfolio Committee on Higher Education and Training on 16 October 2024. The committee appeared before the Parliamentary oversight committee on the 16 October 2024.

The following members of the Board and Executive Management represented SASSETA:

- Mr C Mudau- Accounting Authority Chairperson and Board Member
- Mr K Moyo- Board Member
- Ms Luzipo- Board Member
- Mr T Mdontswa -Chief Executive Officer
- Mr I Diale – Chief Financial Officer
- Mr V Memela – Executive Manager Skills Planning and Research
- Mr J Amod- Exec Learning Programmes & Projects
- Mr M Dlanga -Secretary to the Accounting Authority

13.3 Executive Authority

SASSETA's Accounting Authority accounts to the Minister of Higher Education, who, in turn, accounts to Parliament and the Parliamentary Portfolio Committee on Higher Education, Science and Technology. In terms of section 13 of the enabling legislation, the Minister must approve SASSETA's Constitution. Thus, in executing accountability and responsibility functions, the Executive Authority exercises its powers in terms of the Public Finance Management Act, the Skills Development Act, SASSETA's Constitution and any other applicable legislation.

The Executive Authority exercises its powers and authority to ensure that the implementation of the SASSETA objectives and functions comply with the SDA and policies of the SETA. The Executive Authority is the Minister of Higher Education and Training. The Minister monitors the SETA's performance through quarterly reports and interactions with the Board. The following reports were submitted for review and approval to the Minister, in line with the SDA, PFMA and other relevant legislative frameworks:

- Sector Skills Plan 2024/25.
- Strategic Plan, Annual Performance Plan and Budget 2024/25.
- Annual Report 2024/25.
- Quarterly Performance Reports 2024/25.

13.4 Accounting Authority

The Board is the Accounting Authority responsible for overseeing the application of corporate governance principles and carry out fiduciary duties as contemplated in the SDA and the PFMA. SASSETA is led by an effective and efficient Board comprising of non-executive members with the requisite skills and knowledge of the sector. The Board is responsible for providing strategic direction and to ensure that risk management and internal control environment exists.

In addition to provisions on accountability within the legislative framework and governance prescripts, the Accounting Authority has the following responsibilities:

- Govern and manage SASSETA in accordance with legislation.
- Set organisational culture.
- Provide policy and strategic direction and oversee implementation.
- Review management performance and oversee risk management.
- Ensure the objectives and functions of SASSETA comply with the constitutional, legislative and policy mandates.
- Act as the focal point for and custodian of corporate governance by managing its relationship with Management, the Executive Authority, and other stakeholders of SASSETA along sound corporate governance principles.
- Appreciate that strategy, risk, performance, and sustainability are inseparable and give effect to this by:
 - Contributing to and approving the strategy.
 - Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management.
 - Identifying key performance and risk areas.
 - Ensuring that the strategy will result in sustainable outcomes.
 - Provide effective leadership on an ethical foundation.
 - Approve policies and ensure that they have been implemented by management.
 - Ensure that SASSETA's ethics are managed effectively.
 - Ensure that SASSETA has an effective and independent Audit & Risk Committee.

- Be responsible for the governance of risk.
- Be responsible for Information Technology (IT) governance.
- Ensure that the entity complies with applicable laws and considers adherence to non-binding rules and standards.

Board Charter

SASSETA has adopted a Board Charter, and it conducted its operations in the financial year under review in line with its approved charter and its Constitution. SASSETA approved Board Charter covers the following areas:

- Composition of the Accounting Authority
- Duties and powers of the Accounting Authority
- Roles and Responsibilities of the Accounting Authority
- Meeting procedures
- Delegation of powers
- Confidentiality
- Reporting
- Secretariat support to the Accounting Authority
- Remuneration of members of the Accounting Authority
- Accessibility of information
- Evaluation of the members of the Accounting Authority

13.5 Risk Management

SASSETA is committed to maintaining an effective, efficient and transparent system of risk management that supports the achievement of the organisation's strategic and operational objectives, as required in terms of Section 38(2)(i) of the PFMA. SASSETA's risk management function operates within an approved Risk Management Strategy and Policy. Operational risk assessments are in place and are reviewed multiple times during the year, while strategic risk assessments are conducted annually.

The Governance, Risk and Compliance Department is responsible for driving risk management activities within SASSETA. The Department conducts its work in line with an annual risk management plan that covers risk planning, risk orientation, risk assessment, risk response and monitoring. The Audit and Risk Committee oversees all risk management activities and receives frequent reports from management on all risk management activities, including mitigation actions. During quarterly Audit and Risk Committee sittings, the Audit and Risk Committee

advises the entity on risk management and provides input on reported risk information.

Risk assessments were conducted at strategic and operational levels, including the consideration and/or incorporation of possible emerging risks. SASSETA's Risk Management Strategy formalise the guiding principles for the SETA's management of risk. The monitoring of all organisational risks is the responsibility of Management who are in the context of SASSETA "Risk Champions", while the implementation of the mitigating factors and corresponding plans for these risks are the responsibility of all SASSETA staff. The SASSETA's Risk Management Policy promotes a standard approach to enterprise risk management (ERM) to ensure that all risks that could affect the organisation's strategy, reputation, business processes and systems, financial and environmental performance are identified, assessed, and mitigated to an acceptable level. Management and monitoring of the risk management framework through regular risk assessments and reporting by risk champions outlining the relevance, progress, and status of risks treatments.

SASSETA conducts annual risk assessments and evaluates new risks as they arise. This aims to identify critical risks and create appropriate strategies and action plans for mitigation.

The implementation of effective risk management processes ensured that SASSETA continued to achieve a level 5 risk maturity assessment level from the National Treasury on 31 March 2025. SASSETA has an optimised risk maturity level with a continuous focus of embedding the risk culture across the organisation. The ERM's efforts, during the year under review, have resulted in the mitigation of the main inherent risks that SASSETA was exposed to, thus contributing towards reducing the residual risk exposure to be within acceptable levels.

Risk management processes, including Business Continuity Management (BCM), are proactively monitored. Measures have been put in place to reduce the impact of disaster. The Occupational Health and Safety (OHS) Committees and appointed Compliance Officers actively monitor health and safety of employees, as prescribed by the various legislation and regulations.

13.6 Internal Controls

The Governance, Risk and Compliance department is responsible for driving all risk management activities in line with the annual Risk Management Plan. The department is also responsible for monitoring the overall internal control environment and required action plans, mitigation measures and improvements. During the current year, the Department improved SASSETA's overall compliance

environment by enhancing the compliance universe and supporting monitoring measures.

Management also tracks the implementation and report on audit recommendations through Audit Action Plans, and further supports Management to maintain effective, efficient, and transparent systems of internal controls.

The control environment consists of policies and procedures, reviewed regularly to ensure SETA fulfills its responsibilities, complies with legislation, and manages risks effectively.

13.7 Internal Audit

The entity has appointed an outsourced independent internal audit function, which conducts its activities according to an approved Internal Audit Charter. Internal Audit's objective is to provide independent, objective assurance and consulting services designed to add value and improve SASSETA's operations.

For the financial year under review, Internal Audit fulfilled the audit activities in terms of the internal audit coverage plan approved by the Audit and Risk Committee. This was achieved by:

- Auditing control systems and submitting internal audit reports identifying weaknesses and recommending improvements in respect of various processes within SASSETA.
- Conducting follow-up audits to determine whether areas of improvement as recommended by the AGSA and Internal Audit have been implemented.
- Providing an overall opinion regarding the adequacy and effectiveness of the internal control environment within SASSETA.
- Coordinating and reporting on combined assurance processes within SASSETA.

Internal Audit also fulfilled its responsibility to the Audit and Risk Committee by providing administrative support and reporting on the organisation's control environment deficiencies.

The following audits were conducted during the 2024/25 financial year:

- Learning programmes
- Audit of predetermined objectives
- Information technology general control environment review
- Cyber and Network Security review

- Information technology security audit
- Human capital audit
- System Implementation review
- Financial controls review
- Supply chain management review
- Projects, contracts and commitments review
- Review of the annual financial statements for compliance to the GRAP standards
- Review of the annual performance report

13.7.1 Audit and Risk Committee

The Audit and Risk Committee of SASSETA is established in terms of Sections 76(4)(d) and 77 of the PFMA 1999 and performs its duties in terms of a written terms of reference (the Audit and Risk Committee Charter).

The status of the Audit and Risk Committee is an independent advisory committee comprising three independent external members and two Board Members. Its role is to independently monitor activities within the SETA, and to report and make recommendations to the Accounting Authority.

Attendance of Audit and Risk Committee Meetings by Audit and Risk Committee Members

The ARC consists of the members listed below, all of whom are independent of SASSETA. The Committee meets at least four times per annum as per its approved terms of reference. During the financial year under review, eight meetings were held. The table below discloses relevant information on the ARC members.

Members	Designation	Number of Meetings Attended
Mr F Docrat	Independent non-executive member and Chairperson from May 2024 until 2027.	8
Mr H Nkanyane	Independent non-executive member – Reappointed again from May 2024 until 2027	8
Mr. B Gutshwa	Independent non-executive member and from May 2024 until 2027.	8
Mr E Tshilambavhumwa	Accounting Authority representative: Organised Labour until 31 March 2025.	8
Ms N Luzipo	Accounting Authority representative: Employer representative until 31 March 2025.	8

13.8 Compliance with Laws and Regulations

SASSETA monitors compliance with the applicable legislation and regulations through its compliance universe. Compliance requirements are cascaded to the responsible departments and monitored centrally by the Governance, Risk and Compliance Department, which monitors non-compliance matters raised by independent assurance providers. Management is included in various subscriptions to receive regular updates on regulatory requirements.

The governance compliance assurance against the PFMA and National Treasury Regulations are submitted to the DHET quarterly.

13.8.1 PAIA Disclosure

To demonstrate compliance and transparency in relation to the Promotion of Access to Information Act (PAIA) SASSETA would like to disclose the following:

1. The number of requests for access to information received: 0
2. The number of requests that were granted: 0
3. The number of requests that were refused: 0

The SASSETA PAIA Manual can be found at www.sasseta.org.za any request about access to information can be addressed to the Information Officer

13.8.2 POPI Disclosure

To demonstrate compliance and transparency in relation to the Protection of Personal Information Act (POPIA) SASSETA would like to disclose the following:

1. Data Protection Policies: The data protection policy has been developed and implemented in the 2024-2025 financial year.
2. Processing of Personal Information: All personal information is processed in line with the data

protection policy and consent is obtained from the data owners through a disclaimer found on all learner enrolment forms.

3. Data Breaches: No data breaches were reported in the SASSETA environment for the 2024-2025 financial year.
4. Future Plans: SASSETA will conduct more regular compliance audits and has plans to include a POPI compliance checklist to the quarterly monitoring framework of the SETA

Any information about the implementation of the POPIA can be addressed to the Information Officer.

13.9 Fraud and Corruption

The entity has an approved Fraud Risk Assessment and Fraud Prevention Plan in place to assist with preventing fraud. Progress against the plan is reported quarterly to the applicable governance committees, while fraud risks are included in operational and strategic risk registers for monitoring.

All employees and Governance Committee members ascribe to SASSETA's Code of Conduct which prescribes the expected level of ethical conduct. The entity has a Whistle-blowing Policy and hotline in place. The Governance, Risk and Compliance Department investigates reported incidents and reports them to the Audit and Risk Committee quarterly.

13.10 Minimising Conflict of Interest

Several measures are in place to minimise conflicts of interest. Employees and Governance Committee members declare interests annually. These are monitored throughout the year to protect the SETA from any form of conflicts risks. At all relevant committees (governance committees, tender committees, discretionary grants committees, etc.), members declare any interests. Where interest is declared, the affected members are recused from decision making. All bidders are also given the opportunity to declare potential conflicts in the Standard Bidding Documents, and any interests identified are assessed and dealt with appropriately before bids are awarded.

13.11 Code of Conduct

SASSETA's Code of Conduct Policy ensures that its business is conducted in the interests of SASSETA and conforms with the Constitution of SASSETA, as well as with the legislation and regulations governing SASSETA's activities and business practices. The code of conduct is

applicable to all employees.

13.12 Health, Safety and Environmental Issues

The OHS is, and remains, a priority for SASSETA in ensuring a continuous monitoring and implementation of strategies to eliminate recognised hazards by creating awareness and educating employees about OHS issues. This in turn provides assurance to employees, users and visitors that SASSETA offices are safe, with risk of injury minimised. Given the character of SASSETA and the services it provides, the importance of compliance with OHS regulations cannot be overemphasised.

The SASSETA has made statutory appointments to assist in ensuring the safety of employees. OHS Committees are in place, both at the Head Office and at regional level.

Training sessions are conducted on a regular basis to ensure that Committee Members are up to date with legislation and their roles and responsibilities as statutory OHS Officers. Compliance with OHS regulations is insisted upon, and regular inspections, assessments and maintenance are conducted to ensure the sustenance of a safe and healthy environment.

13.13 Accounting Authority Secretary

The Accounting Authority Secretarial duties are performed by full time Company Secretary who reports administratively to the Chief Executive Officer (CEO) and functionally to the Accounting Authority. The Company Secretary resumed duties on Monday 02 September 2024. The function is mandated among others, to provide governance advisory and secretariat services to SASSETA's governance structures. It also requires, to ensure the functionality of the governance structures of SASSETA to mitigate governance failures, improve organisational and governance processes, as well as to assist the organisation strive for maximum compliance to legislation, policy and best practice.

13.14 Social Responsibility

SASSETA recognises that effective governance and strong stakeholder relationships generate internal and external value. Throughout the year, SASSETA promoted social, environmental, and corporate governance, improved relationships with key stakeholders, and implemented initiatives to foster a unified culture within the organisation and the sector. SASSETA consistently upholds the highest ethical standards to enhance our corporate reputation as a leader in the safety and security sector.

13.15 Audit Committee

The Audit and Risk Committee (ARC) plays an important role in ensuring that an entity functions according to prescribed good governance (PFMA and King IV Principles), accounting and audit standards. It also monitors and evaluates the adoption and implementation of appropriate risk, compliance, and combined assurance management frameworks.

The ARC provides an oversight function on governance, control, and risk management processes by reviewing financial statements, reports from the Internal and External Auditors, status of internal control, compliance, combined assurance and Risk Management.

The key activities and objectives of the ARC can be summarised as entailing reviews and the dispensing of other pertinent functions in respect of the following areas:

- The efficiency and effectiveness of the system of internal control applied by the SASSETA.
- Risk Management and its effectiveness, efficiency and transparency and King IV Principles.
- The effectiveness of the Internal Audit function.
- The adequacy, reliability and accuracy of the financial and performance information provided by Management to various stakeholders.
- The SASSETA's compliance with legal and regulatory provisions.
- Any accounting and audit concerns identified because of Internal and External Audits performed.
- The scope and results of the External Audit function, its cost-effectiveness, as well as the independence and objectivity of the AGSA.
- Reporting to the Executive Authority and the AGSA where a report implicates the Accounting Officer in fraud, corruption or gross negligence.
- Communicating any concerns is deemed necessary to the Executive Authority, AGSA and Internal Audit function.
- Approving the Audit and Risk Committee Charter, Internal Audit Charter, Policy and Plan.
- Reviewing the Annual Financial Statements and Annual Performance Report prior to and after the annual audit.

13.16 B-BBEE Compliance Performance Information

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) regarding the following:

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	SASSETA is not required to issue licences, concessions, or other authorisation in respect of economic activities in terms of the law. The mandate of SASSETA is to advance skills development and training within the safety and security sector.
Developing and implementing a preferential procurement policy?	Yes	Procurement is done in line with SASSETA's Supply Chain Management Policy, which is aligned with the preferential procurement prescripts of the PFMA
Determining qualification criteria for the sale of state-owned enterprises?	No	SASSETA does not have a mandate to participate in the sale of state-owned enterprises and does not contemplate participating in such.
Developing criteria for entering partnerships with the private sector?	Yes	Through its partnership model and Discretionary Grants regime, SASSETA enters private sector partnerships to advance various mutually beneficial goals.
Determining criteria for awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	SASSETA's Grants Policy prescribes the criteria and guidelines used to determine the allocation of Mandatory and Discretionary Grants.

PART



HUMAN RESOURCE MANAGEMENT

14 HUMAN RESOURCE MANAGEMENT

14.1 Introduction

The Human Resource Sub-programme is fundamental to the success of SASSETA. Through full employment practices, advisory and guidance services to Management and employees, it ensures optimum and efficient utilisation and development of human capital.

Some of the key functions performed by the Human Resource Sub-programme include Performance Management of staff, Human Resources Development, Recruitment and Selection, Staff Retention, Employee/Labour Relations, Employee Benefits, Employee Wellness, Leave Administration and Occupational Health and Safety.

14.2 Human Resources Priorities for the Year Under Review and Impact of these Priorities

The following priorities dominated the human resource landscape at SASSETA during the year under review:

• Skills Development of Staff

Skills development of staff was a top priority. Numerous HR development interventions in the form of skills programmes (short courses) and qualifications were implemented. Skilled employees contributed to outstanding performance of SASSETA.

• Retention of Staff

Retained personnel ensured continuity of SASSETA business and reduction in recruitment costs.

• Integrated human resources system

Some adjustments were made in the integrated HR System by adding new features to improve efficiency in HR operations.

• Workforce Planning Framework and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

- Changes in the skills development landscape called for the attraction of new talent (skills and knowledge) in the organization. This is more of the case with Quality Council for Trade and Occupations (QCTO) taking over some functions that were initially performed by the Education and Quality Assurance (ETQA) Department within the SETA. The following two (2) critical

ETQA positions were filled:

- Learning Programme Evaluation Specialist
- Assessment and Workplace Practitioner

Other critical positions that were filled are:

- Board Secretary
- Learning Programmes Manager
- Supply Chain Management (SCM) Specialist
- Marketing and Communications Practitioner
- Certification Administrator
- Multimedia and Social Media Administrator
- Strategic Projects Administrator
- Learning Programmes Administrators (2)
- Learner Registration Administrator (2)
- 2 x Learning Programmes Practitioners (24 months fixed-term contracts)
- PA to the CEO (fixed-term contract)
- Monitoring, Evaluation and Reporting Practitioner
- Human Resources Administrator

- Different platforms were used to attract and recruit a skilled and capable workforce.
- Market-related remuneration benefits are offered to attract a skilled and capable workforce.

• Employee Performance Management Framework

The Performance Management System (PMS) was successfully executed during the year under review. The organisation achieved 100% overall performance during the year under review.

• Employee Wellness Programme

- Two Employee Wellness Days were held to benefit the employees, one of which was aligned with World Aids Day commemoration.
- SASSETA's partnership with a wellness service provider during the year under review delivered dividends by empowering employees to take control of their well-being, living more productive work lives and more enhanced private lives.
- Employees have year-long, 24-hour access to counselling services provided in all South African languages.

- SASSETA Provident Fund Administrator, Old Mutual, assisted with the implementation of a two-pot retirement system on 1st of September 2024.
- Sponsoring staff teams to participate in competitions as part of Employee Wellness.

• Policy Development

The two amended and approved policies:

- Recruitment & Selection Policy, and
- Human Resources Development (HRD) Policy. were implemented.

• Achievements

The following are achievements:

- All set HR targets were achieved.
- All labour disputes between SASSETA and Labour that had arisen were resolved amicably.

Legislative requirements were complied with, in terms of submitting mandatory HR documents as follows:

- 2024/2025 Workplace Skills Plan (WSP) was submitted to the ETDP SETA (affiliating SETA) and implemented the plan through various training interventions. The Annual Training Report (ATR) for 2023/2024 was also prepared and submitted accordingly.
- 2023/2024 Tax Certificates (IRP5's) were issued to all employees.
- 2024 Employment Equity (EE) Report was submitted to the Department of Employment and Labour.
- Return on Earnings file was submitted to the Department of Employment and Labour and a Letter of Good Standing was obtained.

• Challenges Faced by the Public Entity

- Two important concepts of Service Delivery Model review and Staff Satisfaction survey were not implemented due to failure by bidding service providers to meet set minimum evaluation criteria.
- Most vacancies could not be filled due to budget constraints.
- Some positions could not be filled timeously because internal staff do not fit competencies of job profiles for those vacant positions.
- Inadequate willingness of staff to make use of available skills development opportunities.
- Collapsing of the collective bargaining structure, Labour Management Forum (LMF)

• Future HR Plans/Goals

- Review of some HR Policies to improve work environment and subsequent service delivery.
- Conduct staff climate survey to establish the perceptions of employees towards the organisation and address their concerns to retain talent.
- Implementation of a well-structured business service delivery model to improve services rendered to our stakeholders within the sector.
- Implementation of an advanced integrated Human Resources System to improve efficiency in Operations HR.
- Revival of the collective bargaining structure to promote and maintain harmonious labour relations.

14.3 Human resources oversight statistics

Personnel cost by programme

PROGRAMME	Total expenditure for the entity	Personnel expenditure	Personnel exp. as a % of total expenditure.	No. of employees	Average personnel cost per employee
	R'000	R'000	R'000		R'000
Programme 1	115 960	43 833	8%	59	743
Programme 2	137 505	20 895	4%	18	1161
Programme 3	294 039	30 768	5%	47	655
Programme 4	23 104	14 165	3%	21	675

Personnel cost by salary band

LEVEL	Personnel expenditure	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee
	R'000	R'000		R'000
Top Management	2 597	3%	1	2 597
Senior Management	7 303	8%	4	1 826
Professional qualified	17 490	18%	12	1 457
Skilled	30 788	33%	39	789
Semi-skilled	33 945	36%	81	419
Unskilled	2 427	3%	15	162

Performance rewards

PROGRAMME	Performance Rewards	Personnel Expenditure	% of Performance Rewards to Total Personnel Cost
		R'000	R'000
Top Management	176	2 597	7%
Senior Management	423	7 303	6%
Professional qualified	1127	17 490	6%
Skilled	1994	30 788	6%
Semi-skilled	2 051	33 945	6%
Unskilled	109	2 427	4%

Training costs

PROGRAMME	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel cost.	No. of Employees Trained	Average Training Cost per Employee
	R'000	R'000			R'000
Programme 1: Administration	43 833	450	1%	45	0.1
Programme 2: Research, Skills Planning & Reporting	20 895	196	1%	17	0.09
Programme 3: Learning Programmes	30 768	370	1%	34	0.09
Programme 4: Quality Assurance	14 165	170	1%	14	0.08

Employment and vacancies

PROGRAMME	2024/2025 No. of Employees	2021/2022 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of Vacancies Programme
Programme 1: Administration	52	62	52	20	32%
Programme 2: Research, Skills Planning & Reporting	23	32	23	12	38%
Programme 3: Learning Programmes	39	73	39	24	32%
Programme 4: Quality Assurance	21	26	21	11	42%

LEVEL	2024/2025 No. of Employees	2021/2022 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of Vacancies
Top Management	1	1	1	0	0
Senior Management	4	7	4	3	43%
Professional qualifie	12	13	12	1	8%
Skilled	39	36	39	26	72%
Semi-skilled	73	33	73	36	109%
Unskilled	7	4	7	1	25%
TOTAL	136	94	136	67	N/A

Note: Some positions could not be filled timeously because internal staff do not fit competencies of job profiles for those vacant positions.

Employment changes

SALARY BAND	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	1	0	0	1
Senior Management	3	1	0	4
Professional qualified	11	1	0	12
Skilled	37	4	2	39
Semi-skilled	77	5	9	73
Unskilled	7	0	0	7
TOTAL	136	11	11	136

The movements happened as a result of:

- existing staff members appointed in senior positions and new recruits hired to capacitate the organisation to carry its mandate;
- resigning employees; and
- one (1) retirement

Reasons for staff leaving.

Reason	Number	% of Total Number of Staff Leaving
Death	0	0
Resignation	5	5
Dismissal	0	0
Retirement	1	1
Ill-health 0	0	0
Expiry of contract	0	0
Other	0	0
Total	6	100%

- Five resignations were due to employees leaving SASSETA to pursue their careers elsewhere.
- One employee retired.

14.4 Labour relations: misconduct and disciplinary action

Nature of Disciplinary Action	Number
Verbal Warning	2
Written Warning	1
Final Written warning	0
Dismissal	0

Equity target and employment equity status

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	3	1	0	1	0	0	0	0
Professional qualified	6	0	0	0	0	0	0	0
Skilled	13	1	1	4	1	4	0	5
Semi-skilled	11	2	0	1	0	1	0	0
Unskilled	2	0	0	0	0	0	0	0
TOTAL	36	4	1	6	1	5	0	5

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	2	0	1	1	0	0	0
Professional qualified	4	1	0	1	2	0	0	1
Skilled	23	2	1	1	0	0	0	1
Semi-skilled	62	2	0	2	0	0	0	0
Unskilled	5	0	0	0	0	0	0	0
TOTAL	94	7	1	5	3	0	0	2

LEVELS	EMPLOYEES WITH DISABILITIES			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	1	1	1
Unskilled	0	0	0	0
TOTAL	0	1	1	1

Note: Most vacancies could not be filled due to budget constraints.





PART

E



PMFA COMPLIANCE REPORT

15 PMFA COMPLIANCE REPORT

15.1 Irregular Expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025 R'000	2023/2024 R'000
Opening balance	46	
Add: Irregular expenditure confirmed	1 358	1 256
Less: Irregular expenditure condoned		
Less: Irregular expenditure not condoned and removed		
Less: Irregular expenditure recoverable		
Less: Irregular expenditure not recovered and written off	(1 358)	(1 210)
Closing balance	46	46

Irregular expenditure to the amount of R1 358 million indicated above was written off by the Accounting Authority during the financial year. This irregular expenditure relates to unfortunate non-compliance with the SETA Grant regulations which occurred in the previous years at the Department of Higher Education and Training and was also not condoned by the National Treasury. The National Treasury directed that the Accounting Authority write-off this Irregular Expenditure.

Reconciling Notes to the Annual Financial Statement Disclosure

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure that was under assessment in 2024/25		
Irregular expenditure that relates to 2023/24 and identified in 2024/25		
Irregular expenditure for the current year	1 358	1 256
Total	1 358	1 256

During the year ended March 2025, no amount was identified as irregular expenditure incurred in 2023/24 but was identified in the 2024/25 financial year.

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

Description ²	2024/2025 R'000	2023/2024 R'000
Irregular expenditure under assessment		
Irregular expenditure under determination	-	46
Irregular expenditure under investigation	-	
Total	-	46

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure condoned		
Total	-	-

No irregular expenditure was under determination in the current year.

c) Details of current and previous year's irregular expenditure condoned

There was no irregular expenditure condoned in the current and previous year by National Treasury.

d) Details of current and previous year's irregular expenditure removed - (not condoned)

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure NOT condoned and removed		
Total	-	-

There was no irregular expenditure not condoned by the Accounting Authority.

e) Details of current and previous year's irregular expenditure recovered

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure recovered		
Total	-	-

There were no recoveries made due the no loss occurred regarding any irregular expenditure

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

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure written off	1 358	1 210
Total	1 358	1 210

This irregular expenditure relates to unfortunate non-compliance with the SETA Grant regulations which occurred in the previous years and was also not condoned by the National Treasury. This matter was in principle referred to the Accounting Authority to consider writing-off of irregular expenditure not condoned by the National Treasury. The Accounting Authority resolved to write off this expenditure as directed by the National Treasury.

On May 2022, the DHET provided feedback to the SETAs that the National Treasury did not grant a blanket condonation about the irregular expenditure associated with payments to certain members of the Accounting Authority. SASSETA initiated a request to write off this expenditure and the Accounting Authority resolved to write off the amount.

The determination tests were performed on all instances of irregular expenditure, and the following was the outcome:

- There was no need for disciplinary or criminal actions regarding the irregular expenditure incurred.

- The matter is free from fraudulent, corrupt or criminal acts.
- The SETA did not suffer loss due to the transaction.
- Non-compliance has been addressed to avoid any recurrence.

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

The SETA did not enter any inter-institutional arrangements which triggered any form of non-compliance.

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

The SETA did not enter any inter-institutional arrangements which triggered any form of non-compliance.

i) Details of current and previous year's disciplinary or criminal steps taken because of irregular expenditure

As a result of the determination tests performed on irregular expenditure incurred, no disciplinary or criminal steps were as there was no basis for such.

15.1. FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance		
Add: Fruitless and wasteful expenditure confirmed		
Less: Fruitless and wasteful expenditure written off		
Less: Fruitless and wasteful expenditure recoverable		
Closing balance	-	-

No Fruitless and Wasteful Expenditure was incurred during the financial year.

Reconciling Notes to the Annual Financial Statement Disclosure

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment		
Fruitless and wasteful expenditure that relates to previous year and identified in 2024/25		
Fruitless and wasteful expenditure for the current year	-	
Total	-	

b) Details of the current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment		
Fruitless and wasteful expenditure under determination	-	
Fruitless and wasteful expenditure under investigation		
Total	-	

c) Details of current and previous year fruitless and wasteful expenditure recovered

Based on the determination test performed, no fruitless and wasteful expenditure was recovered.

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	-	22
Total	-	22

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

This represents the amount written off in the current year by the Accounting Authority.

e) Details of current and previous year disciplinary or criminal steps taken because of fruitless and wasteful expenditure

The SETA did not incur any fruitless and wasteful expenditure in the current year.

Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))

The SETA did not incur any material losses in terms of PFMA Section 55(2)(b)(1) and (iii) for the current and prior years. Therefore, no further disclosure is needed in this regard. However, the SETA wrote-off a contingent asset of R160 thousand triggered by a Discretionary Grant service provider who did not pay over the stipends amount to the beneficiary learners. The SETA tried to follow-up on this amount and the recovery process of this amount would not be cost effective.

15.2 INFORMATION ON LATE AND/OR NON-PAYMENT OF SUPPLIERS

The SETA processes payments to invoices within 30 days from date of receipt of the invoices as required by the Treasury Regulations. All non-compliant invoices are rejected and returned to the respective service providers when not supported by the milestones and deliverables agreed upon. When such invoices are returned by the service providers to the SETA, the 30 days is determined from the date of re-submission on condition of meeting milestones and deliverables agreed upon and the related supporting documentation. Therefore, the SETA does not have any late and/or non-payment of suppliers.

Description	Number of Invoices	Consolidated Value
		R'000
Valid invoices received		
Invoices paid within 30 days or agreed period		
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

15.3 INFORMATION ON SUPPLY CHAIN MANAGEMENT

Procurement by Other Means

No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
1.	Appointment of Attorneys to represent SASSETA in the matter of South African Professional firearms trainers' council NPC (SAPFTC) v the quality Council for trades and Occupation & others, Case No 2024/066460 Gauteng Division (Pretoria) of the High Court	Cheadle Thompson & Haysom Inc Attorneys	Single source	N/A	R1,000,000.00
2.	Procurement of emergency medical services for employee wellness day	Gauteng Provincial Government GPG Health DIR EMS	Single source	N/A	R2,933.00
3.	Appointment of Government Communications and Information Systems department (GCIS) for placement of all SASSETA adverts/ campaigns	Government Communications and Information Systems departmental	Single source	N/A	R5,000,000.00
Total					R6,002,933.00

Contract variations and expansions above 15% of the initial contract value

No	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
1.	The Provision and Implementation of the Integrated Management Information System (IMIS) Contract	Solugrowth (Pty) Ltd	Expansion	RFP/SAS-SETA/201819128/1	R8,407,975.76	R14,583,781.67	R3,498,896.81
Total							R3,498,896.81

PART

F

FINANCIAL INFORMATION

16 REPORT OF THE AUDITOR-GENERAL

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

Report on the audit of the financial statements

Opinion

1. I have audited the separate financial statements of the Safety and Security Sector Education and Training Authority (SASSETA) set out on pages 73 to 123, which comprise the statement of financial position as at 31 March 2025, statement of financial performance a, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the SASSETA as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and the SDA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at on page 71, forms part of my auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measure 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, skills planning and reporting	25 - 28	To institutionalise and strengthen mechanisms for skills planning, research, monitoring, evaluation and reporting for the safety and security sector.
Programme 3: learning programmes	29 - 39	To reduce the scarce and critical skills gap in the safety and security sector through the provisioning of quality learning programmes.
Programme 4: quality assurance (ETQA)	40 - 42	To develop quality occupational qualifications that are responsive to occupations in high demand.

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

Other matters

16. I draw attention to the matters below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

Report on compliance with legislation

18. 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.
19. 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.
20. 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.
21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. 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.
23. 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.
24. 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.
25. 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

26. 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.
27. I did not identify any significant deficiencies in internal control.

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 International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1. Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 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)
Second amendment National Treasury Instruction note. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction note. 5 of 202/21	Paragraph 2
National Treasury instruction note 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury instruction note 1 of 2021/22	Paragraph 4.1
National Treasury instruction note 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction note 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction note 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM instruction note 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice note 11 of 2008-9	Paragraph 2.1; 3.1 (b)
Practice note 5 of 2009-10	Paragraph 3.3
Practice note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

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ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements FOR THE YEAR ENDED 31 March 2025, set out on pages 2 to 53, have been approved by the Accounting Authority in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), No 1 of 1999 as amended, and are signed on their behalf by:



Mr. TE Mdotswa
Chief Executive Officer and Interim Accounting Authority

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2025

	Note	2024/25 R'000	Restated 2023/24 R'000
REVENUE			
Non-exchange transactions			
Skills Development Levy: Income	2	631,738	587,820
Skills Development Levy: Penalties and interest	3	9,338	8,667
Exchange transactions			
Investment income	4	62,489	58,812
Other income	5	1,025	165
Total Revenue		704,590	655,463
EXPENSES			
Employer grant and project expenses	6	(422,708)	(413,050)
Administration expenses	7	(219,383)	(198,427)
Total Expenses		(642,091)	(611,476)
NET SURPLUS FOR THE YEAR	1	62,499	43,987

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2025

	Note	2024/25 R'000	Restated 2023/24 R'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	8.1	11,003	13,387
Work in progress	8.2	8,257	4,138
Intangible assets	8.3	5,214	6,190
		24,474	23,714
Current Assets			
Receivable from non-exchange transactions	9	8,199	7,328
Receivable from exchange transactions	9	5,020	5,936
Inventory	10	2,815	2,548
Cash and cash equivalents	11	829,668	761,746
		845,701	777,557
Total Assets		870,176	801,272
EQUITY AND LIABILITIES			
Non-Current Liabilities			
Finance lease obligations	12	1,623	255
		1,623	255
Current Liabilities			
Trade and other payables from non-exchange transactions	13	100,610	93,206
Trade and other payables from exchange transactions	13	11,255	14,424
Current portion of finance lease obligation	12	817	548
Provisions	14	21,051	20,519
		133,733	128,697
Total Liabilities		135,356	128,952
NET ASSETS		734,820	672,320
Funds and Reserves			
Administration reserve		24,474	23,714
Employer grant reserve		106	483
Discretionary reserve		710,241	648,124
TOTAL FUNDS AND RESERVES		734,821	672,321
TOTAL NET FUNDS AND LIABILITIES		870,176	801,272

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2025

Notes	Administra- tion Reserve	Employer Grant Reserve	Discretion- ary Reserve	Unappropri- ated surplus	Total
	R'000	R'000	R'000	R'000	R'000
Restated balance as at 1 April 2023	27,527	458	600,349	-	628,335
Net surplus as per Statement of Financial Performance	-	-	-	43,987	43,987
Prior period error adjustment	19	58	-	1,103	(1,161)
Allocation of unappropriated surplus	1	(31,411)	28,612	45,624	(42,826)
Excess reserves transferred to Discretionary reserve		27,540	(28,587)	1,048	-
Balance at 31 March 2024	23,714	483	648,124	-	672,321
Restated balance as at 31 March 2024	23,714	483	648,124	-	672,321
Net surplus per Statement of Financial Performance	-	-	-	62,499	62,499
Allocation of unappropriated surplus	1	(38,762)	28,660	72,601	(62,500)
Excess reserves transferred to Discretionary reserve		39,521	(29,037)	(10,484)	-
Balance at 31 March 2025	24,474	106	710,241	-	734,820

The administration grant reserve carries accumulated reserves allocated to administration expenditure in future years. An amount of R24.5 million (2023/24: R23.7 million) is retained in the administration reserve equal to the carrying value of property and equipment, and intangible assets.

The employer grant reserve carries accumulated reserves allocated to mandatory grants (employer grants) expenditure in future years. An amount of R106.0 thousand (2023/24: R483.0 thousand) is disclosed in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date and new scheme year levies received for the period ending 31 March. Refer to note 16.2 for disclosure of this contingent liability.

The discretionary grant reserve carries accumulated reserves allocated to discretionary grants and project expenses in future years. All surplus funds of the SASSETA, except for the amounts left in the administration grant reserve and employer grant reserve are swept to the discretionary grant reserve to fund future skills development. An amount of R710.2 million (2023/24: R648.1 million - restated) represents reserves against contractual commitment.

ANNUAL FINANCIAL STATEMENTS

CASH FLOW STATEMENT

for the year ended 31 March 2025

		2024/25	Restated 2023/24
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Cash receipts from stakeholders		704,097	654,910
Levies, interest and penalties received		641,608	596,098
Interest income		62,489	58,812
Payments			
Grants and project payments		(625,221)	(579,880)
Compensation of employees		(414,252)	(413,099)
Payments to suppliers and other		(117,338)	(109,365)
		(93,631)	(57,416)
Finance charges		-	-
Net cash inflow from operating activities	15	78,876	75,030
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment & intangible assets	8.1/8.3	(10,390)	(9,257)
Proceeds from sale of asset/insurance proceeds		31	106
		(10,359)	(9,151)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments relating to finance lease		(548)	(712)
Finance cost - finance lease		(45)	(69)
		(593)	(781)
Net increase in cash and cash equivalents		67,923	65,098
Cash and cash equivalents at beginning of year	11	761,746	696,648
Cash and cash equivalents at end of year	11	829,668	761,746

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2025

		ACTUAL	APPROVED BUDGET	ADJUSTMENTS	REVISED APPROVED BUDGET	VARIANCE BETWEEN ACTUAL & FINAL APPROVED BUDGET
Note		2024/25 R'000	2024/25 R'000	2024/25 R'000	2024/25 R'000	Favourable (unfavourable)
REVENUE						
Skills Development Levy: Private Companies	23.1	485 729	466 495	5 920	472 415	13 314
Administration (10.5%)		63,594	61 227	777	62 004	1 590
Discretionary (49.5%)		300 994	288 644	3 663	292 307	8 687
Employer Grants (20%)		121 141	116 624	1 480	118 104	3 037
Skills Development Levy: Government Departments	23.1	146 010	140 393	4 864	145 257	753
Donor Funding Income		-	-	-	-	-
Skills Development Levy: penalties and interest	23.1	9 338	11,318	497	11,815	(2 477)
Other Income		1 025	-	-	-	1 025
Investment Income	23.2	62 489	70 029	(8 510)	61 519	970
TOTAL REVENUE		704 591	688 235	2 771	691 006	13 585
EXPENDITURE						
Employer Grants	23.4	(92 481)	(93 248)	2 593	(90,655)	(1 826)
Discretionary Grants	23.5	(330 227)	(352 057)	(13 570)	(365 627)	35 400
Expenses						
Administration Expenses	23.3	(219 383)	(242 931)	8 208	(234,723)	15 340
TOTAL EXPENDITURE		(642 091)	(688 235)	(2 771)	(691 006)	48 914
NET SURPLUS FOR THE YEAR	23.6	62 499		-	-	62 499

The prior year surplus funds to the amount of R645.2m was approved with the revised budget for the financial year. The total revised approved budget including this amount is R1.3 billion.

ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

for the year ended 31 March 2025

The significant accounting policies adopted in the preparation of these Annual Financial Statements are set out below and are, in all material aspects, consistent with those of the prior year except as otherwise indicated. In both the current and prior years, the cash flow statement was prepared according to the direct method

1. BASIS OF PREPARATION

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999). These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

The cash flow statement has been prepared in accordance with the direct method.

Specific information such as:

- (a) receivables from non-exchange transactions, including taxes and transfers;
- (b) taxes and transfers payable;
- (c) trade and other payables from non-exchange transactions; is presented separately on the statement of financial position.

The financial statements have been prepared on the historical cost basis, except where adjusted for present / fair values as required by the relevant accounting standard.

The amount and nature of any restrictions on cash balances is required to be disclosed.

- (a) The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise stated.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. All amounts are rounded to R'000.

1.2 Going Concern

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 after reporting date.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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:

1.3.1 Receivables from exchange transactions

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

ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

for the year ended 31 March 2025

1.3.2 Receivables from non-exchange transactions

The SASSETA pays mandatory grants to its sector levy-payers based on information from the South African Revenue Services (SARS). Where SARS retrospectively amends the information on levies collected this may result in grants that have been paid to affected levy-payers being in excess of the amount SASSETA would have granted to those levy-payers had all information been available at the time of payment of those grants. A receivable relating to the overpayments made in prior periods is recognised at the amount of the grant overpayment, net of irrecoverable debts and allowance for irrecoverable amounts.

1.3.3 Payables from exchange transactions

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

1.3.4 Payables from non-exchange transactions

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

1.3.4 Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these Annual Financial Statements, are disclosed below.

2. REVENUE RECOGNITION

2.1 Statutory Receipts

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

Measurement

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

When, as a result of a non-exchange transaction, SASSETA recognises as asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it also required to recognise a liability. Where a liability is required to be recognised it will be measured at the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised

2.2 Levy income

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

ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

for the year ended 31 March 2025

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended, registered member companies of the Seta pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education and Training (DHET). Companies with an Annual payroll cost less than R500 000 are exempted in accordance with Section 4 (b) of the Levies Act as amended, effective 1 August 2005.

An employer who is liable to pay the levy is exempted if, during any month there is reasonable ground to believe that the total remuneration (as determined in accordance with the Levies Act) payable or paid by the employer to all its employees during the following 12-month period will not exceed R500,000. Should the SETA receive any SDL from such possibly exempt companies, the SETA recognises a R500K-provision equalling the SDL received from these possible levy exempt companies.

As per the Skills Development Circular 09/2013, should the levies received from exempt companies not be refunded to the respective employer through the SARS system after five years from receipt, the SETA transfers all monies received from exempt companies to levy revenue. Such levies are allocated to discretionary grant levies. Skills Development Levies Act specifically excludes government departments from participating in the levies contribution scheme. This circular requires the government departments to set aside a minimum of 1% of their payroll cost to be allocated to their affiliate SETA. Where a government department contributes their levies at 30% (95%) of the 1% of their payroll cost, an affected SETA shall utilise the levies as follows:

- 1/3 (one-third) - Administration Purposes
- 2/3 (two-thirds) - Discretionary Grant Purposes

Where a government department contributes their levies at 10% (95%) of the 1% of their payroll cost, SASSETA will revert to the Guidelines on Public Service as A Training Space for treatment. Their entire 10% levies contributed will be used for administration purposes.

In terms of Skills Development Circular 9/2013 - SETA should transfer all unclaimed refunds under section 190(1)(b) of the Tax Administration Act if such refunds are not claimed within 5 years of self-assessment. These refunds will be treated in terms of the SETA Grant Regulations read in line with the Skills Development Levies Act.

80% of skills development levies are paid over to the Seta (net of the 20% contribution to the National Skills Fund). Levy income is recognised on the accrual basis.

Revenue is adjusted for interSeta transfers due to employers changing Seta's. Such adjustments are separately disclosed as interSeta transfers. The amount of the interSeta adjustment is calculated according to the most recent Standard Operating Procedure issued by the Department. Skills Development Levy (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 the Department makes an allocation to the SASSETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

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

2.3 Interest and penalties

Interest and penalties received on the skills development levy are recognised on the accrual basis.

2.4 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the financial statements of the Seta as a liability until the related eligible special project expenses are incurred, when the liability is extinguished and revenue recognised.

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ACCOUNTING POLICIES

for the year ended 31 March 2025

Property, plant and equipment acquired for NSF Special Projects are capitalised in the financial statements of the Seta, as the Seta controls such assets for the duration of the project. Such assets may however only be disposed of in terms of agreement and specific written instructions by the NSF.

2.5 Government grants and other donor income

Conditional government grants and other conditional donor funding received is recorded as deferred income when they become receivable and is then recognised as and when the conditions are met. Unconditional grants received are recognised when the amounts have been received.

2.6 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 Seta and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

2.7 Investment income

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

3. GRANTS AND PROJECT EXPENDITURE

A registered employer may recover a maximum of 20% of its total levy payment as a mandatory employer grant (excluding interest and penalties) by complying with the grant criteria in accordance with the Skills Development Act, 1998 as amended Seta Grant Regulations regarding monies received and related matters (The Seta Grant Regulations)

3.1 Mandatory grants

A registered company may recover a maximum mandatory grant of 20% of its total levy payment by complying with the grant criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Act 1999 (Act No 9 of 1999).

3.2 Discretionary project expenditure

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

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

Project expenditure comprise:

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

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

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ACCOUNTING POLICIES

for the year ended 31 March 2025

3.3 Retrospective adjustments by SARS

The 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 more than the amount the Seta is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

4. Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA,
- The Skills Development Act (the Act), 1998 (Act No.97 of 1998) as amended

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

All irregular and fruitless and wasteful expenditure is recognised against the respective class of expense in the period in which they are incurred. The expenditure is classified in accordance with the nature of the expense, and where-ever recovered in the same accounting period, it is shown net of any recoveries. Where-ever it is recovered in a subsequent financial year, it is accounted for against the expense if the project is not completed or as revenue in the statement of financial performance if the project is completed.

Irregular and fruitless and wasteful expenditure is removed from the notes to the annual financial statements when condoned by the Accounting Authority and National Treasury. Fruitless expenditure is condoned by the Accounting Authority only. Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements. Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements. Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as a bad debt and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant Programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged to write off the costs of the assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Property, plant and equipment (owned and leased) are stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation

ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

for the year ended 31 March 2025

is calculated on the straight line-method to write off the cost of each asset to estimated residual value over its estimated useful life. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised.) Gains and losses on disposal of Property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating surplus.

In the application of the Seta's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment and Intangible assets at the end of each reporting period. The useful lives of motor vehicles; furniture and office equipment; computer equipment and servers; intangible assets are determined based on the entity's replacement practices for the various assets and factors such as technological innovation. When the estimated useful life of an asset differs from previous estimates, the change is accounted for as a change in estimate.

The following useful lives are used in the calculation of depreciation

Computer equipment	3 to 10 years
Computer Server	3 to 10 years
Furniture and Fittings	5 to 16 years
Office equipment	5 to 16 years
Vehicles	5 to 10 years
Leased assets	Shorter of useful life and lease term

The following factors were considered to determine the useful life of the asset:

- Expected usage of the asset;
- Expected physical wear and tear of the asset;
- Technical obsolescence; and
- Legal or other limits on the use of the asset.

The Seta has reviewed the residual values used for the purposes of depreciation calculations. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values are reviewed annually.

6. INTANGIBLE ASSETS

Intangible assets are stated at cost less any subsequent accumulated amortisation and adjusted for any impairments. Amortisation is charged to write off the cost of assets over their estimated useful lives, using the straight-line method.

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for the year ended 31 March 2025

The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised.) The gain or loss on disposal of intangible assets is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating surplus.

Useful lives of Intangible assets

The Seta reviews the estimated useful lives of Intangible assets at the end of each annual reporting period for the carrying values of Intangible assets.

The following useful life is used in the calculation of amortisation:

Computer software	1 to 10 years
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The Seta has reviewed the residual values used for the purposes of depreciation / amortisation calculations in light of the amended definition of residual value. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values are reviewed annually.

Research

No intangible asset arising from research (or from the research phase of an internal project) shall be recognised. Expenditure on research (or on the research phase of an internal project) shall be recognised as an expense when it is incurred.

Development

An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

7. LEASES

Finance leases consistent with the definition set out in GRAP 13 Leases and the Treasury Regulations refer to a contract that transfers the risks, rewards, rights and obligations incidental to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases.

Where applicable leases will be adhered to straight-lining over the term of the lease

Payments made under operating leases (leases other than finance leases) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

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8. EMPLOYEE BENEFITS

Recognition and measurement

When an employee has rendered service to an entity during a reporting period, the entity shall recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- (a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- (b) as an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset (see, for example, the Standards of GRAP on Inventories (GRAP 12), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31) and Heritage Assets (GRAP 103)).

An entity shall recognise the expected cost of short-term employee benefits in the form of compensated absences as follows:

- (a) in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and
- (b) in the case of non-accumulating compensated absences, when the absences occur.

SASSETA provide the following short term employee benefits: leave, performance bonuses, overtime and compensated absence.

SASSETA operates on a cost to company salary structure plus medical aid contribution for non-management employee. The entity operates a defined contribution plan, the assets of which are held in an administered funds. The plan is funded by payments from the entity and the employees. The entity carries no financial obligations after the retirement of the employee.

9. PROVISIONS

Provisions are recognised when the 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. Long-term provisions are discounted to net present value.

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 Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for leave, overtime, performance bonus as well as other provisions.

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

10. CONTINGENCIES

A contingent asset is not recognised but disclosed where an inflow of economic benefits/service potential is probable.

A contingent liability is not recognised, but only disclosed. However, disclosure is not required if payment is remote.

Management further relies on inputs from the lawyers in assessing the probability of matters of a contingent nature.

Contingencies are disclosed further in the note.

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11. GRANTS AND PROJECTS EXPENDITURE

Mandatory grant payments

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

Discretionary projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as approved and allocated for future projects in the notes to Annual Financial Statements.

Commitments are disclosed where the Seta has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses which are yet due for payment.

12. FINANCIAL INSTRUMENTS

Recognition

Financial assets and financial liabilities are recognised on the Seta's Statement of Financial Position when the Seta becomes a party to the contractual provisions of the instrument.

The carrying amounts of each of the categories of financial instruments, as defined in paragraph .14, shall be as follows:

- (a) financial instruments at fair value, showing separately:
 - (i) financial assets designated at fair value; and
 - (ii) financial liabilities designated at fair value;
- (b) financial instruments at amortised cost; and
- (c) financial instruments at cost.

Financial Assets

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value or net of transaction cost except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets can be classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held to maturity investments, available for sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets of the Seta were categorised as loans and receivables.

The SETA has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto: **Class Category:**

Cash and cash equivalents	Financial asset measured at amortized cost
Receivables from exchange transactions	Financial asset measured at amortized cost

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The SETA recognises financial assets using trade date accounting.

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Financial assets are assessed for indicators of impairment at each year end. 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 impairment values or movement in provision for impairment are recognised in the Statement of Financial Performance. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables 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 the surplus or deficit

A financial asset or a portion thereof is derecognised when the SASSETA realises the contractual rights to the benefits specified in the contract, the rights expire, and the SASSETA surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognising, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in equity is included in net surplus or deficit for the period

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables where the recognition of interest will be immaterial.

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 indicators of impairment at each balance sheet date. 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 assets 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 trade receivables 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 the surplus or deficit.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at Fair Value Through Profit or Loss (FVTPL) or other financial liabilities. Account and other payables do not bear interest and are stated at their nominal value.

Financial liabilities at FVTPL

Financial liabilities are classified at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. All financial liabilities of the Seta were classified as other financial liabilities.

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Other financial liabilities

Other financial liabilities are initially measured at fair value, plus of transaction costs. Other financial liabilities are subsequently measured at amortised costs using the effective interest method, with interest expense recognised on an effective yield basis. 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.

All financial liabilities of the SETA were classified as other financial liabilities. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition The SETA has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto: Class Category

Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Trade and other payables from non- exchange transactions	Financial liability measured at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised using the effective method.

13. RESERVES

Net Assets are classified based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act 97 of 1998) as follows:

- Administration reserve
- Employer grant reserve
- Discretionary reserve

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act No. 97 of 1998). Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of:

	2024/25 %	2023/24 %
Administration costs of the Seta	10.5	10.5
Employer grant fund levy	20	20
Discretionary grants and projects	49.5	49.5
Received by the Seta	80	80
Contribution to the National Skills Fund	20	20
	100	100

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund the Seta's administration costs. Interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects. The net surplus/deficit is allocated to the administration reserve, the mandatory grant reserve and the discretionary fund reserve based on the above table.

Surplus funds are moved to the discretionary fund reserve from the administration reserve based on unspent funds at year-end and from the mandatory grant based on unclaimed grants after the prescribed time-frames have elapsed.

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14. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. Refer Note 19 for "Prior period Error" which indicates the restatement of prior period figures.

15. TAXATION

No provision has been made for taxation, as the Seta is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

16. VALUE ADDED TAXATION

The Revenue Laws Amendment Act 2003 (Act no 45 of 2003) commenced on 22 December 2003. Previously the definition of enterprise placed Setas listed in schedule 3A within the scope of VAT. The amendment Act however, has amended this definition of enterprise and effectively places the public entity outside the scope of VAT effective 1 April 2005.

The amount reflected as VAT due to or from the South African Revenue Services is in accordance with the dispensation prescribed by the South African Revenue Service. In accordance with this, the Seta is therefore deregistered for VAT with effect 1 April 2005, as a result SASSETA is VAT exempt.

17. INVENTORY

Inventory are recognised as an asset on the date of acquisition and it is measured at the cost of acquisition. It is subsequently recognised in surplus or deficit as it is consumed. Subsequent to initial recognition inventory is measured at lower of cost and current replacement cost.

Inventory for SASSETA would consist of Stationery, IT printer cartridges, cleaning material and refreshments

18. COMMITMENTS

Commitments comprise those future expenses that SASSETA has committed itself to contractually or by an award letter, but for which a present obligation for the payment thereof does not exist at the reporting date. Accordingly, these commitments are not recognised as liabilities but are disclosed in the notes to the annual financial statements. Please refer to note 17.

19. SEGMENT REPORTING

In terms of GRAP 18, a segment is an activity of the entity:

- That generates economic benefits or service potential (including economic benefit or service potential relating to transactions between activities of the same entity):
- whose results are regularly reviewed by management to make decisions about resource to be allocated to that activity and in assessing its performance, and
- for which separate financial information is available

Reportable segments are the actual segments which are reported on the segment report. They are segments identified as above or alternatively an aggregation of two or more of those segments where the aggregation criteria is met.

SASSETA does not have activities or units that meet the definition of a 'Segment' per the Accounting Standard. SASSETA's administrative units and functional departments do not undertake activities that generate economic benefits or service potential separately from the SETA as a whole. Management has assessed that SASSETA operates as one segment both from a service and geographical view point. Management has therefore not divided the financial information into segments as required under GRAP 18.

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20. SUBSEQUENT EVENTS

Financial statements may be affected by certain events that occur after the date of the financial statements, but before the financial statements are authorised by the Board. SASSETA identifies the following types of events:

- Adjusting events; and
- Non-adjusting events.

Each of the above-mentioned events requires different accounting treatments.

- Subsequent Events 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

1. Adjusting events - those that provide evidence of conditions that existed at the reporting date; and
2. Non-adjusting events - those that are indicative of conditions that arose after the reporting date.

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents mainly comprise of cash on hand, current and savings bank accounts and money market investments, call accounts and fixed deposits held by the SASSETA at the Corporation of Public Deposits (CPD) and at domestic banks. Cash and cash equivalents are initially recognised at cost and subsequently stated at amortised cost, which due to their short term nature, closely approximate their fair value.

22. RELATED PARTIES

An entity or individual is considered to be a related party to the SASSETA when the party has the ability to control (or jointly control) the SASSETA or can exercise significant influence over the SASSETA in making financial and operating decisions, or if the party and the SASSETA are under common control under the same Executive Authority.

All departments and public entities in the national sphere of government are related parties as they are ultimately under common control. Representation of individuals and employer/labour representatives to the Accounting Authority Body, committees of the Accounting Authority or other equivalent body is considered as significant influence.

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

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Only transactions with related parties where the transactions are not concluded within the normal operating procedures or on terms that are no more or less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

23. PRESENTATION OF BUDGET INFORMATION IN THE FINANCIAL STATEMENTS

The SASSETA presents a comparison of the budget amounts for which it is held publicly accountable and actual amounts as a separate financial statement in the Annual financial statements. The comparison of budget and actual amounts are presented separately for each level of legislative oversight:

- the approved and final budget amounts.
- by way of note disclosure and explanations of material differences between the budget for which the entity is held publicly accountable and actual amounts.

The budget covers the period 1 April 2023 to 31 March 2024 and has been prepared on the accrual basis of accounting.

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for the year ended 31 March 2025

24. STATUTORY RECEIVABLES

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. Carrying amount is the amount at which an asset is recognised in the statement of financial position. The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised. Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means. The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied, or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

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

Measurement

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Derecognition

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

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

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

25. MATERIALITY

Accounting policies and/or alternative accounting treatments are applied based on an SASSETA's assessment of materiality during a reporting period and at the reporting date. Materiality is assessed based on all relevant facts and circumstances that exist at the time of assessment. As a result, the assessment of, and decisions about, materiality are period-specific and do not affect subsequent reporting periods unless an error occurred.

Based on the analysis of the requirements of GRAP 3 past decisions on materiality:

- Are period specific.
- Are not changes in accounting policies, are not errors, and are not departures from the Standard.
- Do not require the restatement of prior period information unless an error has occurred

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1. ALLOCATION OF NET SURPLUS FOR THE CURRENT YEAR TO RESERVES

	Total per Statement of Financial Performance 2023/2024 R'000	Total per Statement of Financial Performance 2024/2025 R'000	Administration Grant Reserve R'000	Mandatory Grant Reserve R'000	Discretionary Grants Reserve R'000
Total Revenue	655,463	704,591	180,621	121,141	402,829
Skills Development Levy transfer from non - exchange transactions:					
Levy transfer Administration (10.5%)	167,065	179,596	179,596	-	-
Levy transfer Discretionary/ Employer Grants (69.5%)	420,754	452,143	-	121,141	331,002
Skills Development Levy penalties and interest from non - exchange transactions	8,667	9,338	-	-	9,338
National Skills Fund income	-	-	-	-	-
Donations for special projects	-	-	-	-	-
Investment income	58,812	62,489	-	-	62,489
Other income	165	1,025	1,025	-	-
Total Expenses	611,476	642,091	219,383	92,481	330,227
Administration Expenditure	198,427	219,383	219,383	-	-
National Skills Fund expenses	-	-	-	-	-
Employer grants and project expenses	413,050	422,708	-	92,481	330,227
Net (deficit) / surplus per Statement of Financial Performance allocated	43,987	62,499	(38,762)	28,660	72,601

The SETA obtained the necessary approval from the Minister to exceed the allowable 10.5% of Administration cost limit for 2024/25 financial year.

2. SKILLS DEVELOPMENT LEVY TRANSFER FROM NON-EXCHANGE TRANSACTIONS

The total levy transfer per the Statement of Financial Performance is as follows:

	2024/25 R'000	2023/24 R'000
Levy transfer: Administration	179,596	167,065
Levies received from Private Companies	63,592	59,695
Levies received from Government Departments	116,002	107,365
Inter-seta transfers in	2	5

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Levy transfer: Employer grants	121,141	113,685
Levies received from Private Companies	121,138	113,675
Inter-seta transfers in	3	10
Levy transfer: Discretionary grants	331,002	307,069
Levies received from Private Companies	300,987	282,646
Levies received from Government Departments	30,008	24,397
Inter-seta transfers in	7	26
	631,739	587,820

3 SKILLS DEVELOPMENT LEVY: Penalties and Interest

9,338 8,667

4 INVESTMENT INCOME

Interest received from the banks

2024/25 R'000	2023/24 R'000
62,489	58,812
62,489	58,812

5 OTHER INCOME

Other income comprises:

Reversal of provision

Other income

2024/25 R'000	2023/24 R'000
538	110
488	55
1,025	165

6 EMPLOYER AND DISCRETIONARY GRANT EXPENSES

Mandatory grants
Disbursed/provisions and accruals

2024/25 R'000	2023/24 R'000
92,481	85,073
92,481	85,073

Discretionary grants
Disbursed/provisions and accruals

6.1	330,227	327,977
	330,227	327,977
	422,708	413,050

6.1 Discretionary grants

Pivotal
Non-pivotal
Qualification development
Project administration costs

	301,845	292,163
	22,358	31,346
	1,843	1,203
6.1.1	4,182	3,265
	330,227	327,977

6.1.1 Project administration costs

Travel and subsistence
Career development/guidance
Other

	1,776	1,786
	2,454	1,266
	48	213
	4,182	3,265

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		2024/25	2023/24
		R'000	R'000
7 ADMINISTRATION EXPENSES			
Advertising, marketing and promotions, communication		3,154	1,132
Bad debts grants expenditure		-	613
Depreciation/amortisation and Impairment	8.1/8.3	11,782	13,472
External auditor's remuneration		4,034	3,430
Operating lease rentals (minimum lease payments)		10,310	10,305
Cost of employment	7.1	117,850	109,304
Consulting fees - Administration		667	2,167
Consulting fees - Legal		831	626
Conflict of interest and CAATs		13,374	4,155
Filing and archiving		2,185	3,702
Business processes evaluation and documentation		-	-
Discretionary grant evaluation		115	3,712
IT maintenance		8,679	7,614
Utilities, maintenance, repairs and running costs		2,732	3,225
Remuneration to member of the accounting authority		3,609	2,811
Remuneration to members of the audit committee		919	494
Remuneration to members of other committees		987	1,187
Board training and workshop		736	419
Staff training and development		1,191	1,531
Repairs and maintenance		2,873	3,414
Donations/sponsorship		1,753	942
Travel and subsistence		1,886	955
Other		29,714	23,218
Other expenses		11,019	5,358
QCTO funding		3,224	2,798
ICT Security		706	-
Monitoring, reporting & evaluation		119	85
Research		381	2,999
Bank charges		127	151
Employees assistance programme		300	196
Postage		177	137
Security		976	1,683
Risk management workshop		-	2
Insurance		258	303
Meetings and workshops		2,032	841
Telephone costs		1,414	1,557
Interest paid		45	70
Recruitment costs		382	423

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Stationery, printing and consumables	2,086	880
Accommodation and meals	636	533
Assessor, moderators and verifiers	2,532	2,068
Internal audit fees	3,299	3,135
219,383	198,427	
7.1 Cost of employment	2024/25	2023/24
	R'000	R'000
Salaries and wages	78,187	75,089
Basic salaries	61,708	60,327
Allowances	3,892	3,790
13th cheque	1,369	1,477
Performance bonus - provision	6,706	5,599
Leave	1,469	2,385
Overtime	3,043	1,511
Social contributions	13,671	13,059
Medical aid contributions	3,593	3,315
Provident fund contributions	9,762	9,435
UIF	317	309
Pay-as-you-earn	24,824	20,063
Tax expense	24,824	20,063
Skills development levies expenditure	1,005	939
SDL Expenditure	1,005	939
COIDA	164	154
Compensation assessment	164	154
117,850	109,304	
Average number of employees	147	143

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for the year ended 31 March 2025

8.1 PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March 2025

Computer server
Computer equipment
Office furniture and fittings
Office equipment
Leased assets - office equipment
Motor vehicles
Balance at end of year
Made up as follows:
- Owned assets
- Leased assets

Cost	Accumulated depreciation	Closing carrying amount
R'000	R'000	R'000
2,441	(2,249)	193
9,920	(8,212)	1,708
24,684	(21,394)	3,290
6,733	(5,225)	1,508
2,632	(215)	2,416
2,515	(626)	1,889
48,924	(37,922)	11,003
46,292	(37,706)	8,587
2,632	(215)	2,416

Year ended 31 March 2024

Computer server
Computer equipment
Office furniture and fittings
Office equipment
Leased assets - office equipment
Motor vehicles
Balance at end of year
Made up as follows:
- Owned assets
- Leased assets

Restated		
Cost	Accumulated depreciation	Closing carrying amount
R'000	R'000	R'000
2,441	(1,929)	513
9,942	(7,333)	2,610
24,401	(17,602)	6,799
6,161	(4,441)	1,720
2,325	(1,550)	775
1,446	(476)	970
46,717	(33,330)	13,387
44,392	(31,780)	12,612
2,325	(1,550)	775

	Carrying amount 2024	Additions	Disposals	Depreciation charge	Accumulated depreciation on disposal	Carrying amount 2025
	R'000	R'000	R'000	R'000	R'000	R'000
Computer Server	513	-	-	(322)	-	192
Computer equipment	2,609	483	(505)	(1,349)	469	1,707
Office furniture and fittings	6,798	284	-	(3,792)	-	3,290
Office equipment	1,720	572	-	(785)	-	1,507
Leased Assets - Office Equipment	775	2,186	(1,880)	(545)	1,880	2,416
Motor vehicles	971	1,069	-	(150)	-	1,890
Balance at end of year	13,386	4,593	(2,385)	(6,943)	2,349	11,003

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Movement Summary 2024

	Carrying amount 2023	Additions	Disposals	Depreciation charge	Accumulated depreciation on disposal	Carrying amount 2024
	R'000	R'000	R'000	R'000	R'000	R'000
Computer Server	851	-	-	(338)	-	513
Computer equipment	3,280	1,590	(730)	(2,145)	613	2,609
Office furniture and fittings	10,694	873	-	(4,768)	-	6,798
Office equipment	2,525	250	(80)	(1,051)	76	1,720
Leased Assets - Office Equipment	1,044	445	-	(715)	-	775
Motor vehicles	1,066	-	-	(95)	-	971
Balance at end of year	19 460	3,159	(810)	(9,113)	689	13,387

SASSETA incurred expenditure of R2.87m (2024: R3.4m) on repairs and maintenance of property, plant and equipment. The amounts for the current year include monthly maintenance cost of offices by Attacq.

Impairment

The amount of impairment losses of Rnil thousands (2024: R12 thousand) is included in the depreciation line item of office furniture and fittings and office equipment and recognised in surplus of current year. The impairment was due to change of expected useful life, redundancy of the asset and decision to dispose early. The recoverable amount was calculated as value in use.

8.2 WORK IN PROGRESS

Balance at the beginning of the year
WIP for current year
Transferred to PPE/Intangible assets
Balance at the end of the year

2024/25	2023/24
R'000	R'000
4,138	798
5,464	3,340
(1,344)	-
8,257	4,138

WIP represents software currently under development for SASSETA. The development is ongoing at year-end and, in accordance with GRAP 31 – Intangible Assets, the costs incurred to date have been capitalised as work in progress, pending completion and commissioning of the software for its intended use.

8.3 INTANGIBLE ASSETS

Year ended 31 March 2025

Computer Software
Balance at end of year

Made up as follows:
- Owned assets
- Lease assets

Cost	Accumulated amortization	Closing carrying amount
R'000	R'000	R'000
13,732	(8,519)	5,214
13,732	(8,519)	5,214
13,732	(8,519)	5,214
-	-	-

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Year ended 31 March 2024

Computer Software
Balance at end of year

Made up as follows:

- Owned assets
- Lease assets

Cost	Accumulated amortization	Closing carrying amount
R'000	R'000	R'000
13,807	(7,617)	6,190
13,807	(7,617)	6,190
13,807	(7,617)	6,190
-	-	-

Movement Summary 2025

Carrying amount 2024	Additions	Disposals	Amortization charge	ccumulated amortization of disposed assets	Carrying amount 2025
R'000	R'000	R'000	R'000	R'000	R'000
6 190	3 864	(3,939)	(4,839)	3,939	5,214
6,190	3,864	(3,939)	- (4,839)	3,939	5,214

Movement Summary 2024

Carrying amount 2023	Additions	Disposals	Amortization charge	Accumulated amortization of disposed assets	Carrying amount 2024
R'000	R'000	R'000	R'000	R'000	R'000
7 268	3 281	(670)	(4,359)	670	6,190
7 268	3 281	(670)	(4 359)	670	6 190

8.4 CHANGE IN ACCOUNTING ESTIMATE

The main assumption for the reassessment is: During the period the useful lives of property, plant and equipment as well as the useful lives of intangible assets were re-assessed in line with the requirements of GRAP 17 and GRAP 31.

Following the reassessment, the remaining useful lives of property, plant and equipment remaining useful lives were increased with 1 year while the remaining useful lives of intangible assets were increased with 1 year.

The additional information that became available has resulted in a change in the useful lives of the assets of SASSETA, which constitutes a change in accounting estimate in accordance with GRAP 3. The impact of the change in accounting estimate is a reduction in the annual depreciation and amortisation expenses. It is expected that this trend may continue in future periods. Future depreciation will amount to R1.52 million.

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for the year ended 31 March 2025

The depreciation and amortisation expenses have increased / (decreased) as follows for the 2025 financial year:

	Before change in estimate	After change in estimate	Net Increase / (Decrease)
	R'000	R'000	R'000
Depreciation: Computer equipment	600	300	(300)
Depreciation: Office equipment	486	243	(243)
Depreciation: Furniture & fittings	2,076	1,038	(1,038)
Depreciation: Computer server	14	7	(7)
Depreciation: Motor vehicles	91	150	59
	3,267	1,737	(1,529)

9. TRADE AND OTHER RECEIVABLES

Non-exchange Transactions

	2024/25	2023/24
	R'000	R'000
Employer grant	3,268	2,792
Employer reversals	8,608	8,662
Interseta transfers	3	10
Provision for impairment	(5,343)	(5,880)
Administration grant	4,923	4,510
SDL income	4,922	4,504
Interseta transfers	2	5
Discretionary grant	7	26
Stipend refund	613	613
Interseta transfers	7	26
Provision for impairment	(613)	(613)
	8,199	7,328
Analysis of Statutory Receivables		
Statutory Receivables		
SDL income	4,922	4,504
Interseta transfers	12	42
	4,934	4,546

SASSETA receives skills development levy from employers in terms of section 3(1) of the Skills Development Levies Act no. 9 of 1999 (the Act), as amended. R8.60m (R8.66m) was recognized because of receivables, relating to the overpayment to the levy paying-employers in prior periods, because of levy income reversals done by SARS after the mandatory grants had been paid. SASSETA refunds amounts to employers in the form of mandatory grants, based on information from SARS.

Where information is retrospectively amended, it may result in grants that have been paid to certain employers that are more than the amount SASSETA is permitted to have paid to such employers. All the amounts included in the receivable because of the overpayment are over 12 months and a provision has been raised per the analysis below.

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A receivable relating to the overpayment to the employer in earlier periods is raised at the carrying amount of such mandatory grant overpayment, net of allowance for any doubtful debt, estimated based on assessment of the risk of non-recoverability. The carrying amount of these assets approximates their fair value.

Interest and penalty are payable on the outstanding amount at the rate contemplated in Tax Administration Act, as determined by the Commissioner.

In considering the impairment process, receivables older than five years that had not moved or have increased in the financial year, are considered in the provision for doubtful debt population. In addition to the above the status of the employers in the SARS database, is considered whether company is active, inactive, estate or bankrupt. This source data is provided in the monthly levy reports.

SASSETA tests and assesses the statutory receivable for impairment at every reporting date based on collectability. For this reason, impaired statutory receivables are subjected to an impairment allowance of 100%, where applicable.

Due regard is paid to the following indicator/assumptions indicating unlikely collection prospects:

1. Statutory receivable outstanding for more than 12 months, and collections efforts prove fruitless.

Receivables are past due at reporting date and have been impaired amounts to R6.1m (R6.6m).

SASSETA also receives contributions from the Government Departments in line with Circular Number: Human Resources Development 1 of 2013.

R4.9m (R4.5m) was recognized because of a receivable relating to a contribution from SAPS. This amount was settled in April 2023. An element of uncertainty is not applicable. SAPS has demonstrated without fail to honor its obligation towards SASSETA.

Statutory receivables that are past due at reporting date but have not been impaired amounts to R4.9m (R4.5m).

An amount of R12 thousand (R42 thousand) was recognised as interseta transfers. Refer to note 21 for detailed disclosure.

Discretionary grant receivables relating to stipend to be refunded due to non performance of the service provider amount to R613 thousand. Receivable past due at reporting date and have been impaired to the amount of R613 thousand due to the probability of collection being unlikely.

Reconciliation of provision for impairment

Opening balance	(6,654)	(6,151)
Provision for impairment raised/reverse in current period	538	(503)
Amounts written off as uncollectible	-	-
	(6,116)	(6,654)

The provision is raised for employers with a debit balances who cannot be traced over time and the amount is assessed annually. After assesment management reduced the provision with R538 thousand in current year

An amount of R613 thousand is included in Sundry Receivables. The provision is raised for a BDCE (Pty) Ltd, a service provider who are being liquidated as result of their holding company. SASSETA is part of the liquidation creditors but the probability for SASSETA to receive any economic benefits from the liquidation process is slim and therefore management made the prudent assesment to raise a provision.

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Exchange Transactions

Rental deposit	3,278	3,278
Interest receivable	211	309
Prepayments	1,385	2,239
Sundry receivables	4	50
Debtors control - Operations	143	59
	5,020	5,936
Provision for impairment	-	-
	5,020	5,936

10 INVENTORY

Balance at the beginning of the year	2,548	2,123
Amount utilised	(4,538)	(880)
Purchases	4,805	1,305
Balance at the end of the year	2,815	2,548

Inventory Classification:

	2,815	2,548
Cleaning material and refreshments	84	109
Stationery	1,561	1,802
Marketing tools and promotional items	1,170	636

11 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	25,295	37,258
Cash at bank	25,295	37,258
Cash in hand	-	-
Short term investments/instruments	804,373	724,488
Cash and cash equivalents at end of year	829,668	761,746

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The average interest rate on fixed-term bank deposits were 8.06% (2023/24: 8.17%).

Cash and cash equivalents comprise cash held by SASSETA as well as short-term bank deposits on call. The carrying amount of these assets approximates their fair values.

The Skills Development Act Regulations state that a Seta may, if not otherwise specified by the Public Finance Management Act, invest monies in accordance with the investment policy approved by the relevant Seta.

Seta invested its surplus funds in line with an investment policy as required by Treasury Regulation 31.3.5.

In response to the National Treasury Investment circular SASSETA transferred/invested all surplus funds with the Corporation for Public Deposits.

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12 LEASES

Finance Lease

2024/25	2023/24
R'000	R'000

Reconciliation between the total of the minimum lease payments and the present value

Future minimum lease payments	2,694	885
Finance costs	(254)	(82)
	2,441	803

Summary Disclosure Note

Total Payments

	2024/25			2023/24		
	Not Later than one year	Later than one year and not later than five years	Total	Not Later than one year	Later than one year and not later than five years	Total
Photocopy Machine	803	1,605	2,408	443	-	443
Shredders	155	132	287	155	287	442
	957	1,737	2,694	598	287	885

Capital Portion

	2024/25			2023/24		
	Not Later than one year	Later than one year and not later than five years	Total	Not Later than one year	Later than one year and not later than five years	Total
Photocopy Machine	690	1,497	2,186	436	-	436
Shredders	128	127	255	112	255	366
	817	1,623	2,441	548	255	803

Finance leases relates to:

- The lease of twelve multifunction printers from Nashua for a total period of three years, commencing on 01 December 2021 expired on 31 March 2025.
- The lease of eight Kobra office shredders for a period of three years, commencing on 01 July 2023.
- lease of twelve new Konica Minolta printers for a period of three years, commencing on 31 March 2025.

Operating Lease - as lessee

2024/25	2023/24
R'000	R'000

Total minimum lease payments due

Not later than one year	11,929	11,046
Later than one year but not later than five years	4,077	16,006
Later than five years	-	-
	16,006	27,052

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The operating lease relates to new premises used for SASSETA office accommodation. The current lease agreement has been signed for a period of five years up to 31 July 2026. National Treasury approved a 5-year long extension. The lease has an annual escalation of 8%.

13 TRADE AND OTHER PAYABLES

From Non-Exchange transactions

Employer grant - accrual/payable	9,304	838
DHET control account	8	7
Trade payables	54,993	53,469
Accruals	36,304	38,890
	100,610	93,206

From Exchange transactions

Trade payables	5,149	1,807
Accruals	1,665	8,190
Income received in advance	917	917
Employee cost related	1,584	1,072
Straight lining - leases	1,942	2,439
	11,255	14,424

14 Provisions

	Overtime	Performance Bonus	Leave pay	500K	Other	Total
Open carrying amount	52	5,743	5,419	7,303	2,002	20,519
Amounts utilised	(51)	(5,880)	(7,122)	(1,213)	(477)	(14,742)
Change in estimate	16	6,706	6,957	1,192	402	15,274
Closing carrying amount	17	6,569	5,255	7,282	1,928	21,051

In terms of Skills Development Circular No. 09/2013 issued by the DHET on 25 August 2013, SETA's are able to utilise exempted amounts contributed after the expiry date of 5 years as stipulated in terms of section 190(4) of the Tax Administration Act. These funds have been transferred to the discretionary reserve as per the requirements of the above circular.

Provision other relate the unearned tenant installation allowance being expensed monthly and rehabilitation costs for the new office premises.

Provision other also include an estimate for the compensation of employee assessment of R163.6 thousands.

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15 RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET SURPLUS

	2024/25	2023/24
	R'000	R'000
Net Surplus/ (deficit) as per Statement of Financial Performance	62,499	43,987
Adjusted for non-cash items:		
Depreciation and amortisation	11,782	13,395
Interest paid finance lease	45	39
Loss / (profit) on disposal of property, plant and equipment	5	45
Impairment loss on receivables	-	-
Movement of provisions admin	531	1,044
Movement of provisions employer grant	-	-
Adjusted for working capital changes:	4,013	16,520
(Increase)/ Decrease in receivables	45	453
(Increase)/ Decrease in inventory	(267)	(425)
(Decrease)/Increase in payables	4,235	16,492
Cash generated by operations	78,875	75,029

16 CONTINGENCIES

16.1 Contingent Liabilities

For the following cases, further evidence surfaced before the annual financial statements were authorised for issue:

1 CASE NUMBER 5555/16: Breach of contract and damages - MASTOFUSION (PTY) LTD

This is a civil claim instituted against SASSETA by MASTOFUSION (Pty) Ltd. MASTOFUSION is suing SASSETA an estimated total amount of R5 838 630, The amount is broken down as follows: R5 688 630 and R150 000, for breach of contract and damages, and legal fees, respectively. We have accepted or objected to their particulars of claim and the court allocated the 24 May 2025 for the hearing of the matter.

2 CASE NUMBER 580/2016: Claim for payment of invoices - SANAMIK FINANCIAL TRAINING SERVICES

SANAMIK is suing SASSETA for the payment of invoice. The estimated total amount of the lawsuit is R405 000. The matter is dormant for now, the last communication came from new attorneys which have not filed a Notice of Acting and therefore are not properly before the court. We have been trying to set the matter down and apply for the dismissal of their claim but have been unable to serve on their new attorneys, who are in Tokoza. Our attempts to serve at the Tokoza address have not been successful.

3 CASE NUMBER 58692/19: Breach of settlement agreement - SEGAOLE DRIVING SCHOOL

R1 012 500.00 was the value of the claim against SASSETA. SEGAOLE and SASSETA entered into a settlement agreement in 2018, after SEGAOLE had taken SASSETA to arbitration following SASSETA's intention to cancel the agreement on the basis of irregularities uncovered by a forensic report. In July 2019 SEGAOLE instituted a High Court action for alleged breach of the settlement agreement by SASSETA. We have accepted or objected to their particulars of claim and are now merely awaiting a hearing date. Amount claimed is R23 625.00.

4 CASE: AFSA Arbitration re: Claim for payment of an invoice - LILNAR TRADING (PTY) LTD t/a IT RELATED

Case: AFSA Arbitration re: Claim for payment of an invoice – LILNAR TRADING (PTY) LTD t/a IT RELATED: LILNAR served SASSETA with a statutory notice demanding payment of R389 766.00 deposit in respect of a project that suffered supply chain related delays. SASSETA refused to pay this amount and advised LILNAR on account of the fact that services were not actually rendered. LILNAR referred the matter for arbitration. The matter is currently before

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the Arbitration Foundation of South Africa (“AFSA”) and a pre-arbitration conference has been concluded. The matter initially received a set down date but the Arbitrator was not available on said date and we are now awaiting a new set down date. Awaiting amendment of statement of claim

5 CASE: BUSA

In October 2019, BUSA won a court case against DHET where the department's decision to decrease the mandatory grant levies and grants percentage was decreased from 50% to 20% in terms of section 4(4) of the Seta grant regulations was set aside. The court did not decide on the mandatory levy or grant percentage to be applied from the court date onwards.

The effect of the ruling is that the Minister would have to decide on the percentage for mandatory grants in consultation with the sector. The Minister has not yet made the decision in regard to the mandatory grant percentage. DHET continued to show the mandatory levies portion as 20% in 2022/23 year in the levy download information. The SETA continued to pay and accrue mandatory grants at 20% in the 2023/24 financial year in the absence of a revised percentage which is aligned to the approved annual performance plan. The mandatory grant expenditure in Note 6 as well as the mandatory grant liability in note 13 were calculated using mandatory grant percentage of 20%. The SETA therefore discloses a contingent liability. This is disclosed as a contingent liability as the intention of the litigants, BUSA, was to increase the mandatory grant percentage from 20%. The timing and amount of this contingent liability is uncertain and no reasonable estimate can be made at this point. Currently the department is still in discussions with BUSA in regard to the Mandatory Grant percentage and effective date of implementation of the ruling. No new information has emerged which changes the status of this disclosure from the prior year.

6 CASE: MANANA MOROKA // SASSETA AND DHET

Ms Manana Moroka, the former CEO was dismissed by the employer following internal disciplinary processes. She then referred the matter for arbitration at the CCMA for an unfair dismissal. Following the award from the CCMA, she proceeded to the Labour Court for the review and setting aside of the arbitration award. She served SASSETA with the review application on 20 September 2021. We then, acting on the instructions of SASSETA filed our Notice of Intention to oppose the application. The applicant has not filed the record of the proceeds as required by the law. On making follow-up with the applicant's attorneys they advised that they have approached the Judge President for a directive. We are engaging with the attorneys to understand the basis of their approach and why they are not following the prescribed rules and procedures. Depending on the outcome of the engagement with the attorneys and the JP, the next step is to prepare an application for dismissal of the application by reasons of the applicant's failure to file the record within the prescribed period and prosecute the review application. Period of the filing of the record expired, applicant has to apply for condonation before they can proceed.

7 CASE NUMBER 11815/202: Notice of intention to Tax a Bill of Costs - HAZOEMA TRADING ENTERPRISE (PTY) LTD.

HAZOEMA submitted a Notice of Intention to tax a Bill of Cost against SASSETA estimated R350 000.00. The case went to arbitration and was finalized with the arbitration award in favour of Hazoema including costs. The taxation of the bill of costs is set down for 15 July 2025 and we have instructions to oppose same. At this stage we are not able to comment on the reasonableness until the taxation is finalized considering the fact that the award included costs for the court proceedings effectively upsetting a court order, something never heard of.

8 South African Professional Firearms Trainers Council // QCTO & SASSETA (Case No. 2024-066460)

Case involves Part A interim urgent interdict; Part B review of administrative decisions; and two joinder applications. Part A urgent application was heard on 16 July 2024 -applicant was granted an interim order maintaining the status quo. First joinder application (IFTA) struck from the roll for lack of urgency. Part B review application is pending and subject to case management. First (IFTA) joinder application heard in the normal course on 14 October 2024. Judgement reserved and still outstanding. Second (SAAADA) joinder application is pending. Part A: Complete. Part B: Prospects of success by SASSETA are reasonable.

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First (IFTA) joinder application: Prospects of success by SASSETA are moderate. Second (SAADA) joinder application: Prospects of success are moderate. There is a three-way fee-sharing agreement between three of the respondents (SASSETA, SAQA and QCTO). Future litigation costs are estimated to amount to R1 500 000.00, one-third of which is assumed by SASSETA (R500 000.00).

9 South African Security Association // Minister of Higher Education & SASSETA (Case no. 2024-091907)

This case involves Part A interim urgent interdict and Part B review of administrative decisions. Part A urgent application was heard on 10 September 2024 – interim order granted by consent of all parties. Part B review application is pending. Part A: Complete. Interim order granted by consent. Part B: SASSETA's prospects of success are reasonable. There is a three-way fee-sharing agreement between three of the respondents (SASSETA, SAQA and QCTO). Future litigation costs are estimated to amount to R900 000.00, one-third of which is assumed by SASSETA (R300 000.00).

10 South African Professional Firearms Trainers Council // QCTO & SASSETA (Case No. 2024-097482)

This case involved an urgent application to interdict the development of skills programmes by SASSETA and the QCTO relating to the training of firearm users and to find the CEO's of SASSETA and the QCTO in contempt of court. The application was struck from the roll for lack of urgency. The matter was thereafter enrolled in the normal course and was heard on 24 April 2025. Judgment was reserved and is still outstanding. Urgent application: Complete. Strick from the roll for lack of urgency. Application in the normal course: Prospects of success are reasonable. There is a two-way fee-sharing agreement between two of the respondents (SASSETA and the QCTO). Future litigation costs / advice are estimated to amount to R500 000.00, half of which is assumed by SASSETA (R250 000.00).

16.2 First Time Employer registrations

The Skills Development legislation allows for an employer, registering for the first time, 6 months to submit an application for mandatory grants.

The employer grant reserve carries accumulated reserves allocated to mandatory grants (employer grants) expenditure in future years. An amount of R106.0 thousand (2023/24: R483.1 thousand) is disclosed in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date and new scheme year levies received for the period ending 31 March.

The amount is contingent on the number of submissions received and approved.

16.3 Surplus Funds

Cash surplus

In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain cash surpluses that were realized in the previous financial year without obtaining the prior written approval of National Treasury. National Treasury Issued Instruction No.12 of 2020/21 further defines what constitutes cash surplus. There was no cash surplus to surrender in the current year.

The SASSETA was granted approval by the Minister of Higher Education, Science and Innovation in terms of the Skills Development Act to retain the cash surplus of R645.2 million (Restated: R646.3 million) for the 2023/24 financial year.

Net cash surplus for the year ended 31 March 2024 amounts to R709.0 million, in line with Annexure A of the National Treasury Instruction 12 of 2020/21 and the Skills Development Act.

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	2024/25	Restated 2023/24
	R'000	R'000
Cash and cash equivalents at the end of year	829,668	761,746
Add: Receivables	13,219	13,263
Less: Current liabilities	(133,733)	(128,697)
Net cash surplus	709,154	646,312

17 COMMITMENTS

As at 31 March 2025, SASSETA had discretionary grant reserves of R710.2m to utilize against a definite pivotal/non-pivotal commitment closing balance of R698.1m.

PIVOTAL

A. Definite

Definite commitment represents all commitments with valid contracts/extension/addendums.

Project classification	Adjusted opening balance: 1 April 2024	Subsequent adjustment to the initial contract amount	New projects in 2024/25	Annual expenditure	Write back/sav- ings and cancellations	Closing balance: 31 March 2025
Adult Education & Training	40	-	-	-	(40)	-
Artisan	84,988		25,692	(27,232)	(3,549)	79,900
Bursaries - Employed	18,613		8,635	(4,789)	(9,422)	13,037
Bursaries - Unemployed	64,455		33,740	(25,153)	(17,694)	55,348
Candidacy	53,786		23,945	(38,070)	(3,201)	36,460
Internship Graduate Placement	116,602		90,066	(51,604)	(19,005)	136,059
Learnership - Employed	19,704		26,696	(12,366)	(3,247)	30,787
Learnership - Unemployed	71,641		137,618	(65,194)	(15,469)	128,595
Recognition of Prior Learning	2,302		1,200	(1,896)	(124)	1,482
Skills Program - Employed	8,515		11,419	(13,428)	(1,180)	5,326
Skills Program - Unemployed	4,968		990	(4,879)	(281)	798
TVET Graduate Placement	58,211		89,085	(48,987)	(4,772)	93,536
University of Technology Placement	4,005		5,976	(8,245)	(390)	1,346
	507,828	-	455,062	(301,843)	(78,374)	582,673

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B. Not Definite

Not Definite Commitment is represented by the following instances:

- Award based on offer to contract accepted by the 3rd party
- Extension of time not yet signed by all parties

Project classification	Adjusted opening balance: 1 April 2024	Subsequent adjustment to the initial contract amount	New projects in 2024/25	Annual expenditure	Write back/savings and cancellations	Closing balance: 31 March 2025
Artisan			1,031	-		1,031
Bursaries - Unemployed			10,400	-		10,400
Internship Graduate Placement			660	-		660
Learnership - Employed			1,850	-		1,850
Learnership - Unemployed			5,668	-		5,668
Skills Program - Unemployed			1,562	-		1,562
			-	-		
		-	21,171	-		21,171
Total: definite/not definite commitment	507,828	-	476,233	(301,843)	(78,374)	603,845

NON-PIVOTAL

A. Definite

Definite commitment represents all commitments with valid contracts/extension/addendums.

Project classification	Adjusted opening balance: 1 April 2024	Subsequent adjustment to the initial contract amount	New projects in 2024/25	Annual expenditure	Write back/savings and cancellations	Closing balance: 31 March 2025
Non-Pivotal	57,025	-	73,066	(22,358)	(15,299)	92,434
	57,025	-	73,066	(22,358)	(15,299)	92,434

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for the year ended 31 March 2025

B. Not Definite

Not Definite Commitment is represented by the following instances:

- Award based on offer to contract accepted by the 3rd party
- Extension of time not yet signed by all parties

Project classification	Adjusted opening balance: 1 April 2024	Subsequent adjustment to the initial contract amount	New projects in 2024/25	Annual expenditure	Write back/savings and cancellations	Closing balance: 31 March 2025
Non-Pivotal	3,706		1,836		(3,706)	1,836
	3,706	-	1,836	-	(3,706)	1,836
Total: definite/not definite commitment	60,730	-	74,902	(22,358)	(19,005)	94,270
Overall total commitment balance						698,115

18 MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

18.1 Irregular Expenditure and Fruitless and Wasteful Expenditure

	2024/25 R'000	2023/24 R'000
Irregular expenditure	1,358	1,256
Fruitless and wasteful expenditure	-	-
Closing Balance	1,358	1,256

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for the year ended 31 March 2025

18.2 Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

Incidents 2024/25	Description	Disciplinary steps taken/ Criminal Proceedings	2024/25	2023/24
			R'000	R'000
Non-compliance regarding appointment of members of the Accounting Authority	The irregular expenditure incurred in the current year is as a result of non-compliance by the DHET in the appointment of certain Accounting Authority members. SASSETA suffered no losses. The implementation of the outcome and recommendations subsequent to conclusion of the determination test will also be managed by the DHET. This did not result in fraudulent, corrupt or any criminal conduct.	No official should be subjected to disciplinary action.	1,358	1,210
Non-compliance with supply chain process regarding appointment of service provider	The irregular expenditure incurred in the current year is as a result of procurement process not adhered to as service provider could not provide tax clearance certificate. Appointment was based on a Deviation. SASSETA suffered no losses and all funds have been refunded. This did not result in fraudulent, corrupt or any criminal conduct.	No official should be subjected to disciplinary action.	-	46
			1,358	1,256

Restatement of opening balances

Irregular expenditure confirmed in current year relate to the current year only and therefore there was no need for restatement of opening balances.

The details regarding opening balances and additional information is recorded in the PFMA Compliance section of the annual report.

Impracticability Judgment

There were no incident or situation which gave rise to the impracticability of any contracts

19 PRIOR YEAR ERRORS

Prior period error is due to correcting various accounting transactions in 2023/24 financial year. The net impact in the Statement of Financial Performance is R1.16 million.

The impact is narrated below but not limited to:

Administration expense

- Increase of last financial year municipal rates recovered by service provider in the current year - R86.04 thousand
- Increase of retrospective recognition of support and maintenance - Dataproof - R323.40 thousand
- Decrease due retrospective recognition of software license purchased - R700.69 thousand

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- Increase of last financial year municipal rates recovered by service provider in the current year - R11.42 thousand
- Increase due to retrospective recognition of medical aid for staff members - R0.08
- Increase in depreciation retrospectively accounted for - R77.39 thousand
- Decrease in equipment lease rental which is a prepayment - R12.90 thousand

Employer grant and project expenses

- Decrease due to retrospective correction of accruals on various DG programs - R1.072 million
- Increase due to correction of non pivotal programme paid in current period - R125.77 thousand

Trade and other payables: non exchange transactions

- Decrease due to retrospective correction of accruals on various DG programs - R1.07 million
- Decrease due to retrospective correction of non-pivotal payment made in current year - R125.77 thousand

Trade and other payables: exchange transactions

- Increase of last financial year municipal rates recovered by service provider in the current year - R86.04 thousand
- Increase of last financial year municipal rates recovered by service provider in the current year - R11.42 thousand
- Increase due to retrospective recognition of medical aid for staff members - R0.08

Trade and other receivables: exchange transactions

- Decrease of retrospective recognition of prepaid support and maintenance - Dataproof - R323.40 thousand
- Increase due retrospective recognition of support and maintenance software purchased - R565.16 thousand
- Increase due retrospective recognition of prepayment for lease of shredder - R12.90 thousand

Intangible Assets

The increase of R58.14 thousand relate to computer software license acquired

Impact on the Statement of Financial Performance

Surplus/(deficit) as previously stated	42,826
	1,161
Decrease discretionary grant expenditure	946
Decrease in administration expenditure	215
Adjusted (surplus)/deficit	43,987

Impact on the Statement of Financial Position

	1,161
Decrease accounts payable - non exchange	946
Increase accounts payable - exchange	(98)
Increase accounts receivable - exchange	255
Increase in intangible assets	58

Reserves

	(1,161)
Increase in administration reserve	(58)
Increase in discretionary reserve	(1,103)

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20 RISK MANAGEMENT

Interest rate risk

The Seta manages its interest rate risk by effectively investing Seta surplus cash in short term deposits with different financial institutions according to the Seta's investment policy. SASSETA invest in fixed interest rate. The SETA limits its counter - party exposure by only dealing with well-established financial institutions approved by National Treasury. The SETA's exposure is continuously monitored by the Chief Financial Officer. Credit risk in respect of South African Revenue Services (SARS) is limited as it is a government entity of sound reputation.

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

	Floating rate		Non-interest bearing	Total R'000
	Amount R'000	Effective interest rate	Amount R'000	
Year ended 31 March 2025				
Cash	829 668	8.06%	-	829,668
Trade and other receivable - exchange	-		5,020	5,020
Total financial assets	829 668		5 020	834 688
Trade and other payables - exchange	-		11,255	11,255
Trade and other payables - non-exchange	-		91,297	91,297
Total financial liabilities	-		102 552	102 552
Year ended 31 March 2024				
Cash	761 746	8.06%	-	761,746
Trade and other receivable - exchange	-		5,936	5,936
Total financial assets	761,746		5,936	767,681
Trade and other payables - exchange	-		14,424	14,424
Trade and other payables - non-exchange	-		92,360	92,360
Total financial liabilities	-		106 784	106 784

Credit risk

Financial assets which potentially subject the Seta to the risk of non-performance by counter parties and thereby subject the SETA to credit concentration of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA's concentration's of credit risk is limited to the Safety and Security sector in which it operates. No events occurred in the Safety and Security industry during the financial period that may have an impact on the accounts receivable that has not been adequately provided for. The SETA is exposed to a limited concentration of the credit risk, as significant amounts are owed by SARS. This concentration of risk is limited, as SARS is a government entity with a good reputation.

The SETA managed to limit its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of our investment policy in terms of Treasury Regulations. The credit ratings of the financial institutions holding the SETA's bank balances and short term investments is regularly assessed. The SETA's exposure is continuously monitored by the finance committee. Credit risk with respect to levy paying employers is

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limited due to the nature of the income received. The SETA does not any material exposure to any individual or counter-party. The SETA's concentration of credit risk is limited to the industry (Safety and Security industries) in which the SETA operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivables that has not been adequately provided for. Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counter-party. The SETA's concentration of credit risk is limited to the industry (Policing, Security, Legal, Corrections, and the Justice department) in which the Seta operates. No events occurred in the industry (Policing, Security, Legal, Corrections, and Justice department) during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt.

The ageing of trade and other receivables - exchange:

Not past due
Past due 0 - 30 days
Past due 31 - 90 days
Past due 90 and above

2024/25		2023/24	
Gross	Impairment	Gross	Impairment
-	-	-	-
1,742	-	2,657	-
-	-	-	-
3,278	-	3,278	-
5,020	-	5,935	-

The ageing of cash and cash equivalents:

Not past due

2024/25		2023/24	
Gross	Impairment	Gross	Impairment
829 668	-	761 746	-

Liquidity risk

The Seta manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are also maintained. In case of liquidity problems funding resources are available in terms of DHET and National Treasury approval for borrowing requirements in the open market.

The ageing of trade and other payables exchange:

Not past due
Past due 0 - 30 days
Past due 31 - 90 days
Past due 90 and above

2024/25		2023/24	
Gross	Impairment	Gross	Impairment
-	-	-	-
10,339	-	13,507	-
-	-	-	-
917	-	917	-
11,255	-	14,424	-

The ageing of trade and other payables non-exchange:

Not past due
Past due 0 - 30 days
Past due 31 - 90 days
Past due 90 and above

2024/25		2023/24	
Gross	Impairment	Gross	Impairment
-	-	-	-
91,297	-	93,306	-
-	-	-	-
-	-	-	-
91,297	-	93,306	-

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

Fair values

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

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Seta and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximate their fair value.

Accounts receivable

The carrying amount of accounts receivable is net of allowance for any doubtful debt, estimated by the accounting authority based on prior experience. The carrying amount of these assets approximates their fair value.

Investments

The fair value of debt securities is determined using the discounted cash flow method (only if applicable). The fair value of publicly traded investments is based on quoted market prices for those investments.

Borrowings

The fair value of interest-bearing borrowings is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (only if applicable). The fair value of the interest-bearing borrowings with variable interest rates approximates their carrying amounts.

Accounts payable

The carrying amount of account and other payables approximates fair value due to the relatively short-term maturity of these financial liabilities.

21 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

21.1 Controlling entity:

Department of Higher Education and Training (DHET)

SASSETA has been established by the Department of Higher Education and Training (DHET) in terms of the Skills Development Act no. 97 of 1998. The Minister of Higher Education and Training is the executive authority of SASSETA. SASSETA is ultimately controlled by the DHET. It is therefore related to all other entities within the DHET. SASSETA is funded by levies collected by SARS. SARS transfers all levies collected to the DHET, and DHET then split and distributes the levies to each respective SETA and the NSF. Outstanding balances at year-end amounted to R nil (2023/24: R nil).

21.2 Entities under common control

21.2.1 The Quality Council for Trades and Occupations (QCTO)

The Quality Council for Trades and Occupations (QCTO) is a Quality Council established in terms of the Skills Development Act (Act 97 of 1998), and therefore under the common control of the DHET with SASSETA.

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The annual contributions by the SETAs are determined in advance by the Minister, and such amount should not exceed the legislated limit of 0.5% of annual levies. The legal mandate of SETAs provides for the SETAs to contribute part of the skills development levies collected towards funding the work of QCTO. Outstanding balances at year-end amounted to R nil (2023/24: R nil).

21.2.2 Public Universities, Technical and Vocational Education and Training (TVET) and Central Education and Training (CET) Colleges

Transactions between SASSETA and public universities and TVETs occur within: supplier and recipient relationship on terms and conditions no more or less favourable than those to those which it is reasonable to expect SASSETA to have adopted if dealing with the public universities and TVETs in the same circumstances, and the normal operating parameters established by SASSETA's legal mandate.

21.2.2.1 Public Universities

Public universities and SASSETA are commonly controlled by the DHET. As part of its legal mandate, SASSETA frequently enter into agreements with public universities as they are education providers. These agreements promote learning programmes by among others, providing academic learning in the form of bursaries.

The following are outstanding balances between SASSETA and public universities:

	2024/25	2023/24
	R'000	R'000
Accrual	(2 707)	(8 075)
Payable	(10 574)	(5 607)
	(13 281)	(13 682)

21.2.2.2 TVET Colleges

TVET colleges and SASSETA are commonly controlled by the DHET. As part of its legal mandate, SASSETA frequently enter into agreements with TVET colleges as they are education providers. These agreements promote learning programmes by among others, providing academic learning and workplace practical experience including TVET placement initiatives.

The following are outstanding balances between SASSETA and TVET colleges:

	2024/25	2023/24
	R'000	R'000
Accrual	(5 768)	(6 762)
Payable	(17 560)	(13 582)
	(23 328)	(20 344)

21.2.2.3 CET Colleges

CET colleges and SASSETA are commonly controlled by the DHET. As part of its legal mandate, SASSETA enter into agreements with CET colleges as they are education providers. These agreements promote learning programmes by among others, providing academic learning and workplace practical experience including CET placement initiatives.

The following are outstanding balances between SASSETA and CET colleges:

	2024/25	2023/24
	R'000	R'000
Accrual	(918)	(230)
Payable	-	-
	(918)	(230)

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21.2.3 Other SETA's

Section 9 of the Skills Development Act (Act 97 of 1998) established twenty-one (21) SETAs, including SASSETA. All these SETAs are under the common control of the Department of Higher Education and Training

The Skills Development Levies Act (No. 9 of 1999) allows for a jurisdiction reclassification of employers. When an employer is reclassified, their contribution of Skills Development Levy becomes payable to the new SETA effective from the date of transfer. The previous SETA must now pay over the levies contributed by the transferring employer over to the new SETA

The transfers between SETAs occur within:

- the normal operating parameters established by SASSETA's legal mandate, and
- on terms and conditions that are no more or less favourable than those which it is reasonable to expect SASSETA to have adopted in its operations.

On 31 March 2025, the following balances were outstanding between SASSETA and other SETAs

	2024/25	2023/24
	R'000	R'000
CETA	12	12
MICT Seta	-	30
	12	42

21.3 Remuneration of Key Management

The key management personnel (as defined by GRAP 20, Related Party Disclosures) of the SETA are:

- Members of the accounting authority
- Members of the senior management group.

Name	Total salary	2024/25			2023/24	
		R'000			R'000	
		Performance bonuses	Employer contributions	Other benefits	Total	Total
Mdontswa, T (CEO)	2,678	176	24	101	2,979	2,820
Diale, I (CFO)	2,404	158	51	130	2,743	2,512
Amod, J	2,030	133	40	44	2,247	2,207
Memela, V	2,030	133	72	73	2,308	2,130
Ngwenya, S	-	-	-	-	-	1,261
	9,142	600	187	348	10,277	10,931

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21.4 SASSETA Accounting Authority Remuneration

	2024/25			2023/24
	R'000			R'000
	Meeting Allowance	Tools of Trade	Total	Total
Mudau, M (Chairperson)	418	23	441	415
Tshilambavhumwa, N	409	23	432	228
Moyo, K	379	23	402	384
Luzipho, N	365	23	388	281
Zulu, B	357	-	357	250
Pakati, Z	307	23	330	283
Mashoene, F	305	23	328	316
Tsundzuka, M	303	23	326	289
Conradie, S	247	23	270	61
Mashau, N	231	23	254	272
Molefe, M	161	23	184	23
Majozi, M	128	23	151	183
Mphela, R	-	6	6	23
	3,609	259	3,869	3,008

The term of the current Accounting Authority ended on 31 March 2025.

21.5 Audit Committee Remuneration

The fees were paid to the audit committee members for preparation and attendance of the audit committee meetings including other sub-committees.

	2024/25			2023/24
	R'000			R'000
	Meeting Allowance	Tools of Trade	Total	Total
Mushwana, P	-	-	-	179
Pillay, M	-	-	-	140
Gutshwa, B	242	8	251	174
Docrat, F (Chairperson)	370	8	378	-
Nkanyane, H	282	8	291	-
	894	25	919	494

In accordance with the entity's governance framework and in compliance with PFMA disclosure requirements, the following changes to the committee membership occurred during the reporting period:

The term of office for Mr. Pillay and Ms. Mushwana ended on 31 March 2024. On 24 April 2024, Mr. Docrat and Mr. Nkanyane were appointed to the committee and Mr. Docrat was elected as the Chairperson of the committee. Furthermore, Mr. Gutshwa was re-appointed to continue serving on the committee.

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21.6 Chamber Committee Remuneration

	2024/25			2023/24
	R'000			R'000
	Meeting Allowance	Tools of Trade	Total	Total
Justice				
Adonis, C	40	8	48	67
Tshoke, E	40	-	40	48
Van Loggenberg, D	47	8	55	60
	127	15	142	174
Police				
Gossmann, L	40	8	48	60
Maphalala, V	-	8	8	8
Maponyane, K	44	8	52	75
Mokokong, V	40	8	48	48
Ntsime, P	40	8	48	60
Tundzi, T	40	8	48	60
	205	46	251	310
Legal				
Badela, G	42	8	49	60
Gladwin-Wood, C	28	8	36	57
Murugan, A	40	8	48	51
Singh, J	40	8	48	44
	150	31	180	211
Corrections				
Frede, F	36	8	44	66
Gadisa, T	43	8	50	68
Marimani, X	40	8	48	64
	119	23	142	198
Private Security				
Bhembe, M	40	8	48	48
Hlatshwayo, B	40	8	48	60
Mashigo, A	32	8	40	52
Ntshangase, V	43	8	50	68
Ralioma, I	20	8	28	24
Ramambila, V	48	8	56	60
	223	46	269	311
	823	161	985	1,204

The term of the Chamber Committee members ended 31 March 2025.

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Aggregated governance remuneration

Number of personnel

2024/25	2023/24
R'000	R'000
5,773	4,706
38	38

21.7 Close member of the family of a member of management

One of the beneficiaries in a SASSETA funded artisan programme awarded to a provincial government department and implemented through a Technical and Vocational Education and Training (TVET) college is a relative of a member of the SASSETA management. The duration of the programme is 3 years and learners are entitled to a conditional monthly stipend of R3 500.00. The evaluation and award of the project was subjected to processes prescribed by the Discretionary Grant Policy. Furthermore, the recruitment and selection process of learners to the programme was administered independently by the Training Provider with no influence from SASSETA.

Accrual

Payable

2024/25	2023/24
R'000	R'000
-	-
(7)	-
(7)	-

22 NEW ACCOUNTING PRONOUNCEMENTS

GRAP Standards Approved and Not Yet Effective

At the date of authorisation of these Annual Financial Statements, the following Standards, Directives and Interpretations were in issue but not yet effective:

GRAP No	Title	Effective date	Impact on entity
GRAP 1	Amendments to Presentation on Financial Statements (going concern)	No effective date	No material Impact
GRAP 103	Heritage Assets	No effective date	No material Impact
GRAP 104	Financial Instruments	01 April 2025	No material Impact
GRAP 105	Transfer of Functions Between Entities Under Common Control	No effective date	No material Impact
GRAP 106	Transfer of Functions Between Entities Not Under Common Control	No effective date	No material Impact
GRAP 107	Mergers	No effective date	No material Impact
Improvements to Standards of GRAP 2023	Improvements to Standards of GRAP	No effective date	No material Impact
IGRAP 22	Foreign Currency Transactions and Advance Considerations	01 April 2025	No material Impact

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23 BUDGET DIFFERENCE

NOTES

23.1 Skills Development Levy Income:

- Private levies received exceeded the budget with R13.3m. There was an increase of the number of companies contributing levies in current year.
- Penalty and interest on SDL was R2.5m below the budget. This relate to levies due not paid over by employers which get collected by SARS.
- Contributions from government departments exceed the budget with R753.0 thousand. Four government departments can only afford to contribute on the 10% basis. Seven (7) government organs contributed at 30% basis, although contributions from three (3) organs is less than R2m combined.
- Other income refer to mandatory grants received for WSP's and ATR submitted

23.2 Investment Income:

- All SASSETA reserved funds is invested with The Corporation for Public Deposits. The average rate of return on investment is 8.06%.
- Late servicing of commitment/projects resulted that there were sufficient cash reserves for longer term investments.
- Monthly cash forecasting techniques assisted in determining the monthly required cash.

23.3 Administration Expenditure:

- Though cost containment was adhered to administration expenditure was R15.3m below budget. Key expenditure which impacted administration expenditure:
 - Automisation the ICT infrastructure and software systems was delayed and will be implemented in place new financial year
 - Upgrade the security systems still to be addressed
 - Filing and Archiving contract contract has been reduced due the certain components not required set aside
 - Stipend disbursement and management solutions still to be implemented,
 - Conflict of interest and CAATS projects was reduced in current year

23.4 Mandatory Grant:

- Mandatory grant expenditure exceed the approved budget by R1.8m. The payments is based on WSP's submitted.
- Any unutilised amount will be transferred to discretionary grant revenue.

23.5 Project/discretionary spending:

- All awarded projects were subject to the LPERC evaluation and adjudication process.
- Late advertisement of funding windows resulted in late awarded and implementation of projects.
- discretionary grant expenditure was driven by the servicing of commitments that were awarded at the later part of 2023/24 financial year.
- Project expenditure amount to R330.2m which was R35.4m below budget.
- Included in the R330.2m is R22.4m for non-pivotal and R4.2m used for project administration expenditure.
- SASSETA also had co-funded projects where possible.

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23.6 Surplus/(Deficit):

- SASSETA' operating surplus for the year amounted to R62.5m when compared to a restated surplus of R43.9m in the prior year.

23.7 Budget revision

- SASSETA revenue split exercise was enforced by the following guiding documents:
 - HR Directive 1 of 2013
 - Guidelines on public service as a training space
- Investment income was to change significantly based on the new investment technique.
- Information relating to government contributions became available at a later stage.

24 GOING CONCERN

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

The financial statements have been prepared on the going concern basis, as SASSETA does not see any reason to significantly curtail its operations in the foreseeable future and the entity will continue to operate as a going concern till 31 March 2030. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The future existence and landscape of the SETA's after the above date will be based on a proclamation by the Minister of Higher Education and Training based on the future National Skills Development Plan landscape.

25 SUBSEQUENT EVENTS

There were no subsequent events for this reporting period

ABBREVIATIONS

AGM	Annual General Meeting
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CET	Community Education and Training College
CFO	Chief Financial Officer
CGICTPF	Corporate Governance of Information, Communication and Technology Policy Framework
COBIT	Control Objectives for Information and Related Technologies
DHET	Department of Higher Education, and Training
EISA	External Integrated Summative Assessment
GBV	Gender-based Violence
GRAP	Generally Recognised Accounting Practice
HEI	Higher education institutions
HVAC	Heating, Ventilation, Air-Conditioning
ICT	Information Communications Technology
IMIS	Integrated Management Information System
ISO	International Standards Organisation
ITIL	Information Technology Infrastructure Library
KMS	Kalideen Management Services
LLB	Bachelor of Laws
LPC	Legal Practice Council
LSSA	Law Society of South Africa
MTEF	Medium-Term Expenditure Framework
MDP	Medium-Term Development Plan
NEET	Not in Education, Employment, or Training
NICRO	South African National Institute for Crime Prevention and the Reintegration of Offenders.
NQF	National Qualifications Framework
NSDP	National Skills Development Plan, 2030
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
POP	Public Order Police
PSET	Post-School Education and Training
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SAPS	South African Police Services
SAQA	South African Qualifications Authority
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification

SIHIP	SETA Integrated High-Impact Projects
SLA	Service level agreement
SMME	Small, medium and micro-enterprises
SOC	Security Operations Centre
SSP	Sector Skills Plan
TUT	Tshwane University of Technology
TVET	Technical Vocational Education and Training
WSP	Workplace Skills Plan
vCISO	Virtual Chief Information Security Officer

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Building 2, Waterfall Corporate Campus
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